



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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king fook holdings limited  
景福集團有限公司

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 1. ABOUT THIS REPORT

King Fook Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group” or “us”) are delighted to present our annual Environmental, Social and Governance (“ESG”) Report (the “Report”). This Report outlines the Group’s ESG policies, initiatives, and performance, providing stakeholders with a clear understanding of our progress and strategic direction across various ESG aspects.

### 1.1 Reporting Scope and Boundary

This Report offers a detailed account of the Group’s ESG achievements from 1 April 2022 to 31 March 2023 (the “reporting year”), covering the operation of all jewellery stores and offices in Hong Kong and China, unless otherwise specified<sup>1</sup>. There were no significant changes in the scope and boundaries of reporting compared to the previous reporting year. For the purpose of reporting environmental data, only operations in Hong Kong are included<sup>2</sup>.

### 1.2 Reporting Standards and Principles

#### 1.2.1 Reporting Guidelines

This Report is 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEX”).

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<sup>1</sup> Our non-operating subsidiaries are excluded from the reporting boundary as they do not have a direct impact on the Company’s operations or sustainability issues.

<sup>2</sup> This arrangement is based on the consideration that we have only two employees working remotely in China, and compared to the scale of our Hong Kong operations, their contributions to the overall environmental impact is minimal.

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## 1.2.2 Reporting Principles

To ensure the quality and accuracy of the information disclosed in this Report, the Group has followed the four reporting principles set forth in the ESG Guide, which include:

<b>Materiality</b>	The Group conducted a materiality assessment during the reporting year to identify its most significant aspects. The Board of Directors of the Company (the “Board”) confirmed these material aspects. For additional information, please refer to the “Materiality Assessment” section of this Report.
<b>Quantitative</b>	Whenever applicable, the Group has documented and disclosed key performance indicators (“KPIs”) in quantitative terms. This Report also provides information on the standards, methodologies, assumptions, and conversion factors used for calculating environmental data.
<b>Balance</b>	This Report discloses both positive and negative performances in an impartial manner, ensuring that the content and data remain unbiased.
<b>Consistency</b>	The approach for preparing this Report remains substantially consistent with the previous year. Any changes in the reporting scope and calculation methodologies are disclosed where applicable.

## 1.3 Independent Assurance

This Report has been verified by an independent third party, Business Environment Council, to ensure its accuracy and completeness and to verify its adherence to the reporting guidelines.



**BUSINESS  
ENVIRONMENT  
COUNCIL**  
商界環保協會

Assurance Statement Reference:



**AA1000**  
Licensed Report  
000-890/V3-ZS993

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## INDEPENDENT ASSURANCE STATEMENT

**To: The Stakeholders of KING FOOK HOLDINGS LIMITED**

### *Objectives*

Business Environment Council Limited (“BEC”) has been engaged by KING FOOK HOLDINGS LIMITED (“King Fook”) to conduct an independent assurance of its Environmental, Social and Governance (“ESG”) Report 2023 (the “Report”). This Assurance Statement applies to the related information included within the scope of work described below.

### *Scope*

The assurance process was conducted in line with the requirements of the AA1000 Assurance Standard (AA1000AS v3), Type 2 – AccountAbility Principles, and Performance Information engaged. The scope of work included:

- Data and information included in the Report from 1 April 2022 to 31 March 2023;
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported;
- Evaluation of the Report against the main principles of the AA1000 Accountability Principle (2018) – Inclusivity, Materiality, Responsiveness, and Impact; and
- Evaluation of the Report against the principles of Materiality, Quantitative, Balance, and Consistency, as defined in the Environmental, Social and Governance Reporting Guide (the “Reporting Guide”) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEX”).

The levels of assurance have been applied as high-level assurance.

### *Methodology*

As part of its independent assurance, BEC undertook the following activities:

1. Interview with relevant personnel of King Fook;
2. Review of documentary evidence produced by King Fook with a sampling basis;
3. Review performance data listed in the Report with a sampling basis; and
4. Review of King Fook systems and processes for collecting, collating, and reporting sustainability performance data.

Our work was conducted against BECs’ standard procedures and guidelines for external assurance of sustainability reports, based on current best practices in independent assurance.

The work was planned and carried out to provide reasonable, rather than absolute assurance and we believe it provides a reasonable basis for our conclusions.

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## *Independence and Competencies*

King Fook is responsible for the preparation of the Report. BEC does not involve in calculating, compiling, or in the development of the Report. BEC verification activities are independent of King Fook.

BEC's Conduct and Ethics is in place across the business to maintain high ethical standards among staff in their day-to-day business activities. BEC is particularly vigilant in the prevention of conflicts of interest. No member of the team has a business relationship with King Fook, its Directors, or its Managers beyond that required of this assignment. BEC has conducted this verification independently, and there has been no conflict of interest. The team has extensive knowledge of environmental, social, ethical, and health and safety information, systems, and processes, has over years of combined experience in this field, and has an excellent understanding of BEC's standard methodology for the assurance of sustainability reports.

## *Limitations*

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period; and
- Positional statements (expressions of opinion, belief, aim, or future intention by King Fook) and statements of future commitment.

This independent statement should not be relied upon to detect all errors, omissions, or misstatements that may exist within the Report.

## *Conclusions*

Based on the mentioned methodology and the activities above, it is BEC's opinion that:

- The information and data included in the Report are accurate, reliable, and free from material mistakes or misstatements;
- The Report provides a fair representation of King Fook's activities over the reporting period;
- The information is presented in a clear, understandable, and accessible manner, and allows readers to form a balanced opinion over King Fook's performance and status from 1 April 2022 to 31 March 2023;
- The Report properly reflects the organisation's alignment to and implementation of the AA1000 Assurance Standard (AA1000AS v3) principles of Inclusivity, Materiality, Responsiveness, and Impact in its operations. Further detail is provided below;
- King Fook has established appropriate systems that it covers environmental and social Key Performance Indicators (KPIs) for the collection, aggregation, and analysis of relevant information.

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## *Alignment with the principles of AA1000 Accountability Principle (2018)*

### *Inclusivity*

King Fook has processes in place for engaging with key stakeholders including socially responsible shareholders, customers, contractors/vendors, industry associations and professional bodies, employees, and legal authorities/government; and has undertaken stakeholder engagement activities in 2023 covering a range of material topics.

### *Materiality*

The Report addresses the range of ESG issues of concern that King Fook has identified and prioritised the list of material issues. The identification of material topics has considered the updates from local and international reporting standards, internal discussion and validation, benchmarks ESG approach against local peers.

### *Responsiveness*

King Fook is responding to those issues it has identified as material and demonstrates this in its policies, objectives, indicators, and performance targets. The reported information can be used by the organisation and its stakeholders as a reasonable basis for their opinions and decision-making.

### *Impact*

King Fook's management system can monitor, measure and be accountable for how their actions affect their broader ecosystems.

### *HKEX ESG Reporting Guide Structure*

King Fook does fully provide the information to achieve HKEX's ESG Reporting Guide, and the performance indices do correspond and can be cross-referenced to the content of the Reporting Guide.

**Date: 19 June 2023**

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 2. SUSTAINABILITY AT KING FOOK

### 2.1 Establishing a Robust Sustainability Governance Structure

Understanding the crucial role that a solid governance structure plays as the foundation for our sustainability direction and strategies, the Group is devoted to enhancing our ESG governance and incorporating the concept of sustainability into our corporate governance and risk management. The Board is ultimately responsible for overseeing our sustainability strategy and reporting, as well as material ESG issues.

The Board is also accountable for assessing and determining the Group's ESG-related risks and opportunities, ensuring that appropriate and effective ESG risk management and internal control systems are in place. In our continuous effort to strengthen our ESG governance, we have established an ESG Committee led by an executive director of the Company. This committee, which recently added an independent non-executive director of the Company as a member, is composed of the Group's Chief Executive Officer and the ESG Workgroup, formed by staff representatives. The ESG Committee convenes at least once a year to evaluate and advise on the effectiveness of the Group's sustainability strategy and policies, and report to the Board on its activities.

The ESG Workgroup, a subordinate entity of the ESG Committee, is responsible for providing regular progress updates to the Board and management, coordinating the preparation of annual ESG Reports, and formulating action plans for the Group's ESG-related targets. The Workgroup also conducts benchmarking on our ESG-related emissions with industry peers, assisting the Board in reviewing our progress against set objectives.

