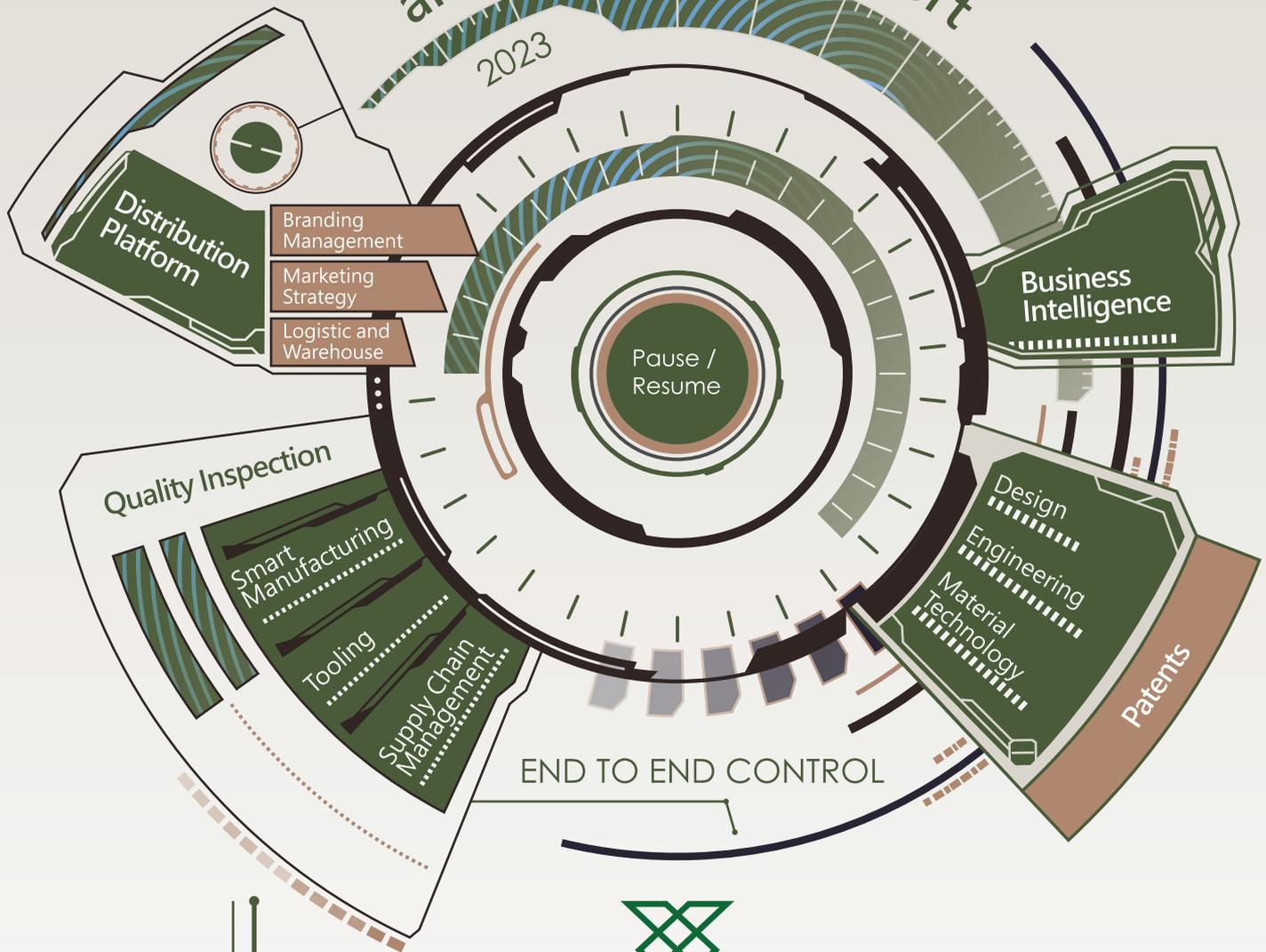


# Environmental, Social and Governance Report

2023



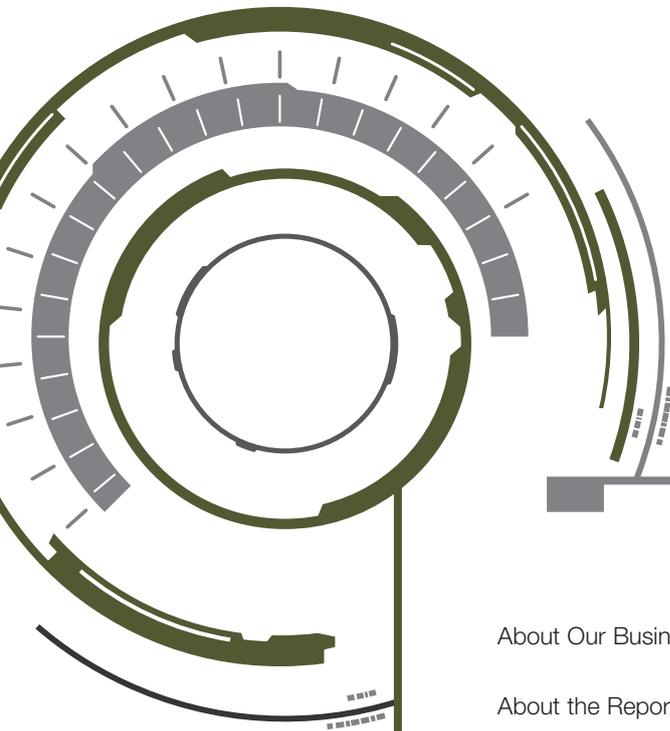
END TO END CONTROL



King's Flair International (Holdings) Limited

科勁國際(控股)有限公司

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



# CONTENTS

About Our Business	2
About the Report	3
Board Statement	4
Sustainability Governance	5
Stakeholder Engagement and Materiality Assessment	9
Product and Service Responsibility	12
Employment and Labour Practice	17
Environmental Stewardship	21
Caring for the Community	26
Key Performance Indicators Summary	27
Report Content Index	32



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2023

## ABOUT OUR BUSINESS

Founded in 1989, King's Flair International (Holdings) Limited (the "Company", together with its subsidiaries, or "King's Flair" or the "Group") has been evolved into a comprehensive kitchenware and household product solutions provider. The Group offers a wide range of quality services, including product design and engineering, production and quality assurance, warehousing and logistics, and marketing and distribution, serving renowned brands in the kitchenware and household product industry from North America, Europe, and Asia. The Group aims to provide the quality one-stop services adhering to its five core values, including:

### Trust

We are committed to providing our customers with high-quality products and services. Through professional market insights and excellent services, we aim to earn the trust of our clients, and establish long-term collaborative relationships.