To further our commitment to ESG governance, the company secretary of the Company and members of the ESG Committee engage in regular meetings, and the Board actively participates in discussions about ESG, with a primary focus on delivering high-quality products and services to our customers while maintaining a hygienic, safe, and comfortable shopping environment. In addition, we have implemented ESG training, briefings, and meetings with ESG professional service providers, ensuring that our team is well-equipped to advance our sustainability agenda. To enhance the credibility of our ESG reporting, we have also acquired independent assurance for this year's Report, providing an additional layer of confidence for our stakeholders in the accuracy and reliability of our ESG disclosures.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 2.2 Engaging with Our Stakeholders on Sustainability Matters

At the Group, our dedication to creating long-term value for our stakeholders is unwavering. We actively engage with our stakeholders to gain insight into their priorities and expectations in relation to the Group’s ESG performance and future sustainability direction. We have identified key stakeholders who are significantly influenced by or exert an influence on the Group, as well as their core areas of interest.

To foster transparent and effective communication, we have established diverse engagement channels, enabling us to gather valuable feedback from our stakeholders and maintain an open, two-way dialogue. This approach not only strengthens our relationships but also fosters trust with our stakeholders, ensuring that we are attuned to their needs and concerns as we continue to advance our sustainability initiatives.

In the coming year, we remain committed to enhancing our stakeholder engagement efforts and refining our sustainability practices based on the valuable input we receive. By doing so, we believe that we can further solidify our position as a leading jewellery company that is dedicated to ethical business practices, social responsibility, and environmental stewardship.

Stakeholder Groups	Key Interests	Engagement Channels
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>– Planning and Development</li> <li>– Business Continuity Planning</li> <li>– Operational Issues</li> <li>– Financial Situation</li> <li>– After-sales Service</li> <li>– Ethics and Integrity</li> </ul>	<ul style="list-style-type: none"> <li>– Annual and Extraordinary General Meetings</li> <li>– Annual and Interim Results Announcements and Reports</li> <li>– Telephone</li> <li>– Company’s Website/Email</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>– Service Pledge &amp; After-sales Service</li> <li>– Market Information</li> <li>– Shopping Experience</li> <li>– Product Warranty/Enquiry</li> <li>– Legal Compliance</li> <li>– Ethics and Integrity</li> <li>– Offers and Incentives</li> </ul>	<ul style="list-style-type: none"> <li>– Front-line Staff</li> <li>– Customer Service Hotline</li> <li>– Company’s Website/Email</li> <li>– Service Satisfaction Survey</li> <li>– Communication Applications (e.g. WhatsApp)</li> <li>– Social Communication Platforms</li> </ul>

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Stakeholder Groups	Key Interests	Engagement Channels
<b>Contractors/Vendors</b>	<ul style="list-style-type: none"> <li>– Legal Compliance</li> <li>– Financial Situation</li> <li>– Corporate Governance and Internal Controls</li> <li>– Ethics and Integrity</li> <li>– Service Pledge &amp; After-sales Service</li> <li>– Market Information</li> <li>– Staff Remuneration, Benefits and Well-being</li> <li>– Product Enquiry</li> <li>– Environmental Management</li> <li>– Occupational Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>– Regular and Ad Hoc Meetings</li> <li>– Briefings and Workshops</li> <li>– Announcements</li> <li>– E-mail Correspondence</li> <li>– Telephone</li> </ul>
<b>Industry Associations and Professional Bodies</b>	<ul style="list-style-type: none"> <li>– Corporate Governance and Internal Controls</li> <li>– Market Information</li> <li>– Legal Compliance</li> <li>– Ethics and Integrity</li> <li>– Operational Issues</li> <li>– Shopping Experience</li> <li>– After-sales Service</li> <li>– Company Development</li> <li>– Financial Situation</li> </ul>	<ul style="list-style-type: none"> <li>– Participation in Associations/Professional Committees</li> <li>– Regular and Ad Hoc Meetings</li> <li>– Announcements/Memoranda</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>– Business Continuity and Strategic Planning</li> <li>– Corporate Governance and Internal Controls</li> <li>– Environmental Management</li> <li>– Ethics and Integrity</li> <li>– Legal Compliance</li> <li>– Occupational Health and Safety</li> <li>– Operational Issues</li> <li>– Staff Remuneration, Benefits and Well-being</li> </ul>	<ul style="list-style-type: none"> <li>– Regular and Ad Hoc Meetings</li> <li>– Committees and Task Groups</li> <li>– Briefings and Training Workshops</li> <li>– Circulars, Manuals and Policy and Procedure Guidelines</li> <li>– Award and Recognition Schemes</li> <li>– Employee Relation Activities</li> <li>– Performance Appraisal</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

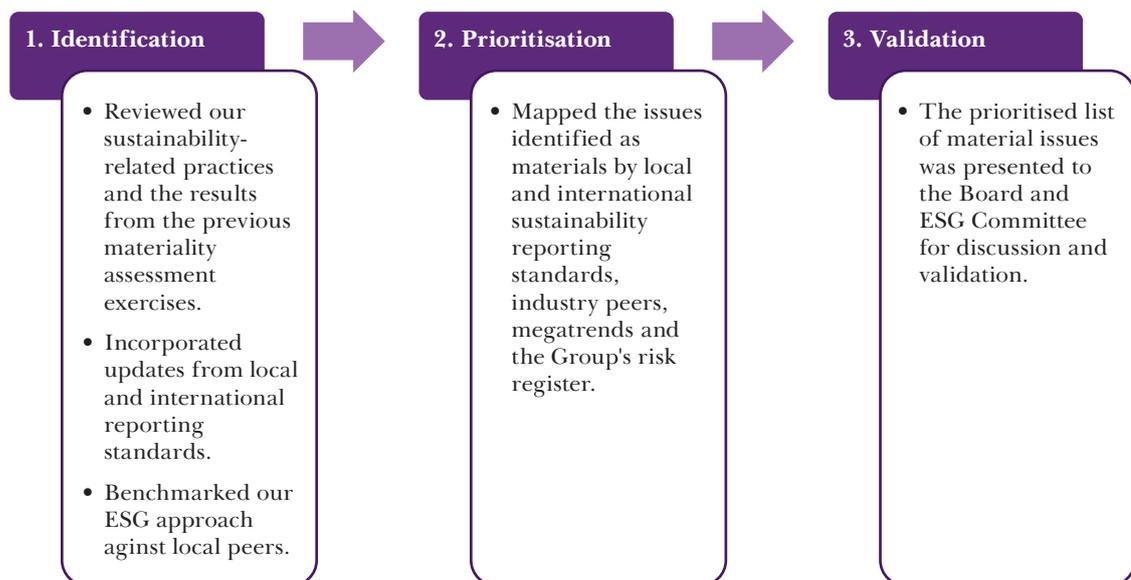
Stakeholder Groups	Key Interests	Engagement Channels
<b>Legal Authorities/ Government</b>	<ul style="list-style-type: none"> <li>– Corporate Governance and Internal Controls</li> <li>– Legal Compliance</li> <li>– Operational Issues</li> <li>– Ethics and Integrity</li> <li>– Financial Situation</li> </ul>	<ul style="list-style-type: none"> <li>– Annual Reports</li> <li>– ESG Reports</li> <li>– Interim Reports</li> </ul>

## 2.3 Materiality Assessment

In our previous year’s ESG report, we presented a list of material topics that informed our strategic ESG priorities. As part of the preparation for this year’s Report, we have undertaken a review of our materiality assessment. To support this process, we engaged an independent consultant who conducted an analysis combining a review of last year’s results and desktop research. The objective of this exercise was to confirm whether the selection and description of material topics remain appropriate or require refinement.

The materiality assessment process is conducted based on the results disclosed in the company’s 2022 ESG report, benchmark our ESG practices against the expectations of local and international reporting standards, the performance of local peers, and assess current trends and challenges faced by the Group.

In addition to the materiality assessment, we also conduct regular ESG risk assessments to understand the risks associated with our operations. This proactive approach enables us to find solutions to minimise risks, and ensure the ongoing mitigation of potential issues.



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The key changes identified compared to the previous year involved splitting the “Customer Experience and Satisfaction” topic into two separate topics: “Service Quality and Customer Satisfaction” and “Data Protection and Cybersecurity.” The rationale for this change is rooted in our desktop research, which indicates that data protection and cybersecurity have become major issues in the luxury industry due to the popularisation of e-commerce.

The pandemic-induced boom in e-commerce prompted the Group to develop an online shopping platform in the recent year, making shopping more accessible for our customers. As we continue to enhance our digital retail channels to increase market share and attract new customers, it is essential to address data protection and cybersecurity concerns more explicitly.

Moving forward, we remain committed to regularly reviewing and updating our materiality assessment, ensuring that our ESG priorities stay aligned with evolving trends and stakeholder expectations. By doing so, we believe we can create greater value for our stakeholders and fortify our position as a sustainability leader in the jewellery industry.