### Extra Care-and-Control

We place great emphasis on all the details along the production supply chain, proactively monitoring them to anticipate potential problems and effectively manage risks.

### Extra Creativity

We are committed to thinking outside the box and bringing changes to the original design manufacturing (ODM) model through innovation.

### Speed

We strive to adapt and grow rapidly in a fast-changing consumer market, while maintaining efficient operations and delivering high-quality products.

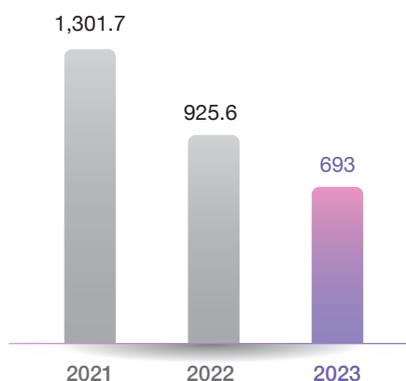
### Expertise

We are constantly learning new technologies and techniques, keeping abreast of market changes, and understanding latest market needs and directions, in order to adapt our strategy and enhance our competitiveness in the market.

The Group posted a total revenue of HK\$693 million for the year ended 31 December 2023. The decrease in revenue was mainly due to the decrease in orders placed from the Group's customers resulting from the soaring inflation and shifts in customer spending habit away from the mid-priced to premium houseware and drinkware products during the year. In addition, there was also a drop in revenue from lower value business and revenue of the Group as a result of the Group's strategy to more focus.

### Revenue Analysis

HK\$ million



### ABOUT THE REPORT

The Environmental, Social, and Governance (“ESG”) Report (the “Report”) encapsulates the sustainability policies, metrics, and performance of the Group for the financial year from 1 January to 31 December 2023 (“2023” or the “Reporting Year”). The objective of the Report is to fulfil the information requirements of various stakeholders, enabling them to have a comprehensive understanding of the Company’s progress and development direction. The Report is available in both Chinese and English on the websites of The Stock Exchange of Hong Kong (“SEHK”) and King’s Flair ([www.kingsflair.com.hk](http://www.kingsflair.com.hk)). This Report has been confirmed by the Group’s ESG Committee and approved by the Board of Directors (the “Board”) on 25 March 2024.

### Reporting Year and Scope

This ESG Report focuses on the operation of the Group’s primary business segment of trading of kitchenware and household goods, which generated about 92% of the Group’s total revenue during the Reporting Year. The Report focuses on King’s Flair’s 5 offices in Hong Kong (“headquarter office and brand offices”), specifically its headquarter office in Sheung Wan, as well as offices in Sheung Wan, Tsuen Wan, a laboratory in Shatin, and a factory in Taipo.<sup>1</sup>

While the Group’s operations are not fully covered in this ESG Report, King’s Flair is planning to broaden its reporting boundary in the future to better capture the Group’s impact on the environment and society.

### Reporting Standards and Principles

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

#### Materiality

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

#### Quantitative

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

#### Balance

The Report strives to provide an unbiased overview of the Group’s ESG performance, avoiding presentation formats that may inappropriately influence a decision or judgment by the report readers.

#### Consistency

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

The Group welcomes and values the feedback from its stakeholders via email ([ir@kingsflair.com.hk](mailto:ir@kingsflair.com.hk)), and is always looking to improve its ESG management and performance.

<sup>1</sup> The factory located in Taipo and the laboratory located in Shatin was closed in July 2023 and December 2023 respectively. A new laboratory located in Tseung Kwan O will be started to operate in January 2024.

### BOARD STATEMENT

The year 2023 marked a new beginning, as the pandemic came to an end and the economy showed steady recovery across all industries. With the increasing frequency of climate-related issues, the Group also recognises the significance of sustainability and climate resilience for its business development.

The Group's sustainability strategy and practices are guided by the Board, which oversees all relevant environmental, social, and governance issues. An Environmental, Social, and Governance Committee has been

established to enhance the Group's environmental and social performance, with members of the Board serving as its chairperson. This committee effectively manages environmental, social, and governance issues with significant impacts, focusing on three pillars of action, namely the Environmental Pillar, the Social Pillar, and the Governance Pillar, to drive its ESG development. Specific targets have been set for these pillars, supported by relevant and ongoing activities to ensure a steady progress towards sustainable development.

The Group is committed to creating meaningful economic, social and environmental impacts that contribute to a sustainable future. The Group's sustainability strategy sets forth our approach to sustainability efforts ensuring sustainable development in our business. The Group also closely monitors the latest trends in sustainability development, and values the expectations and suggestions of all stakeholders regarding its future sustainability endeavours. The Group is committed to honesty and integrity in its operations and management. It reinforces its compliance management mechanism, cultivates a culture of integrity and compliance, and aims to eliminate violations of laws and regulations. By collaborating closely with its stakeholders, the Group ensures that all activities within the value chain adhere to legal compliance.

To proactively address future sustainability challenges and capitalize on opportunities in a rapidly evolving market, the Group will persist in its commitment to fortify its sustainability foundation and foster robust stakeholder relationships. In the future, the Group will continue to communicate across our divisions to align our actions with our sustainability strategy. The Group will also leverage its strengths to thrive alongside its stakeholders on its sustainability journey.



### **SUSTAINABILITY GOVERNANCE**

The Group firmly believes that adhering to high governance standards and employing a robust and transparent reporting approach are crucial for sustainable and ethical business practices. Over the years, the Group has been dedicated to enhancing environmental, social, and governance management practices, as well as integrated them effectively into its business strategies and operations whenever feasible.

#### **Governance Structure**

The Board is responsible for overseeing the implementation of the Group's sustainable development strategy, being the top level governance body under the organizational hierarchy. Its responsibilities include to ensure the Group operates in compliance with laws and regulations relating to environmental, social and corporate governance, provides appropriate and adequate training to employees, as well as to review and improve environmental, social and governance matters in response to emergencies. As board diversity is beneficial for effective decision making and corporate governance, to ensure board diversity, a nomination committee will also review the composition of the Board annually in terms of age, background, gender and skills.

Furthermore, the Board has authorized the ESG Committee (the "Committee") to review and monitor ESG matters of critical importance to the Group and all stakeholders. The Committee is led by a member of the Board and comprises five other key management members. While the Board reviews ESG performance annually, the Committee meets four times a year to discuss ESG issues as set out below:

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

During the Reporting Year, King's Flair conducted a review of its ESG landscape, and identified the following issues related to the Group's activities that have a significant impact on the environment and society. The Group will prioritise the most material aspects based on the following pillars, and implement suitable measures to improve the Group's performance.