<b>Material issues</b>	<ul style="list-style-type: none"> <li>– Anti-corruption</li> <li>– Ethical Supply Chain and Transparency</li> <li>– Quality Assurance</li> <li>– Service Quality and Customer Satisfaction</li> <li>– Data Protection and Cybersecurity</li> </ul>	<ul style="list-style-type: none"> <li>– Employment Practices</li> <li>– Occupational Health and Safety</li> <li>– Development and Training</li> </ul>	<ul style="list-style-type: none"> <li>– Managing Environmental Footprint</li> </ul>
<b>Corresponding chapter in the Report</b>	Our Value Chain	Our People	Our Environment

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 3. OUR VALUE CHAIN

The Group recognizes that upholding exceptional operational standards throughout our value chain is vital to our success in the luxury goods retail industry and essential for cultivating lasting relationships with customers and business partners. To ensure our commitment to excellence, we focus on four critical areas within our value chain: assuring product quality, delivering high-quality services, sourcing materials responsibly, and ensuring sound business practices. By developing and implementing comprehensive policies and procedures in each of these domains, we not only comply with all relevant laws and regulations but also expect the same level of commitment from our business partners. This unwavering dedication to quality and responsibility helps us succeed in the luxury jewellery market and enhances our reputation as a distinguished and dependable brand.

### 3.1 Assuring Product Quality

Our dedication to providing customers with products that meet the highest standards of safety, quality, and reliability is unwavering. We have implemented a robust quality assurance procedure outlined in our Jewellery Coordination P&P, which includes the responsibilities of relevant staff members and the quality inspection processes.

Although our business primarily focuses on jewellery retail, we have established stringent quality inspection procedures before production to guarantee the delivery of high-quality jewellery items. Upon receiving samples from suppliers, our dedicated quality control officer examines the product sample. If the sample meets our quality requirements, relevant information about the product is passed to senior management for approval before procuring raw materials and delivering them to the supplier for production. If a product sample fails to meet our requirements, it is returned to the supplier for rectification within a specified period.

Moreover, relevant departments are required to verify product information, such as weight, labour cost, and model number, against the supplier's invoice upon receiving goods from suppliers. In case of any discrepancies between the information on the goods and the supplier's invoices, follow-up actions are taken in accordance with the policies and procedures. We also participate in numerous quality certification chambers and conduct regular inspections to ensure our jewellery products meet the highest quality standards.

In the event that any products do not meet safety or quality requirements, we take full responsibility and guarantee to recall all defective products immediately. During the reporting year, the Group had no products sold or shipped subject to recalls for safety and health reasons and had no instances of non-compliance with laws and regulations relating to health and safety concerning products and services.

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## 3.1.1 Recognition for Quality Excellence

We are proud to have been recognized as a Quality Merchant by the Hong Kong Tourism Board for 20 consecutive years, a testament to the exceptional standards upheld by our company. As we continue to grow, we remain steadfast in our pursuit of excellence across all facets of our business, delivering unparalleled quality and customer satisfaction in the luxury jewellery market.



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## 3.2 Delivering High Quality Services

We prioritize exceptional customer experiences as vital to our success and for building lasting relationships. Our commitment to high-quality services focuses on three key aspects: enhancing customer experience, addressing customer complaints effectively, and protecting customer privacy. By excelling in these areas, we aim to surpass customer expectations, nurture trust, and solidify our reputation as a leading luxury jewellery brand that values the satisfaction of our client.

### 3.2.1 Customer Experience

We prioritize our customer-first approach and have established clear guidelines for customer service in Product Responsibility Guideline as outlined in our ESG Policies and Procedures (P&P). To ensure employees are well-versed in our customer service standards, we provide training on topics such as customer service and management skills, product knowledge, communication skills, and customer dispute handling. Furthermore, our “Mystery Shopper Programme” is implemented across all stores to objectively assess service quality and identify areas of strength and improvement.

To protect the health and safety of our customers, we have developed the Business Continuity Planning P&P, which encompass comprehensive contingency plans and disaster recovery strategies for potential emergencies, such as shoplifting, robbery, extreme weather, fire, and accidental injury or illness. Our policy emphasizes risk assessment and prevention and ensures timely documentation of critical business information and processes. Through staff training and periodic re-evaluation of contingency plans, we aim to minimize operational disruptions and maintain customer safety during their visits to our retail stores.

In light of the recurring COVID-19 outbreaks in Hong Kong during the reporting year, the Group has continued to implement stringent epidemic prevention measures. We provide employees with masks and disinfectant supplies, conduct regular store disinfections, and utilize professional air purifiers to ensure proper ventilation. Each store is equipped with temperature screening stations to monitor customer health and offers ultraviolet sterilization services for items such as jewellery, watches, and electronic devices. Our proactive approach to health and safety ensures we adapt to evolving situations and maintain a secure environment for our customers.



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## *3.2.2 Customer Complaint Handling*

We understand that customer feedback plays a crucial role in our ongoing growth and improvement. We prioritize the needs and satisfaction of our customers and have outlined specific actions and handling approaches for various types of complaints and inquiries in our Product Responsibility Guideline. Multiple complaint channels are available for customers to provide their feedback, including telephone hotlines, email, or in-person communication.

When a complaint or inquiry is received, our customer service officers record the relevant details and forward the information to the appropriate department or store for follow-up actions. We also review complaint cases during regular management meetings to identify opportunities for enhancing our service quality.

During the reporting year, the Group received no complaints relating to our products and services. This result reflects our unwavering dedication to maintaining high standards and fostering open communication with our customers to continuously improve our offerings.

## *3.2.3 Customer Privacy Protection*

The protection of customer privacy is among our top priorities. We strictly adhere to the Personal Data (Privacy) Ordinance (Cap. 486) and other relevant laws and regulations concerning privacy matters related to our products and services.

All employees are required to comply with our IT P&P, ensuring the personal data of customers, suppliers, shareholders, job applicants, and other stakeholders is received, held, used, and processed legally and confidentially. We obtain personal information only when necessary, and before acquiring personal data from customers, we clearly inform them of the purpose, use of data, and the class of transferees.

To safeguard confidential customer information, only authorized personnel are granted access to manage such data. These individuals are prohibited from disclosing, selling, or discussing customer information with outside parties, including family members and friends. Employees must also report any offer of money in exchange for customer information to their supervisors immediately. Confidentiality provisions remain applicable to resigned employees, minimizing the risks of data leakage.

To ensure the effective implementation of our privacy policies and monitor data protection, we regularly review employee compliance and address any violations swiftly and appropriately. Anyone who breaches customer privacy obligations is subject to disciplinary action, including termination of employment. This vigilance allows us to maintain our customers' trust and uphold our commitment to safeguarding their privacy.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 3.3 Sourcing Materials Responsibly

We understand that comprehensive and effective supply chain management is crucial for ensuring the quality of our products and services. As customer awareness regarding the responsible sourcing of jewellery products continues to grow, we collaborate closely with our major suppliers to guarantee they adhere to our ethical and sustainability standards, minimizing the environmental and social risks within the supply chain.

### 3.3.1 Supplier Assessment Framework

Our Purchasing Department P&P outlines the Group’s requirements for procurement procedures and supplier evaluation across different products. We follow a transparent and unbiased approach to selecting new suppliers, obtaining multiple quotations for management approval to ensure a fair platform for all potential suppliers. As specified in our Employee Code of Conduct, we process all procurements and tendering fairly, selecting competent and responsible suppliers or contractors while diligently monitoring the process to prevent fraud or misconduct.

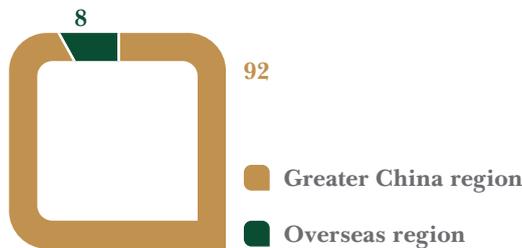
Before establishing formal business relationships, relevant departments evaluate potential suppliers based on operational needs, business status, operating practices, and product characteristics. As a jewellery retailer, the quality of the products procured is vital to our operations; therefore, we also conduct examinations on samples obtained from suppliers before officially engaging with them.

In addition to assessing new suppliers and contractors, the Group evaluates existing ones annually to ensure their product and service quality meet our standards. We consider factors such as capability, reputation, craftsmanship, quality, delivery time, and ESG performance. On-site investigations are also carried out to supplement our assessments. Based on these results, we determine the suitability of continuing the business relationship or exploring alternative procurement solutions if necessary.