ESG Landscape of King's Flair



## Risk Management

The Group acknowledges the significance of implementing a strong risk management system throughout its operations, given the dynamic nature of the market environment. Thus, it is dedicated to strengthening its resilience in handling unexpected changes effectively. On top of traditional risk types, the Group examines the impact of ESG-related risks to its business operations, products, and value chain. This evaluation encompasses areas such as climate change, health and safety, and supply chain labor practices, with particular attention to those that could have a substantial impact to the Group. By identifying and addressing ESG-related risks, the Group will be able to mitigate potential adverse effects on its operations, by ensuring responsible and sustainable practices are implemented throughout its value chain. As part of the Group's risk management framework, risks will be reviewed by a compliance officer and risk managers in every quarter. ESG-related risks identified with significant impact will be documented in the Group's risk inventory and presented to the ESG Committee accordingly. During the Reporting Year, the following key ESG-related risks were documented in King's Flair's inventory:

Table 1: ESG Risks Identified in 2023

Risk Type	ESG Risks Identified in 2023	The Group's Response
<b>Policy &amp; Legal</b>	Tightening government policy on environmental protection	Continue to monitor any new government regulations on environmental protection.
	Increased emissions reporting requirements	Continue to monitor and comply with new reporting standard.
	Increased regulations of existing products or services	Continue to communicate with customers on product development and comply with relevant regulations.
	Increased permitting restrictions and hence increase in production cost from suppliers	Communicate with suppliers regularly on their first-hand feedback on the new restrictions, and develop adaptation plans.
<b>Technology</b>	Failure of new technology, resulting in loss of investment	Continue to explore the feasibility of raw material improvements through research and development
	Product substitution for lower emissions products (and therefore reduced demand for existing products)	Continue to innovate and develop improved raw materials to produce lower emissions products.
	Increased stakeholder concern and negative external feedback	Monitor adverse feedback and timely response to the concerns.
<b>Climate Change</b>	Increased frequency and severity of extreme weather events and disease related instances	Continue to monitor current operating conditions and plan out preventive and responsive measures.

## Compliance Management

Compliance with all applicable laws and regulations is a fundamental requirement for the Group's operations. The Group has implemented a framework for managing internal controls and operational processes. Within this framework, the Group has identified laws and regulations that are significant to its operations. In turn, King's Flair has also established management policies and procedures to minimise non-compliance risks, which includes enforcement actions, fines, penalties and litigation. During the Reporting Year, the Group did not experience any breach of relevant laws and regulations.

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

Table 2: Relevant Laws and Regulations

Aspects	Relevant Laws and Regulations significant to the Group's Operation
Environment	<ul style="list-style-type: none"> <li>Air Pollution Control Ordinance</li> <li>Waste Disposal Ordinance</li> <li>Water Pollution Control Ordinance</li> <li>Product Eco-responsibility Ordinance</li> <li>Motor Vehicle Idling (Fixed Penalty) Ordinance</li> </ul>
Employment	<ul style="list-style-type: none"> <li>Employment Ordinance</li> <li>Minimum Wage Ordinance</li> <li>Employee's Compensation Ordinance</li> </ul>
Health and Safety	<ul style="list-style-type: none"> <li>Occupational Safety and Health Ordinance</li> <li>Dangerous Goods Ordinance</li> </ul>
Product Responsibility	<p><b>USA</b></p> <ul style="list-style-type: none"> <li>Federal Food, Drug, and Cosmetics Act</li> </ul> <p><b>PRC</b></p> <ul style="list-style-type: none"> <li>General Product Safety Directive, Registration, Evaluation and Authorisation and Restriction of Chemicals</li> <li>Product Quality Law</li> </ul> <p><b>Hong Kong</b></p> <ul style="list-style-type: none"> <li>Personal Data (Privacy) Ordinance</li> <li>Copyright Ordinance</li> <li>Trade Descriptions Ordinance</li> <li>Registered Design Ordinance</li> </ul>
Anti-Corruption	<p><b>USA</b></p> <ul style="list-style-type: none"> <li>Foreign Corruption Practices Act</li> </ul> <p><b>Hong Kong</b></p> <ul style="list-style-type: none"> <li>Prevention of Bribery Ordinance</li> </ul>

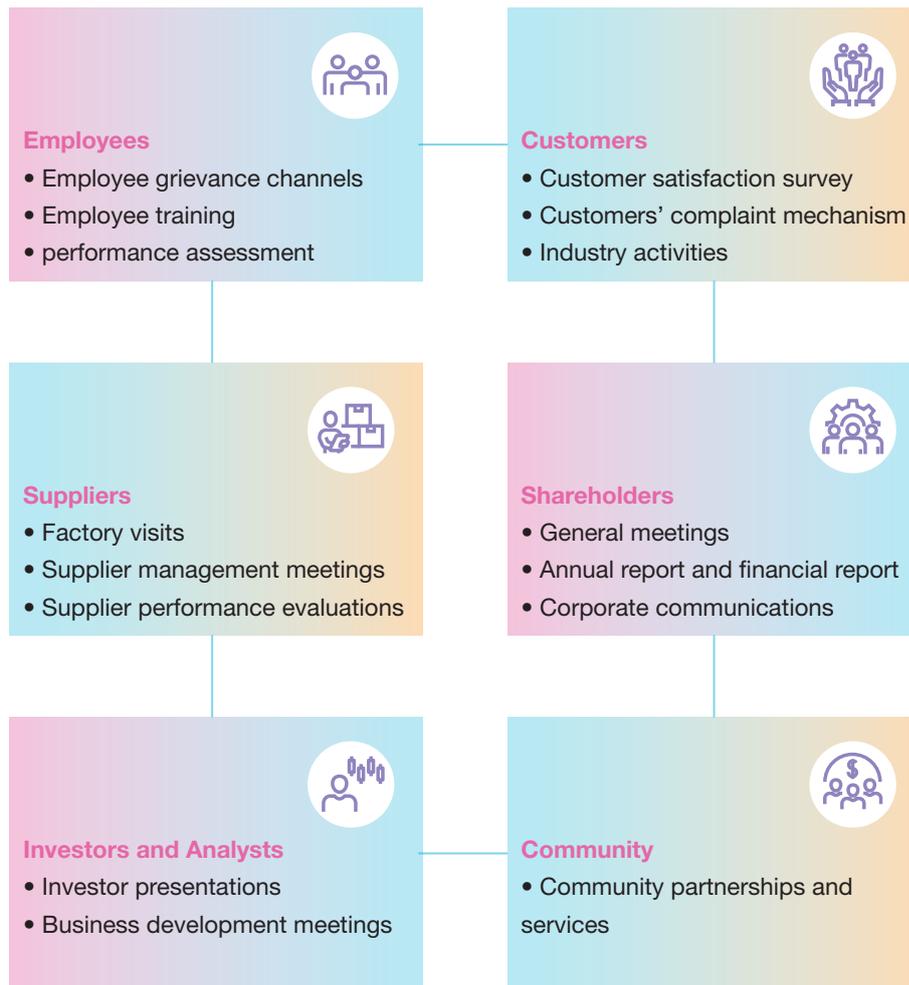
## STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

King’s Flair aims to consistently act in the best interests of its shareholders and stakeholders, and believes ESG issues can potentially impact the Group’s long-term success. The Group values stakeholders’ feedback and opinion through regular engagement with internal stakeholders and external stakeholders from different sectors, in order to keep abreast with the market trends and refine its ESG strategy to align with stakeholders’ expectations.