If a supplier consistently fails to meet the Group’s standards or is involved in business fraud, we take decisive action to address the situation. We communicate our concerns with the supplier, investigate the matter, and develop a corrective action plan if necessary. We closely monitor their progress and may choose to terminate or suspend the business relationship if they fail to address the issues or are unwilling to cooperate. This approach ensures that our supply chain remains aligned with our ethical and quality standards, maintaining our reputation and fostering trust among our customers and stakeholders.

During the reporting year, we maintained close collaboration with 100 suppliers across the Greater China region and overseas.

### Number of suppliers by geographical region



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## *3.3.2 Sustainable Procurement*

To effectively manage environmental and social risks within our supply chain, we have integrated ESG factors into our periodic supplier assessments. We require suppliers to complete evaluation forms that include questions regarding sustainability standards and business ethics, examining whether they have established environmental management systems, employment policies, and business ethics policies.

Relevant departments must submit copies of these evaluation forms to the ESG Workgroup for regular review. The information provided by the supplier, along with their compliance with our ESG P&P, is considered as a critical factor when determining the suitability of maintaining a business relationship with the Group.

In addition to evaluating ESG factors when selecting suppliers, we actively promote sustainable procurement practices. This involves encouraging the procurement and use of environmentally efficient products throughout our operations. We are committed to sourcing products from suppliers that adhere to responsible mining practices and uphold ethical labour standards.

In our day-to-day operations, we emphasize the importance of energy efficiency and eco-friendly materials. For example, we have implemented LED lighting in our stores and offices, which consume less energy and have a longer lifespan compared to traditional lighting solutions. Additionally, we strive to incorporate sustainable materials in our store fixtures, furniture, and packaging materials.

We also encourage the reduction of single-use plastic by providing reusable water bottles to our employees and promoting their use in our facilities. Through these efforts, we aim to minimize our environmental impact and foster a more sustainable and responsible supply chain.

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## 3.4 Ensuring Sound Business Practices

We are committed to maintaining the highest standards of business practices, which includes fostering a culture of integrity and responsibility. In this section, we will explore three key areas that demonstrate our dedication to upholding ethical business conduct: Anti-corruption, Protection of Intellectual Property Rights, and Responsible Advertising. By prioritizing these aspects, we ensure that our operations are transparent, accountable, and aligned with the best interests of our customers, stakeholders, and the wider community.

### 3.4.1 Anti-corruption

Dedicated to delivering a fair, open, and just business environment, the Group strictly forbids corruption or malpractice of any form in our operations, including bribery, money laundering, extortion, and fraud. We adhere to all relevant laws and regulations, such as the Prevention of Bribery Ordinance (Cap. 201), and have established the Employee Code of Conduct and Staff Handbook to outline professional behaviour and business ethics requirements.

Our Employee Code of Conduct prohibits employees from soliciting benefits from customers, suppliers, or other parties connected to the Group's business. Employees must complete the "Individual Interest Declaration Form" upon joining the company and make annual or periodic declarations as necessary. The Group's Chief Executive Officer reviews these forms and takes follow-up actions on a case-by-case basis.

To strengthen our commitment to anti-corruption, we have provided ICAC Integrity Training for directors in September 2022 and introduced anti-money laundering training materials, Anti-money Laundering and Terrorist Financing P&P for all departments in November 2022.



We have also implemented the Whistle-blowing Policy to provide channels for all relevant parties to report any improper behaviours.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Reporting and Investigation Procedures



- Any relevant parties are encouraged to raise concerns about any suspected impropriety under written confidential cover.
- Reporter details are not required but are encouraged to facilitate the investigation, and such details are kept in the strictest confidence.



- The reported cases will be evaluated by the Audit Committee to determine whether a full investigation is required.
- The Audit Committee will provide a written response after receipt of the report, and request additional information in the course of the investigation whenever necessary.



- Necessary actions include reporting to regulatory bodies, taking disciplinary actions against the staff concerned, and strengthening controls.

In the event of a false report on an anti-corruption case, we handle the situation with discretion and care. We conduct a thorough investigation to determine the motive behind the false report and evaluate the potential impact on individuals and the organization. If deemed necessary, disciplinary actions may be taken against the individual responsible for the false report, while also ensuring that our policies remain robust and effective.

During the reporting year, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *3.4.2 Protection of Intellectual Property Rights*

We place significant emphasis on the protection of intellectual property rights. We not only safeguard our own intellectual property but also strictly adhere to relevant laws and regulations, such as the Copyright Ordinance (Cap. 528) and the Prevention of Copyright Piracy Ordinance (Cap. 544), to protect the intellectual property rights of third parties. We prohibit employees from using illegal or pirated software, ensuring that our operations are in full compliance with intellectual property laws.

## *3.4.3 Responsible Advertising*

Committed to protecting consumer rights, we enforce the Trade Descriptions Ordinance (Cap. 362) and other relevant laws and regulations pertaining to the advertising and labelling of products and services. Our advertising content and the creation of promotional materials, such as artwork and labels, are developed in line with marketing plans, product requirements, and promotional priorities. We provide customers with accurate and comprehensive product descriptions, enabling them to make well-informed purchasing decisions. This approach ensures that our advertising practices remain transparent, ethical, and respectful of consumer rights.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 4. OUR PEOPLE

The continuous success of our business depends on the unrelenting efforts of our outstanding talents. As such, we attach great importance to human resources with a mission to create a harmonious, equal, diverse, and safe workplace. We are dedicated to repaying the efforts of our employees by respecting and caring for them, providing competitive compensation packages, career development opportunities, and safeguarding their health and safety.

Acknowledging that our employees are the engine that sustains our business success, we remain committed to our people-centric approach, fostering an inclusive and harmonious workplace that supports professional growth and prioritizes the well-being of our staff.

### 4.1 Building an Inclusive Workplace

Committed to a people-centric approach, the Group has developed comprehensive HR & Admin P&P to provide guidelines on our employment practices. These policies are in accordance with the Employment Ordinance (Cap. 57), the Sex Discrimination Ordinance (Cap. 480), the Disability Discrimination Ordinance (Cap. 487), the Family Status Discrimination Ordinance (Cap. 527), and other laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, anti-discrimination, and other benefits and welfare. During the reporting year, there were no reported cases of prosecution for violation of employment laws and regulations or employee's rights and interests, nor have we received any relevant complaints.

#### 4.1.1 Talent Attraction and Promotion

With the aim to establish a strong talent network, the Group recruits suitable talents through various channels, depending on factors such as the position's nature, importance, and urgency. Recruitment is carried out following our internal recruitment procedure and screening criteria to ensure transparency and fairness in the process.

We believe that offering a structured and clear promotion ladder is vital for retaining talent and recognizing their contributions. In addition to regular annual or half-year appraisals, performance assessments are arranged for senior management and employees at offices and stores following probations and prior promotions or transfers. These evaluations help us understand their training needs and act as a communication channel between the Group and employees. Promotions are granted based on performance appraisals, ensuring continuous development within the Group.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *4.1.2 Competitive Remuneration and Comprehensive Benefits*

To retain talent, we provide employees with attractive remuneration packages and comprehensive fringe benefits. Our HR & Admin P&P outlines management principles to offer competitive packages based on position and performance. We regularly review the salary system by benchmarking against salary survey reports, industry peers, job applicants' requests, and suggestions from salary survey companies. Attractive fringe benefits such as health insurance, discretionary bonuses, employee product discounts, and training allowances are also provided. Employees with newborn babies or newlyweds receive celebration gifts, vouchers, or cash. In recognition of long-term commitment, employees with ten or more years of service are awarded a "Service Years Award." Additionally, employees are entitled to sick leave, marriage leave, birthday leave, maternity leave, and paternity leave on top of statutory holidays.

## *4.1.3 Promoting Work-Life Balance and Employee Rights*

As a signatory of the Labour Department's Good Employer Charter and an active participant in the Happiness at Work Promotional Scheme, the Group promotes work-life balance by adopting family-friendly policies and staff activities. For instance, we offer a 5-day workweek in the office, allowing employees to spend more time with their families. Overtime compensation is provided to eligible employees to ensure that their efforts are reasonably rewarded. Our HR & Admin P&P also stipulate working hour requirements and entitle certain employees to overtime allowances.

To further protect employee rights and interests, we outline procedures and conditions for the termination of employment contracts by both parties in our internal guidelines, ensuring that employee departures are handled in accordance with relevant laws and regulations.

## *4.1.4 Celebrating Employee Achievements and Fostering Workplace Community*

We recognize the importance of acknowledging our employees' hard work and dedication. To celebrate their achievements, we organized an annual dinner during the reporting year and distributed long-service medals to those who have demonstrated exceptional commitment to the Group. These events not only serve as an opportunity to express our gratitude but also foster camaraderie and a sense of belonging within the company.

In addition to celebrating successes, we aim to create a welcoming and comfortable work environment. Our office features a coffee and tea corner located in the conference rooms. This amenity is available to serve our visitors and provide a pleasant meeting space. For our co-workers, it is a great way to boost morale and foster a sense of community in the workplace.

## *4.1.5 Fostering a Fair, Diverse, and Inclusive Workplace*

The Group cherishes a fair, diverse, and inclusive workplace. As an equal opportunity employer, we respect the rights of every employee and strive to ensure that all employees can work in an environment free from discrimination and harassment. Our HR & Admin P&P applies to job advertisements, recruitment procedures, terms and conditions of employment, performance appraisal, promotion, transfer, training, dismissal, grievance handling procedures, and general conduct, protecting all employees and job applicants regardless of their race, gender, disability, family status, or marital status.

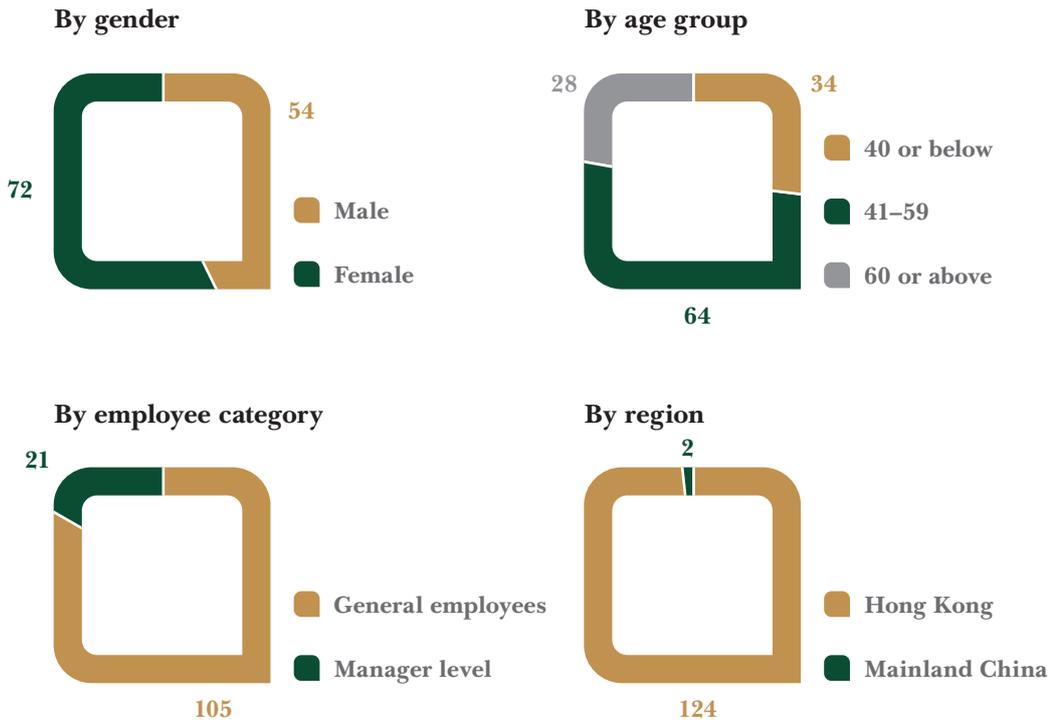
# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 4.1.6 Upholding Human Rights and Fair Labour Practices

The Group respects human rights and implements fair labour practices. We adopt a zero-tolerance attitude towards child labour and forced labour, prohibiting their use within our operations. We strictly abiding by the Employment Ordinance (Cap. 57) and other applicable laws and regulations relating to preventing child and forced labour. Job applicants are required to submit their personal information and present proof of identity for vetting during the recruitment process, so as to prevent child labour.

Our grievance mechanism is in place for employees to raise concerns to designated personnel regarding suspected cases of non-compliance with labour standards through a confidential channel. Upon receiving a complaint, a thorough investigation will be conducted to determine the validity of the concern. In the event of a confirmed case, the group will take appropriate action, which may include disciplinary measures, corrective actions, or process improvements, depending on the severity and nature of the non-compliance. Throughout the process, all relevant documents, information, and interview records will be kept confidential to protect the privacy of the involved parties and ensure a fair and unbiased investigation.

During the reporting year, there were no reported cases of non-compliance regarding labour practices on child and forced labour employment.



## 4.2 Promoting Well-being of Employees

We consider the health and safety of our employees to be of utmost importance. Our internal Occupational Safety and Health Guidelines have been developed in HR & Admin P&P with reference to relevant laws and regulations, including the Occupational Safety and Health Ordinance (Cap. 509). These guidelines address accident prevention, fire precaution, workplace environment control, workplace hygiene, first aid, and manual handling operations. We regularly review and update these guidelines to ensure continuous improvement.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *4.2.1 Measures for a Safe Workplace*

Our aim is to achieve zero incidents in the workplace, and we have implemented various measures to prevent occupational hazards:

- Providing necessary information, instruction, training, and supervision regarding health and safety, as well as maintaining work equipment to ensure operational safety.
- Establishing clear contingency plans in our Business Continuity Planning P&P, addressing potential safety hazards in retail stores, such as shoplifting, robbery, and fire.
- Conducting regular safety inspections of office facilities, repairing or replacing damaged fire-fighting equipment to ensure all essential items are in good condition.

## *4.2.2 Employee Benefits and Workplace Hygiene*

We offer health insurance and subsidies for check-ups, dental services, and a Flu Vaccine subsidy scheme as part of our employee benefits package. To ensure workplace hygiene, we arrange regular disinfestations for effective antibacterial and pest control. In response to the COVID-19 pandemic, we provide personal protective equipment such as masks, hand sanitizers, and alcohol disinfectant wipes for our employees.

## *4.2.3 COVID-19 Response and Support*

As the COVID-19 epidemic situation in Hong Kong remains uncertain during the reporting year, we have developed Emergency Response Guidelines to safeguard our frontline employees' health. We maintain close communication with government and medical authorities, ensuring timely access to information and regularly updating and testing contingency plans. Our anti-epidemic measures include:

- Providing rapid test kits, free medical examinations before vaccinations, surgical masks, and disinfection supplies.
- Offering vaccination leaves to encourage COVID-19 vaccination among our staff and allowing adequate time for rest.
- Implementing flexible working options that consider childcare and eldercare responsibilities, underlying health conditions, and public transportation usage. In April 2022, we implemented a work-from-home policy for our back-office employees to further enhance workplace safety and flexibility.
- Providing full-paid sick leaves for infected colleagues, ensuring they have ample time to recover.

In order to thank all colleagues for fighting the epidemic together, in addition to this year's bonus, we provided a special one-time reward to all employees in March 2023. This gesture demonstrates our appreciation for our employees' dedication and resilience during these challenging times.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the reporting year, there were no accidents in which we suffered any death due to work, nor were there any cases in which we were materially affected by non-compliance with laws and regulations relating to occupational health and safety. There were 2 minor work-related injuries at the stores, resulting in a total of 13 lost days. We have investigated these incidents and taken appropriate measure, such as posting safety signage, to prevent similar occurrences in the future.

## 4.3 Cultivating Our Employees

We recognize that the development and growth of our employees play a crucial role in the continuous advancement of our business. As a result, we are committed to investing in and providing extensive training and development opportunities for our team members, nurturing their career progression.

### 4.3.1 Comprehensive Training System for Professional Development

We place a strong emphasis on the professional growth and development of our employees. To ensure a comprehensive approach to training and development, we have incorporated explicit guidelines for these programs in our HR & Admin P&P.

Our training and development policy stated in HR& Admin P&P outlines a well-structured system that combines both in-house and external training opportunities, catering to the diverse needs and skillsets of our employees. This multi-faceted approach ensures that our employees receive a wide range of learning experiences, which includes the following:

<b>In-House Training Programs</b>	Orientation	Tailored for new joiners, this program covers essential topics such as company background, product knowledge, customer service, and store operations.
	On-the-Job Training	Designed for new employees, as well as those who have been promoted or transferred, to ensure a smooth transition into their new roles.
	Routine Training	Regular courses that keep employees up-to-date on product knowledge and other essential subjects.
	Specialized Training	Customized training sessions based on specific needs, including computer software usage, company policy updates, new brand or product introductions, and management skills development.
<b>External Training Opportunities</b>	Short Courses	Seminars and workshops that cover various relevant topics.
	Long Courses	Comprehensive courses that lead to certificates, diplomas, and professional qualifications.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 4.3.2 Training Effectiveness and Evaluation

To ensure the effectiveness of our training initiatives, we require employees who have completed training courses funded by the Group to submit reflection reports and course notes to their department heads for review. Moreover, department heads will evaluate the training's impact by observing the employee's daily performance, assessing whether the acquired knowledge has been put into practice. Additionally, we offered the Diamond Diploma course to our front-line staff at zero charge, thereby guaranteeing that each jewellery store possessed a professionally qualified staff member capable of delivering exceptional service.