### Communicate with Stakeholders

King’s Flair utilises a wide range of communication channels to gather feedback from stakeholders regarding the Group’s ESG practices and performance. These feedback plays a crucial role in guiding the Group’s decision-making and strategic planning, ensuring decisions and execution are aligning with the increasing expectations of stakeholders. It also enables the Group to enhance its ability to tackle future sustainability challenges effectively.

### Engagement Channels with Key Stakeholders



**Materiality Assessment**

To stay abreast of the ever-changing business environment, with the support of a third-party consultant, the Group reviewed and updated the list of sustainability issues during the Reporting Year. The list of sustainability issues was derived from the aspects of environmental, labour practices, and operational practices, which were identified as significant to its business and stakeholders based on the latest industry trends and international reporting standards. Stakeholders were then invited to complete an online survey to provide their opinions on the importance of the selected sustainability topics to themselves, as well as to the impact on the environment and society. As a result, a materiality assessment was conducted to identify the material topics to King’s Flair, based on the feedback received from the 56 participants. In which, 10 material topics were identified out of the 19 sustainability topics, with most of them falling under labour practices and operational practices. The materiality assessment results were acknowledged and endorsed by the Board.

**King’s Flair 2023 Materiality Matrix**

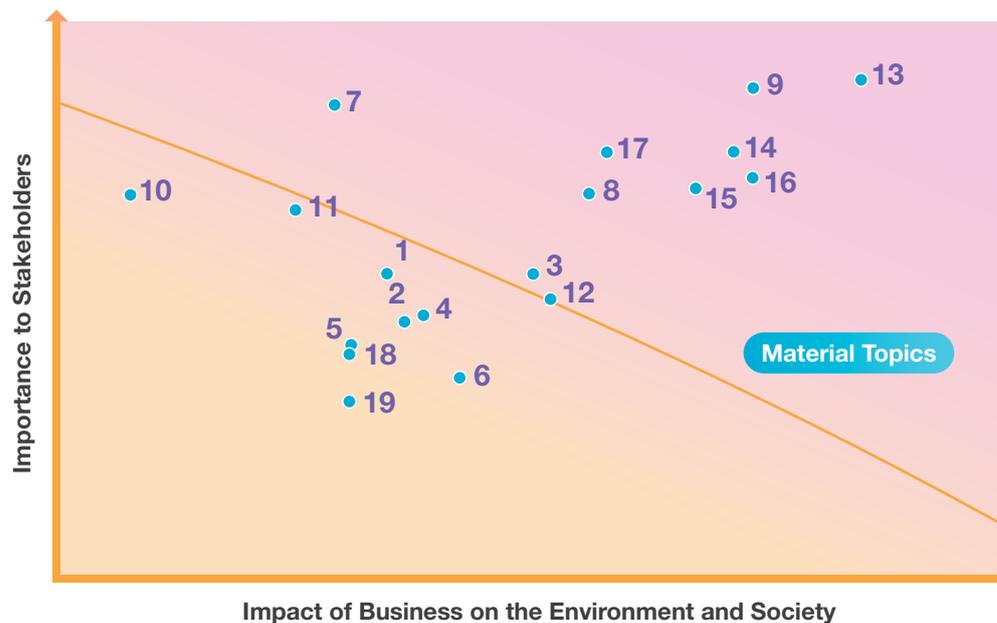


Table 3: Identified sustainability topics

Aspects	Sustainability Topics
<b>Environmental Aspects</b>	1) Air pollution management 2) Greenhouse gas emissions management 3) Energy saving/efficiency* 4) Wastewater/water management 5) Waste management 6) Climate change action
<b>Labour Practices</b>	7) Employee engagement* 8) Equality, diversity & anti-discrimination in the work environment* 9) A healthy and safe work environment* 10) Training and development 11) Respecting human rights along the value chain
<b>Operational Practices</b>	12) Supply chain management* 13) Protecting customer data & privacy* 14) Product quality management* 15) Customer health & safety* 16) Protection of intellectual property rights* 17) Prevention of bribery, extortion, fraud & money laundering* 18) Consideration of community needs & interests 19) Investing in the community

\* refer to topics that were identified as material



## PRODUCT AND SERVICE RESPONSIBILITY

The Group strives to uphold the highest standard of business ethics and integrity, as well as commits to make efforts in incorporating ESG considerations in its operations to maintain a safe, efficient, and ethical place of business. The high standard of practise, together with King's Flair's commitment to maintaining long term relationships with its customers and suppliers, enable the Group to continue producing high quality products to meet the market demand.



The image contains three vertical panels, each with a distinct icon and a block of text. The first panel on the left has an orange-to-green gradient background and an icon of a hierarchy of people. The middle panel has an orange-to-teal gradient background and an icon of a person with a shield. The third panel on the right has a purple-to-blue gradient background and an icon of people with speech bubbles.

- Maintained regular communication with employees on the Group's Code of Business Conduct**
- Regularly monitored the latest update of standards and regulations relating to product quality and safety and data security, and reviewed the relevant internal policies and procedures**
- Conducted supplier engagement activities to discuss and promote sustainability practices**

## Fair and Honest Operations

As "Prevention of bribery, extortion, fraud & money laundering" is identified as one of the most material topics of this Reporting Year, the Group continues to uphold high standards of ethical behaviour and professional conduct across its business operations, and further extends this commitment to its business partners. As stipulated in the Staff Handbook, any form of corruption activities and conflict of interest are strictly prohibited throughout the Group's operation. Additionally, the Group requires all its business partners to adhere to the Code of Business Conduct so as to maintain high levels of business ethics throughout its value chain.