## 4.3.3 Supporting Sustainability Initiatives

In line with our commitment to sustainability, we supported two of our ESG Workgroup members in completing an Executive Diploma in Sustainable Development Planning training course organized Hong Kong Institute of Education for Sustainable Development in December 2022, further strengthening our dedication to ESG practices.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 5. OUR ENVIRONMENT

Recognizing our responsibility to safeguard the environment and minimize any potential impacts arising from our operations, we have made continuous efforts to enhance our environmental performance and promote the concept of sustainability throughout our organization. Our Environmental Protection Policy, as outlined in our ESG P&P, provides guidance for the implementation of environmental initiatives focused on resource stewardship, emissions reduction, and the cultivation of environmental awareness among our staff. In compliance with the Waste Disposal Ordinance (Cap. 354) and other applicable laws and regulations relating to air and greenhouse gas (“GHG”) emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste, we diligently manage our impact on the environment and natural resources. During the reporting year, there were no reported cases of prosecution for violations of environmental protection laws and regulations.

### 5.1 Managing Our Carbon Footprint

#### 5.1.1 Carbon Emissions Reduction

In view of the unprecedented challenge brought by climate change, we have stepped up efforts to reduce the carbon footprint of the Group’s business operation. We have updated our targets for GHG intensity and energy intensity reduction, now aiming for a 20% reduction by 2024/25, using 2017/18 as the baseline. The Group will continue to monitor the progress of our targets annually and review them next year to ensure their relevance and effectiveness. Our enhanced action plans will contribute to a low-carbon economy and demonstrate our ongoing commitment to sustainability.”



Reduce GHG intensity by 20% by 2024/25 using 2017/18 as the base year

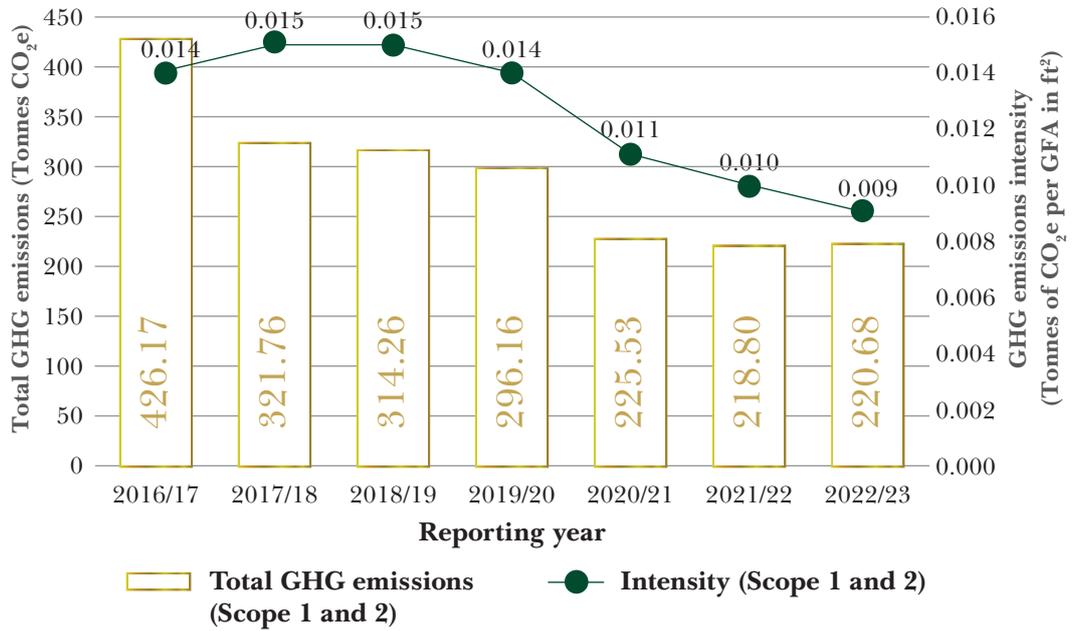


Reduce energy intensity by 20% by 2024/25 using 2017/18 as the base year

In the reporting year, energy consumption through electricity (Scope 2 emissions) is the source of more than 98% of Scope 1 & 2 GHG emissions within our operations. Our absolute Scope 1 and 2 GHG emissions increased by 0.9%. This increase can be primarily attributed to two factors: the easing of COVID-19 restrictions, which led to increased usage of company vehicles, and the opening of a new store during the reporting year. Despite the rise in absolute emissions, we are pleased to report a significant improvement in our Scope 1 and 2 GHG emissions intensity per gross floor area (“GFA”), which decreased by 8%. This reduction can be mainly attributed to the energy-efficient appliances installed in our new store. By adopting sustainable design principles, we were able to minimize our GHG emissions on a per-floor-area basis.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

**Scope 1 & 2 GHG emissions in total and intensity**



Moving forward, we will continue to focus on reducing our overall carbon footprint by implementing energy-efficient measures across all our operations, including existing stores and any future expansions. In the next reporting year, we will review the progress of our GHG intensity and energy intensity reduction targets for more comprehensive planning of our future carbon reduction initiatives. This ongoing evaluation will enable us to adapt our strategies and continue making strides towards our goal of minimizing the environmental impact of our operations.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 5.1.2 Energy Efficiency

As a retail business, the majority of our GHG emissions come from electricity consumption by lighting and air-conditioning systems in stores and offices, contributing to over 98% of our Scope 1 & 2 GHG emissions. To optimize energy efficiency, we regularly monitor energy consumption data and have implemented several energy-saving measures:

<b>Air Conditioning System</b>	<ul style="list-style-type: none"><li>• Air-conditioning is turned off in unoccupied areas.</li><li>• Air-conditioning zoning is adopted to maintain indoor air temperature between 24°C and 26°C.</li><li>• Regular maintenance includes cleaning or replacing air filters.</li><li>• Employees are required to keep doors and windows closed when air-conditioners are switched on.</li></ul>
<b>Lighting</b>	<ul style="list-style-type: none"><li>• All stores are equipped with lighting management systems and use LED lighting.</li><li>• When replacing or acquiring lighting equipment or other electrical appliances, priority is given to those with Grade 1 Energy Labels or models with higher energy efficiency, such as LED lights.</li><li>• We have signed the Environmental Bureau's Charter on External Lighting since April 2016, with the aim to reduce light nuisance and energy wastage.</li><li>• Automatic lighting systems are installed on outdoor signboards of retail stores to switch off external lighting for decoration, promotion, or advertising purposes during non-business hours.</li></ul>

As part of our ongoing commitment to energy efficiency, we recently conducted an energy audit at one of our retail stores to identify energy-saving potential for improving energy efficiency. This initiative helps us to identify areas for improvement and implement targeted measures to further reduce our energy consumption and carbon footprint.

During the reporting year, our energy intensity decreased by 3.6% as compared to the previous year. It can be attributed to our ongoing efforts to promote sustainable operations and reduce our overall energy consumption.

## 5.1.3 Climate Resilience and Adaption

The Group is well aware of the potential impact on our business operations brought by climate change if relevant risks are not properly managed. Climate change may pose operational risks to our business, in which the increase in the number of typhoons and rainstorms may cause disruption in our operations and physical damage to our stores, thereby resulting in financial loss. In view of this, a group-level climate assessment has been conducted to evaluate the exposure of retail stores to different extreme weather events. To address the risks and opportunities arising from climate change, we have set up a Contingency Plan Committee and have appropriate contingency plans in place to ensure the safety of our employees and customers.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

On top of enhancing the Group's capability to cope with climate risks through response plans, we are also committed to improving energy efficiency and reducing our carbon footprint in our daily business operations to combat climate change. We have set a five-year carbon emission reduction target and developed an action plan on carbon reduction, thus minimizing our impact on climate change as much as possible.

The Group will establish climate change-related policies, indicators, and targets, as well as appropriate risk management plans to address climate-related risks and impacts. We will adopt suitable industry best practices in our daily operations, products, and services to adapt to, mitigate, and withstand climate change. This approach demonstrates our commitment to incorporating climate resilience and adaptation into all aspects of our business, ensuring long-term sustainability and growth.