The Group's Whistleblowing Policy stipulated a confidential reporting mechanism for the employees and business partners to report on any malpractice and misconduct. Reported cases are handled by a designated Whistleblowing Committee to ensure that the investigation is conducted in a fair manner, and to ensure that whistleblowers' identities are kept confidential. To enhance awareness on anti-corruption practices, anti-corruption training/exercise is conducted to its executive officers and employees with a total of 96 employees and its suppliers participated during the Reporting Year.

The Group is also committed to protecting customer privacy and respecting intellectual property rights. The Code of Business Conduct and the Staff Handbook, which stipulate policies to protect the rights of the Group and the customers, are regularly communicated to the Group's employees. To prevent information leakage of the patented products, confidentiality measures are strictly implemented, such as the signing of confidentiality agreements for all potential suppliers submitting quotations. The production process of the Group's patented designs is also segmented and distributed across various suppliers, ensuring that the product development process is controlled solely by the Group with no single external party having full access to the whole production process and raw material information. In addition, the Group also introduced a Non-Disclosure Agreement ("NDA") policy which all counterparties along the value chain are required to follow. Potential suppliers are also required to sign Confidentiality Agreements for quotation submission to further protect the information of the product designs.

Furthermore, the Group's Policy on IT Access Control and User Access Management safeguards customers' intellectual property and data. These two policies restrict the access of employees and business partners to customers' data in the Group's system, and set out clearly that employees' data access authority is required to be reviewed regularly to prevent excessive authority. Additionally, the Group will be acquainted with the updates in data privacy standards and regulations, and further update the policy as the need arises.

### **Responsible Supply Chain Management**

With suppliers being the backbone of its high-quality products and services, King's Flair continues to maintain good relationships and work closely with its suppliers. To ensure its supply chain becomes increasingly environmentally conscious and socially responsible, the Group strives to ensure that all of its suppliers live up to the Group's standards and expectations by establishing their own policies and requirements. Suppliers are required to follow the Quality Handbook for Suppliers' Products and the Code of Business Conduct, which were developed to regulate supplier performance and to assist the Group in mitigating potential environmental and social risks along its supply chain. These policies are communicated clearly to its suppliers, while setting out the Group's expectations towards suppliers in managing sustainability issues, such as human rights, the prohibition of child and forced labour, occupational health and safety, environmental compliance, and business integrity. Supplier engagement activities are also conducted to reinforce the ideas of sustainability and monitor their actions. During the Reporting Year, the Group has also organised educational workshops on the topic of anti-corruption, promoting responsible practices with its suppliers.

### **Procedures of Supplier Management**

King's Flair relies on the close relationship with its suppliers to provide quality products for its customers. The Group has a stringent process in terms of selecting, approving and evaluating its partners, as documented in the Group's Standard Operating Procedure ("SOP"). In addition, suppliers' environmental and social performance will also be evaluated on a regular basis.

### **Supplier Selection**

King's Flair draws references and considers industry sources such as relevant regulatory agencies, international trade organisations, and manufacturers when reviewing suppliers' proposals. Supplier assessment will also be conducted based on suppliers' quotations, as well as its engineering, product development capabilities, ability to perform, and quality of materials delivered. Considering the fact that the supplier quotations may include confidential information, a Confidentiality Supplier Agreement is required to be signed by all the potential suppliers in advance of the quotation procedure.

### **Approving Suppliers**

All new manufacturing suppliers are required to complete the Factory Evaluation Form with supporting documents to prove their capability in providing services as listed in the submitted document. The supply chain manager and the top management of the Group have the authorisation to approve the selection of the suppliers. If unsatisfactory performance of the supplier persists, the Supply Chain Department and Quality Department are authorised to withdraw the approval and refuse the use of the underperforming suppliers. After all, the disapproved supplier will have to resubmit the Factory Evaluation Form for approval if it wishes to be engaged again.

### **Supplier Evaluation**

King's Flair has established a supplier rating system with the aim to assess supplier performance holistically. The Group evaluates existing suppliers at least once a year according to their engineering and product development capabilities, as well as reviewing the supplier's quotations, purchasing policies, shipping and logistics approach, quality control measures, and financial performance.

Improvement measures are required for suppliers that received a "Poor" rating under the performance review. The Group will closely monitor its performance in every quarter until significant improvement has been observed. No new project will be awarded to suppliers with a low rating, and the Group will seek alternative sourcing options for replacement.

### Review of Suppliers ESG Performance

As laid out in the Group's SOP, suppliers will be selected, approved, and evaluated in accordance with the established procedure, while the suppliers' performance on environmental and social aspects will also be assessed on a continuous basis. The Group also conducts impromptu audits for suppliers to ensure that they are following the Code of Business Conduct diligently. In addition, ongoing compliance reviews and examinations are conducted in order to benchmark suppliers' compliance performance against relevant laws and regulations.

### Quality Product and Services

The Group values the importance of a safe and high quality product. As specified in the Supplier Quality Manual, the Group has listed its requirements and expectations for quality, health, and safety during the raw material selection, product production, warehousing management, and inspection processes. Meanwhile, the Group reviews its internal standards and choice of materials regularly, as well as monitors closely on the regulation developments on product safety and quality control, as an attempt to safeguard product quality.

To ensure the Group complies with all mandatory local and international health and safety requirements, the Group works closely with its suppliers in accordance with the Supplier Quality Manual. King's Flair also maintains close communication with its suppliers throughout the entire production process, to ensure all products comply with relevant laws and regulations. Additionally, suppliers can only use qualified raw materials from the list provided by King's Flair for production. The Group will also inspect the product specification list, material safety data sheet, REACH2 report, and food-grade compliance certificate, before allowing the suppliers to proceed with the product production process.

To ensure the production process can reach the standards and requirements of the Group, King's Flair quality assurance professionals are appointed to station at the production plants to oversee the process. Furthermore, separate machines are utilised to produce BPA-free materials to ensure they are not contaminated by other materials. Prolonged storage of finished goods is prevented by adopting the Group's first-in, first-out warehousing management system. Besides, sensitive materials such as polycarbonate are stored separately in designated areas of the warehouse. Throughout the entire production process, King's Flair communicates closely with its suppliers to ensure the whole production process complies with relevant laws and regulations. In the event of non-conforming products or any safety issues, the Group also has a clear product recall process, with defined measures including the evaluation of risks and causes, investigation procedures, communications and instructions to customers and associated parties, the consideration of replacement products, and others for immediate actions. During the Reporting Year, the Group received no product recall records.



King’s Flair strives to further improve its product quality and operational efficiency by actively considering customer feedback. The Group has established a Customer Feedback Handling Procedure as listed in its SOP to ensure all invaluable input is appropriately addressed, handled and utilised. During the Reporting Year, the Group received no material customer complaints related to its products or services.

**Customer Feedback Handling Procedure**



## EMPLOYMENT AND LABOUR PRACTICE

The Group strives to provide a fair, ethical, safe, inclusive, and friendly working environment for employees, allowing them to develop their careers according to their strengths and interests.



### Nurturing Employees

The Group attaches great importance to talent management as employees are the backbone of its business. The Group adopts a people-centric philosophy in its human resources management strategy and policies, and has outlined the relevant policies regarding remuneration, recruitment and promotion, dismissal, working hours, holidays, anti-discrimination, benefits and welfare in King's Flair's Staff Handbook. Employees are encouraged to study the Staff Handbook to understand their rights and obligations.

The Group is committed to maintaining close communications with its employees, and providing various open and effective communication channels for seeking feedback proactively. Effective communication with its employees enables the Group to establish a two-way relationship and collaborative work culture, based on the shared values of partnership, transparency, respect, and diversity. In case there are any potential breaches or red flags observed, King's Flair encourages its employees to report any violations of the requirements stipulated in the Staff Handbook via various channels including the dedicated hotline, email, or in writing via a reporting form. Cases reported will be documented in an official file, followed by investigation procedures and disciplinary action if necessary. To ensure a fair, efficient, and equitable mechanism to handle and resolve issues arising in the workplace, the informant's identity will be kept confidential throughout the entire investigation process.

### Remuneration and Benefits

The Group strives to provide employees with satisfactory remuneration and a wide range of benefits to attract and retain talent. The Group provides competitive remuneration packages and benefits based on individual performance with reference to prevailing market rates. Ongoing reviews are also conducted to ensure the Group's talent pool is aligned with its current operation and future development needs. Management policy and guidelines in relation to working hours and leaves system are clearly outlined in the Staff Handbook. Employees are not only entitled to statutory holidays but also paid annual leave, wedding leave, maternity leave, paternity leave, birthday leave and other holidays according to their rank and service years.

King's Flair also values employee's well-being and family forming journey. Hence, the Group has rolled-out the parental-care leave to allow employees to provide greater support to their families and adjust to parenthood. The Group also provides an interest-free loan to support the tertiary education of its employees' children. Employees are eligible to apply for a loan of up to HK\$200,000 if they have worked for ten years or more with King's Flair.

### Workplace Inclusiveness and Diversity

Diversity, inclusiveness and equal opportunities at workplace are essential to creating a productive and pleasant working environment. King's Flair strives to create a workplace where employees will be treated with respect and dignity, regardless of their gender, race, religion, illness, mental or physical disability, family status, sexual orientation or political status. The Group's Staff Handbook clearly outlines its commitment and approach on anti-discrimination and anti-harassment, as well as to ensure the recruitment process adheres to the principles of equal opportunities. In the event of reported incidents of discrimination and harassment, the Group's senior management will participate in the investigation process and take this matter seriously.

### Human and Labour Rights

As a responsible employer, the Group has dedicated significant efforts towards safeguarding human and labour rights throughout its value chain. The Group stipulates its approach and expectations on protecting human rights and employees' interests with employment contracts, the Code of Business Conduct and the Staff Handbook, which is developed based on prevailing international labour regulations and guidelines on employment equality, labour rights, and health and safety standards. During the Reporting Year, no case of human rights violation was identified in the Group.

The Group attached great importance to the establishment of a compliance system for labour and employment. To prevent the use of forced labour and child labour, the Group collects candidates' personal information at the time of recruitment to verify their ages, identities and other profile statistics. We also leverage on Annual declaration and factory audit on a time to time basis from both the Company and the Company's customers request to prevent forced labour and child labour. Once any recruitment activity of child labour and forced labour is discovered, the Group will immediately investigate and take remedial measures. Reported cases will be handled by the judicial authorities in case of necessity. The Group has also signed agreements with suppliers to ensure they comply with relevant local and international labour regulations in its supply chain activities. During the Reporting Year, no case of child labour and forced labour incident was identified in the Group.

### Occupational Health and Safety

It is crucial for the Group to safeguard the health, safety and well-being of its employees by strictly complying with occupational health and safety-related laws and regulations. With this in mind, the Group has established its Environmental, Health and Safety Policies, as well as implemented various health and safety measures, such as introducing regular environment disinfectant services, providing air purifiers, conducting regular inspections of safety equipment and fire drills at the offices, to ensure its employees are able to work in a safe and comfortable environment. Besides, the Group also strives to promote work-life balance by offering birthday leave and parental-care leave to its employees.

King's Flair adheres to the principle of "prevention comes first" when it comes to occupational safety. Thus, it is committed to equipping employees with the necessary knowledge for preventing occupational hazards. The Group provides regular safety training to all employees on responsible practices within factory operations, as well as general safety guidance for laboratory professionals to continuously strengthen employees' awareness. In case of any work-related injury, the Group encourages its employees to report the incident to their supervisors immediately. The department head will then evaluate and determine the severity of the incident and arrange appropriate handling procedures subsequently.

### Employee Training and Development

As employees are King's Flair's greatest asset, the Group makes great effort in providing career advancement and continuous learning opportunities to all of its employees. The Group stipulates its training commitment and guidelines in the Staff Handbook, as well as introduces different programmes in place for employees to obtain continuous professional education. To encourage employees to develop their knowledge and skills, the Group also offers up to HK\$150,000 in sponsorship for master's or bachelor's degree programs, to employees who have worked for the Group for two years or more. During the Reporting Year, the Group conducted a number of training activities for employees at different working levels. For senior staff, the Group provided management training in August. Meanwhile a "Virtual Manufacturing" workshop was also delivered to all employees. During the year, we also hosted a workshop for all supply chain colleagues on FCS certification.