## 5.2 Safeguarding Our Natural Resources

Our operation relies on precious natural resources, and we strive to promote sustainable development and effective use of resources. We regularly review the environmental impact arising from daily operations and business activities, identifying areas of significant impact and developing policies and measures to manage and minimize our impact on the environment and natural resources through comprehensive waste management and resource conservation.

### 5.2.1 Waste Management

The Group recognizes our obligation to properly manage the waste generated and contribute to alleviating the burden on landfills in Hong Kong. Due to the nature of our business operations, most of the waste generated is non-hazardous, coupled with a small amount of construction waste from retail store renovations. We strictly comply with applicable laws and regulations, including but not limited to the Waste Disposal Ordinance (Cap. 354).

Following the principles of reuse, reduce, and recycle, we minimize solid waste generation at offices and stores. We have removed single-use plastic bags from our operation, replacing them with reusable and paper alternatives. Plastic bags and boxes used to protect products during transit and storage are reused until damaged before disposal. At office premises, we have placed recycling bins for employees to recycle various types of waste, such as paper, printer toners, old envelopes, and document bags for reuse and proper handling. Furthermore, we repair and reuse old laptops to extend their lifespan and reduce electronic waste.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *5.2.2 Resource Conservation*

As good stewards of the environment and natural resources, we have adopted multiple green operation practices to conserve resources throughout our business operations. Although the Group does not operate in water-stressed regions and faces no issues with sourcing water, we are highly committed to advocating water conservation during daily operations. We have upgraded water appliances with electronic induction water outlet switches in all office buildings to reduce wastage, displayed water-saving signages, and arranged regular inspections on water pipes and taps to avoid unnecessary water wastage.

We also adopt a paperless culture to promote material conservation. Employees are encouraged to adopt double-sided printing, reuse paper whenever possible, and utilize electronic means for receipt of faxes and promotional materials. To further reduce paper consumption, we have implemented a computer work record system and e-payslip, as well as an electronic leave application system.

In terms of packaging materials for our retail jewellery products, we prioritize environmentally friendly materials such as recycled paper and encourage colleagues to use brocade bags instead of packaging boxes to reduce environmental impact. We regularly review packaging material usage to evaluate and minimize excessive use.

To enhance our commitment to sustainability, we purchase other paper products (e.g., A4 paper or toilet paper) that contain recycled content or are Forest Stewardship Council (FSC) certified.

## *5.2.3 Green Recognition and Awareness*

Our dedication to sustainable practices and environmentally conscious operations has been recognized with the World Green Organisation's Green Office Awards label and Eco-Healthy Workplace label. These accolades demonstrate our achievements in green workplace practices and our ongoing commitment to fostering a sustainable and eco-friendly working environment.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In addition to our awards, we actively promote environmental awareness among employees through education campaigns, training programs, and participation in green activities. Internal guidelines, posters, and signs throughout stores and office premises remind employees of responsible consumption behaviours and ways to conserve natural resources and protect the environment. In particular, we participated in Lai See Reuse and Recycle Program organized by Greeners Action during the Chinese Lunar New Year. This campaign aims to remind employees to protect the environment while enjoying the New Year tradition, further emphasizing our dedication to promoting environmentally responsible practices.



 **WORLD GREEN ORGANISATION**  
世界綠色組織

 **PRME** Principles for Responsible Management Education

 **SUSTAINABLE DEVELOPMENT GOALS**  
KNOWLEDGE PLATFORM

## Certificate of Recognition

The **King Fook Holdings Limited** company  
has participated in the Green Office Award Labelling Scheme (GOALS) and  
attended the training in the UN responsible management education,  
which contributes to the global effort to achieve the Sustainable Development Goals.

19 December 2022  
Date

This Certificate is presented by World Green Organisation

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 6. OUR COMMUNITY

### 6.1 Supporting the Community

Committed to creating a positive social impact and contributing to the sustainable development of our society, we continue to carry out community investment activities through volunteering, in-kind donations, and collaboration with a wide range of external organizations. Our community engagement initiatives are centred around various themes, allowing us to make a meaningful difference in the lives of those we serve.

To encourage our employees to actively participate in volunteering activities, we have launched the Community Investment Participation program, which awards employees with an additional day off for volunteering 30 hours or more or donating blood twice a year. During the reporting year, 6 colleagues collectively donated blood 9 times. We will continue to support and promote such programs, empowering our employees to make a positive impact on the communities we serve.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Our community events can be categorized as follows:

## 1. Support for Community Organizations

- Participated in Dress Casual Day organized by the Community Chest in October 2022
- Participated in Green Low Carbon Day organized by the Community Chest in November 2022

## 2. Environmental Initiatives

- Joined and supported WWF's Earth Hour in February 2023



- Lai See Reuse and Recycle program organized by Greeners Action during Chinese New Year 2023



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 3. Cultural and Arts Sponsorship

- Donated to the Hong Kong Arts Festival in support of its 50th anniversary gala dinner

## 4. Food Security

- Donated food to Feeding Hong Kong on World Food Day in October 2022



By engaging in a diverse range of community initiatives, we aim to make a positive impact on the lives of those around us and foster a culture of caring, giving, and collaboration among our employees.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 7. PERFORMANCE DATA SUMMARY

Operational data	Unit	2022/23	2021/22
Gross floor area <sup>3</sup>	Square feet	24,420 <sup>4</sup>	22,332

Environmental data <sup>5,6</sup>	Unit	2022/23	2021/22
<b>Air emissions<sup>7</sup></b>			
Nitrogen oxides (NO <sub>x</sub> )	Gram	690.45	506.47
Sulfur oxides (SO <sub>x</sub> )	Gram	19.64	14.58
Particulate matter (PM)	Gram	50.84	37.29
<b>GHG emissions</b>			
<b>Total GHG emissions (Scope 1 &amp; 2)</b>	<b>Tonnes CO<sub>2</sub>e</b>	<b>220.68</b>	<b>218.80</b>
<b>Scope 1 emissions</b>	<b>Tonnes CO<sub>2</sub>e</b>	<b>3.57</b>	<b>2.64</b>
Fuel <sup>8</sup>	Tonnes CO <sub>2</sub> e	3.56	2.64
Fire extinguishers <sup>9</sup>	Tonnes CO <sub>2</sub> e	0.0026	0.0026
<b>Scope 2 emissions</b>	<b>Tonnes CO<sub>2</sub>e</b>	<b>217.11</b>	<b>216.16</b>
Purchased electricity <sup>10</sup>	Tonnes CO <sub>2</sub> e	217.11	216.16
<b>Scope 3 emissions<sup>11</sup></b>	<b>Tonnes CO<sub>2</sub>e</b>	<b>8.21</b>	<b>0.00<sup>12</sup></b>
<b>GHG intensity (Scope 1+2)</b>	Tonnes CO <sub>2</sub> e/GFA in square feet	0.0090	0.0098
	Tonnes CO <sub>2</sub> e/ full-time employee ("FTE")	1.75	1.67

<sup>3</sup> The gross floor area includes our jewellery stores operated by the Group and offices located in Hong Kong only.

<sup>4</sup> The gross floor area increased as a new jewellery store was opened in this reporting year.

<sup>5</sup> 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.

<sup>6</sup> The scope of environmental data only includes our operation of jewellery stores and offices in Hong Kong.

<sup>7</sup> Nitrogen oxides (NO<sub>x</sub>), Sulphur oxides (SO<sub>x</sub>) and Particulate matter (PM) emissions were generated vehicular emissions from the Group's fleet of vehicles. The emission factors were adopted from "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" published by HKEX. The emissions of NO<sub>x</sub>, SO<sub>x</sub> and PM increase 36.33%, 34.68% and 36.33% in 2022/23 respectively due to increasing business activities after the relaxation of anti-COVID-19 measures.

<sup>8</sup> 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. Global warming potential values used for the calculation are from IPCC Sixth Assessment Report (AR6). (CH<sub>4</sub>: 27.9; N<sub>2</sub>O: 273)

<sup>9</sup> Refers to fugitive emissions from fire expression system – CO<sub>2</sub> portable extinguishers (Scope 1), which are calculated using the latest available emission factor in line with the "2006 IPCC Guideline for National Greenhouse Gas Inventories".

<sup>10</sup> Refers to indirect GHG emissions from electricity purchased consumed by the Group, which are calculated based on the latest available emissions factors provided by the power companies. (Hong Kong Electric: 0.68 kg CO<sub>2</sub>e/kWh, CLP: 0.39 kg CO<sub>2</sub>e/kWh)

<sup>11</sup> Refers to other indirect GHG emissions associated with business air travel. The emissions data was calculated by International Civil Aviation Organization Carbon Emissions Calculator.