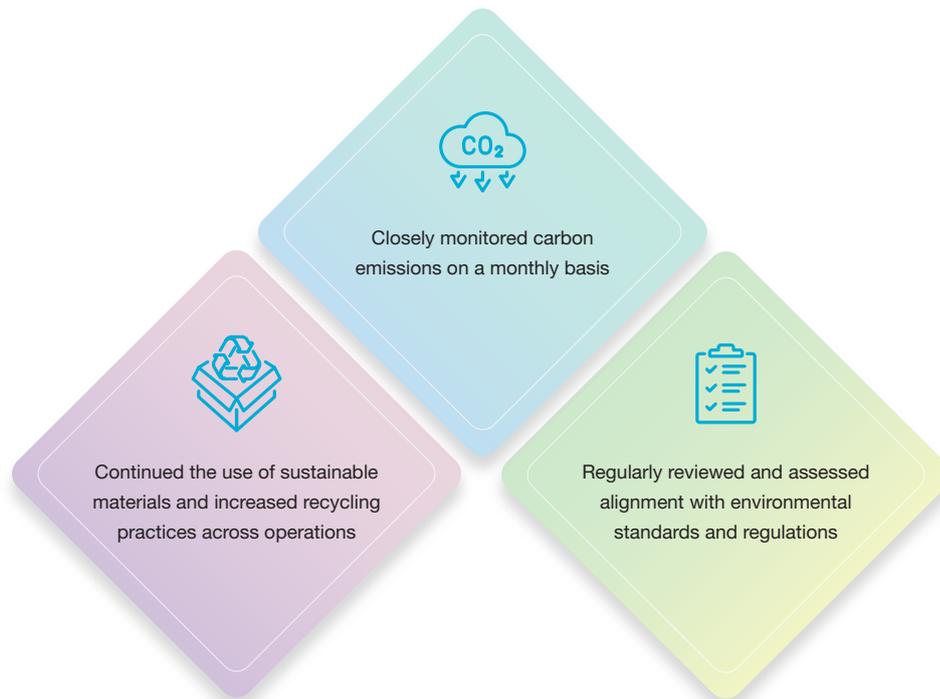
The Group has established a performance management system, with the aim to support employees planning out their career trajectory and goals, which consists of three key stages includes planning, execution and review.

### Performance Management System



## ENVIRONMENTAL STEWARDSHIP

King's Flair is committed to minimising and managing the negative environmental impact of its value chain by implementing a series of strategies and environmental protection measures. To live up to the Group's commitment, it has formulated policies on energy conservation, water conservation and waste management, all of which are laid out in the Group's Environmental, Health and Safety Policy Statement, while greenhouse gas emissions policies are also included in the Climate Change Policy.<sup>2,3</sup>



### Emission Reduction

The Group is dedicated to transform into a low carbon company by minimising its carbon emissions and footprint. While the Group's carbon emissions are mainly contributed by its electricity consumption from the headquarter office and branch offices, it has invested significant resources in improving energy efficiency and implementing energy-saving related measures in the offices. For details of the Group's energy management initiatives, please refer to the section on "Resource Optimisation".

The Group has set a qualitative target in 2022 to drive continuous improvement in environmental performance, while closely monitoring its carbon emissions on a monthly basis, supported by a professional sustainability consultant to closely monitor and analyse its carbon footprint regularly. The Group is currently improving its targets in accordance with the Hong Kong Government's Hong Kong Climate Action Plan 2050.

<sup>2</sup> Air emissions are considered relatively insignificant to King's Flair's operations, and hence no corresponding policies and targets have been developed.

<sup>3</sup> Discharges into water and land are considered relatively insignificant to King's Flair's operations, and hence no corresponding policies and targets have been developed.

## Environmental, Social and Governance Report 2023

During the Reporting Year, the total GHG emissions of the headquarter office and branch offices were 195.9 tonnes of CO<sub>2</sub>-e. Scope 2 emissions from purchased electricity, which accounted for 129.8 tonnes of CO<sub>2</sub>-e or 66% of total emissions, was the main source of emissions. This is followed by Scope 1 emissions from the combustion of fossil fuels, contributing 38.8- tonnes of CO<sub>2</sub>-e or 20% of total emissions. Scope 3 emissions, which accounted for 27.3 tonnes of CO<sub>2</sub>-e, or 14% of total emissions, comprised business travel by air, paper waste disposal and the electricity used for freshwater and sewage processing.

Table 4: GHG Emissions in 2023 vs 2022

Scopes	GHG Emissions	
	Emissions (tonnes of CO <sub>2</sub> -e)	
	2023	2022
Scope 1: Direct GHG emissions	<b>38.8</b>	39.9
Scope 2: Indirect GHG emissions	<b>129.8</b>	152.5
Scope 3: Other indirect GHG emissions	<b>27.3</b>	10.1
GHG emissions in total	<b>195.9</b>	202.5
GHG intensity (per square foot floor area)	<b>0.009</b>	0.009

When compared to 2022, Scope 1 and 2 emissions were reduced 3% and 15% respectively, which were mainly due to the adoption of electric vehicle and reduction in energy consumption. For Scope 3 emissions, it had increased to 27.3 tonnes this year due to the resume of business travel after the COVID-19 pandemic situation. This year, the Group released 17.2 kg of respirable suspended particles, 3.1kg of sulphur oxides, and 215.9 kg of nitrogen oxides during the reporting year which were mainly contributed by the increase in the use of mobile vehicles and yacht as more customers are arriving to Hong Kong.

## Responsible Waste Management Practices

The Group attaches great importance to waste management and treats this as one of the major focuses for sustainable development. The Group aims to minimise the environmental impact of waste through the use of sustainable materials in its operations, and actively adopt responsible waste handling methods throughout the entire supply chain.

King's Flair promotes waste reduction at the source of office operations. It has implemented various waste reduction measures, such as replacing disposable tableware with reusable tableware and encouraging staff to use reusable catering utensils. To ensure the waste is disposed appropriately, the Group has assigned dedicated staff for collecting and handling domestic waste. Waste separation bins are also set up at the Group's headquarter and branch offices to encourage responsible waste recycling. In view of the special characteristics of discarded computer equipment, the Group reduces the harm to the environment by donating discarded computer equipment to trustworthy organisations, and ensures the process is well documented by the administration and personnel department. During the Reporting Year, all the operation waste generated from internal events was handled carefully for recycling.

This year, the Group generated 1.054 tonnes of hazardous waste and 4.477 tonnes of non-hazardous waste. To ensure the disposed hazardous waste was handled properly, the Group appointed dedicated hazardous goods treatment supplier to handle the disposal safely. Compared to 2022, hazardous and non-hazardous waste decreased significantly as there are no expired materials in storage that was needed to be disposed this year.

Table 5: Waste Generation in 2023 vs 2022

Waste Types	Waste generation (tonnes)	
	2023	2022
Hazardous waste	<b>1.054</b>	6.344
Hazardous waste intensity (per 1,000 square foot floor area)	<b>0.046</b>	0.278
Non-hazardous waste	<b>4.477</b>	19.526
Non-hazardous waste intensity (per 1,000 square foot floor area)	<b>0.196</b>	0.854

## Resource Optimisation

The main resources consumed at the Group's headquarter office and branch offices are electricity, petrol, diesel, paper and water. The Group is therefore committed to implementing resource conservation measures to ensure that the relevant resources are used efficiently and reduce unnecessary consumption.

Recognising the fact that personal behavioural change is an important driver of energy conservation, the Group encourages its employees to practise energy conservation initiatives daily. Employees are encouraged to switch off lights, air-conditioners, computers and other electronic devices at appropriate times. The Group also implemented other energy-saving initiatives such as increasing the use of LED lights and providing flexible working options, for the employees to reduce overtime hours in the office.