<sup>12</sup> There was no business air travel in 2021/22.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Environmental data <sup>5,6</sup>	Unit	2022/23	2021/22
<b>Energy use</b>			
<b>Total energy consumption</b>	<b>kWh</b>	<b>345,732.73</b>	<b>327,975.09</b>
Direct energy consumption – fuel <sup>13</sup>	kWh	12,945.73	9,612.09
Indirect energy consumption – purchased electricity	kWh	332,787.00	318,363.00
<b>Energy intensity</b>	<b>kWh/GFA in square feet</b>	<b>14.16</b>	<b>14.69</b>
	<b>kWh/FTE</b>	<b>2,743.91</b>	<b>2,503.63</b>
<b>Waste generation</b>			
Paper waste disposed <sup>14</sup>	Tonnes	–8.89	–1.47
Paper consumption	Tonnes	1.70	1.97
Paper waste recycled	Tonnes	10.59 <sup>15</sup>	3.43
Construction waste disposed	Tonnes	0	0
Paper disposal intensity	Kg/FTE	–73.48	–11.19
Paper consumption intensity	Kg/FTE	10.54	15.02
Paper waste recycling intensity	Kg/FTE	84.02	26.21
Construction waste intensity	Kg/FTE	0.00	0.00
<b>Packaging materials<sup>16</sup></b>			
Total consumption	Tonnes	5.70	5.49
Intensity	Gram/piece	579.68	608.66
<b>Social data</b>			
Social data	Unit	2022/23	2021/22
<b>Total workforce<sup>17</sup></b>	No. of people	126	131
By gender			
Male	No. of people	54	55
Female	No. of people	72	76
By age group			
40 or below	No. of people	34	40
41–59	No. of people	64	65
60 or above	No. of people	28	26
By employee category			
General employees	No. of people	105	109
Manager level	No. of people	21	22
By employment type			
Full-time	No. of people	126	131
Part-time	No. of people	0	0
By geographical region			
Hong Kong	No. of people	124	129
Mainland China	No. of people	2	2

<sup>13</sup> The conversion factors were adopted from “Energy Statistics Manual” issued by the Internal Energy Agency.

<sup>14</sup> Paper waste disposed = paper consumption – paper waste recycled.

<sup>15</sup> The amount of paper waste recycled was larger than the paper consumption. It was due to the disposal of the expired confidential documents during the reporting year.

<sup>16</sup> The 2021/22 figures relating to packaging materials have been restated to integrate a more accurate dataset.

<sup>17</sup> For total workforce, the data is reported based on the number of employees at the end of the reporting year.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Social data	Unit	2022/23	2021/22
<b>Turnover rate<sup>18</sup></b>	%	16.67%	12.21%
By gender			
Male	%	11.11%	10.91%
Female	%	20.83%	13.16%
By age group			
40 or below	%	35.29%	22.50%
41-59	%	7.81%	7.69%
60 or above	%	14.29%	7.69%
By geographical region			
Hong Kong	%	16.94%	12.40%
Mainland China	%	0.00%	0.00%
<b>Health and safety</b>			
Number of work-related fatalities <sup>19</sup>	No. of people	0	0
Percentage of work-related fatalities	%	0	0
Number of lost days due to work injury	Days	13	39
<b>Development and training</b>			
<b>Percentage of trained employees<sup>20</sup></b>	%	88.10%	74.05%
By gender			
Male	%	81.48%	69.09%
Female	%	93.06%	77.63%
By employee category			
General employees	%	88.57%	72.48%
Manager level	%	85.71%	81.82%
<b>Average training hours completed per employee<sup>21</sup></b>	Hours	15.74	8.89
By gender			
Male	Hours	20.13	8.10
Female	Hours	12.45	9.47
By employee category			
General employees	Hours	15.72	8.12
Manager level or above	Hours	15.82	12.69

<sup>18</sup> Turnover rate (per category) = Number of employees in the specified category leaving employment during the reporting year/number of employees in the specified category at the end of the reporting year x 100%.

<sup>19</sup> There were no work-related fatalities in the past three years including the reporting year.

<sup>20</sup> Percentage of trained employees (per category) = Number of employees in the specified category who took part in training during the reporting year/number of employees in the specified category at the end of the reporting year x 100%.

<sup>21</sup> Average training hours completed per employee (per category) = Total number of training hours for employees in the specified category during the reporting year/number of employees in the specified category at the end of the reporting year x 100%.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Social data	Unit	2022/23	2021/22
<b>Number of suppliers</b>			
By geographical regions			
Greater China region	Number	92	94
Overseas region	Number	8	9
<b>Total</b>	Number	100	103
<b>Product responsibility</b>			
Number of products and service-related complaints received	Case	0	0
<b>Anti-corruption</b>			
Number of concluded legal cases regarding corrupt practices brought against the Group or its employees	Case	0	0
Number of people receiving anti-corruption training			
Directors	No. of people	9	8
Employees	No. of people	3	15
Total number of hours of anti-corruption training received			
Directors	Hours	9	12
Employees	Hours	3	24

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 8. HKEX ESG GUIDE CONTENT INDEX

Mandatory Disclosure Requirements		Sections/Remarks
Governance Structure	A statement from the board containing the following elements: (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.	Establishing a Robust Sustainability Governance Structure
Reporting Principles – Materiality	The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.	Materiality Assessment
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).	Performance Data Summary
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.	Performance Data Summary
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.	Reporting Scope and Boundary

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs		Sections/Remarks
<b>A. Environmental</b>		
<b>Aspect A1: Emissions</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Our Environment
A1.1	The types of emissions and respective emissions data.	Performance Data Summary
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).	Managing Our Carbon Footprint Performance Data Summary
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Due to the business nature of the Group, this KPI is considered not material.
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
A1.5	Description of emission target(s) set and steps taken to achieve them.	Managing Our Carbon Footprint
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.	Safeguarding Our Natural Resources Due to the business nature of the Group, this KPI is considered not material, and hence no waste reduction target is set.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs		Sections/Remarks
<b>Aspect A2: Use of resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Our Environment
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).	Performance Data Summary
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Due to the nature of the retail industry, the Group mainly operates its business in leased offices and shops where water supply is managed by their respective landlords, thus water consumption data is not available.
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Managing Our Carbon Footprint
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.	Safeguarding Our Natural Resources Due to the business nature of the Group, this KPI is considered not material, and hence no water efficiency target is set.
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Performance Data Summary
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Our Environment
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Our Environment
<b>Aspect A4: Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Managing Our Carbon Footprint
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.	Managing Our Carbon Footprint

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs		Sections/Remarks
<b>B. Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1: Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Building an Inclusive Workplace
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Building an Inclusive Workplace Performance Data Summary
B1.2	Employee turnover rate by gender, age group and geographical region	Performance Data Summary
<b>Aspect B2: Health and Safety</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Promoting Well-being of Employees
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Performance Data Summary
B2.2	Lost days due to work injury.	Promoting Well-being of Employees Performance Data Summary
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Promoting Well-being of Employees
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Building an Inclusive Workplace
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Data Summary
B3.2	The average training hours completed per employee by gender and employee category.	Performance Data Summary

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs		Sections/Remarks
<b>Aspect B4: Labour Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Building an Inclusive Workplace
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Building an Inclusive Workplace.
B4.2	Description of steps taken to eliminate such practices when discovered.	As the Group mainly operates in Hong Kong, a jurisdiction with strong labour regulations and enforcement mechanisms that protect against forced labour practices, forced labour is considered not material.
<b>Operating Practices</b>		
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Sourcing Materials Responsibly
B5.1	Number of suppliers by geographical region.	Performance Data Summary
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.	Sourcing Materials Responsibly
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Sourcing Materials Responsibly
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Sourcing Materials Responsibly

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs		Sections/Remarks
<b>Aspect B6: Product Responsibility</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations on health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Assuring Product Quality Delivering High Quality Services Ensuring Sound Business Practices
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Assuring Product Quality
B6.2	Number of products and service-related complaints received and how they are dealt with.	Delivering High Quality Services Performance Data Summary
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Ensuring Sound Business Practices
B6.4	Description of quality assurance process and recall procedures.	Assuring Product Quality
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Delivering High Quality Services
<b>Aspect B7: Anti-corruption</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
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 Performance Data Summary
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption Performance Data Summary
<b>Community</b>		
<b>Aspect B8: Community Investment</b>		
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.	Supporting the Community
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Supporting the Community
B8.2	Resources contributed (e.g. money or time) to the focus area.	Supporting the Community