During the Reporting Year, the Group's total energy consumption was 372.2 MWh, a 13% decrease compared to 2022 which is mainly due to a lower consumption in petrol and electricity. Meanwhile, the energy intensity was 0.016 MWh per square foot of floor area which was 13% lower than last year.

The Group has also adopted various measures to enhance employees' awareness of environmental protection, such as a decrease in activities requiring major water consumption. During the Reporting Year, the Group's total water consumption was 156.4m<sup>3</sup>, 37% decrease compared to 2022. Furthermore, the Group's water consumption intensity was 0.007m<sup>3</sup> per square foot of floor area. The Group has yet to establish water and energy efficiency targets due to the changes of office locations and operations but plans to do so once the Group's operations have stabilised.

King's Flair recognises that there is a significant amount of paper used in the operation of its business. In an effort to reduce paper consumption, the Group is taking steps to become a paperless workplace in a gradual manner. Internally, the Group is promoting the use of less paper in the office, integrating multiple Enterprise Resource Planning platforms (ERP) to optimise internal operations and improve internal processes. Externally, it is also encouraging its clients to accept electronic versions of design documents wherever possible. The Group is also committed to using responsible purchasing methods to procure paper. During the Reporting Year, the Group utilised environmentally friendly paper to produce its annual report.

During the Reporting Year, a volume of 495.89 kg of paper usage<sup>4</sup> was recorded. The increase in the amount of paper used is due to the resumption of normalcy after the pandemic with more physical meetings being held with clients. Moreover, 232 kg of paper used was collected, treated, and recycled by certified recyclers during the Reporting Year.

Table 6: Paper Usage in 2023 vs 2022

Use of Paper	Paper Usage (kg)	
	2023	2022
A4	<b>399.2</b>	306.9
A3	<b>34.9</b>	39.9
Coloured Paper	<b>12.5</b>	7.5

<sup>4</sup> Paper usage included A4 paper, A4 coloured paper, A3 paper and other printed paper products such as business cards and annual reports.

### Impact on the Environment

King's Flair is aware of the environmental impact of the design and manufacturing processes involved in launching new products. In light of this, the Group addresses the negative environmental impact of its value chain by establishing a robust supply chain management system.

The Group maintains high standards for its suppliers, and has issued the Quality Handbook for Suppliers' Products and Supplier Code of Conduct, in order to strictly regulate supplier behaviour and to reduce the environmental impact of products throughout their life cycle. Those aforementioned policies also serve as guidelines for selecting raw materials, selecting transportation methods, and managing waste, chemical, and production emissions of its suppliers' plants. The Group also reduces the carbon footprint of its products by reinforcing the importance of sustainability with its suppliers, through engagement activities such as hosting supplier workshops to brainstorm sustainability-related ideas.

The Group is committed to increasing the use of environmentally friendly materials in its products. It has invested in research and development of more sustainable raw materials, such as the use of spent coffee grounds. In the future, the Group will continue to scale up and devote more resources towards the development of sustainable materials.

### Climate Change Action

The frequency and severity of extreme weather events can adversely affect the Group's operations and supply chain, such as delays in project delivery and financial losses due to logistics disruptions in its supply chain. With this in mind, the Group conducts regular reviews of environmental standards and regulations, and closely monitors climate and disease-related incidents to proactively minimize the risks led by climate change.

Furthermore, King's Flair has established a Climate Change Policy to strengthen the Group's resilience to extreme weather events, as well as highlighting the Group's commitment to managing climate-related risks. The Climate Change Policy contains a series of climate change mitigation measures such as improving energy efficiency by collaborating with various stakeholders, integrating climate change considerations into the Group's procurement process, and others.

The Group strives to stay abreast of developments in environmental legislation and standards to solidify its climate resilience. It monitors climate and disease-related events on a daily basis, with appropriate procedures and actions being taken depending on the severity of the extreme weather situation. King's Flair reviews its Climate Change Policy every three years and updates the policy as necessary. The Group aims to integrate climate change into the overall enterprise risk management process, so as to enhance the Group's resilience and ability to cope with unpredicted extreme weather.

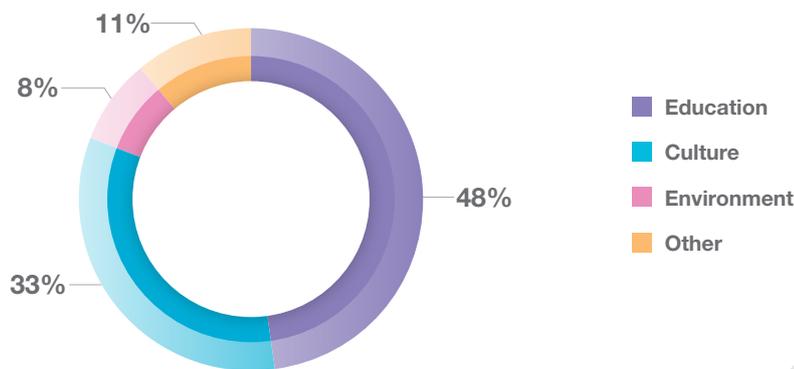
### CARING FOR THE COMMUNITY

As a responsible corporate citizen, King’s Flair recognises the importance of investing in the community and values the relationships with the communities it is part of. It has formulated the Community Investment Policy to stipulate its commitments on driving positive and value-added contributions to the surrounding places and people, as well as to encouraging employees to participate in volunteering activities to support the local causes. The Community Investment Policy also serves as a framework for the type of organisations and the type of contribution the Group can provide, in order to ensure that King’s Flair’s community contributions have a charitable purpose and are aligned to its business, employees, and community needs. These supporting areas include education, health, culture, and the environment.

To address a wide range of social issues and causes, the Group and its employees contribute to community-based organisations and initiatives through investments of time, money, products and services. During the Reporting Year, over HK\$3.49 million was donated to organisations for the benefit of meaningful causes. Education was one of the key focus areas during the Reporting Year.

To nurture the younger generation, King’s Flair has made monetary donations to The Hong Kong Polytechnic University, The Hong Kong University of Science and Technology, as well as various secondary schools and organisations including the Hong Kong Federation of Youth Groups “Dare to Dream – Young Startup Support Scheme”, and Plan International Hong Kong this year. The Group also donated to The Community Chest Hong Kong and Kowloon Walk for Millions to support the provision of family and child welfare services. Furthermore, the Group has donated to art and culture organisations including the Hong Kong Academy for Performing Arts and Hong Kong Rehabilitation Power to nurture local talents and encourage cultural exchange. King’s Flair also supported the 2023 ESG for Climate Actions International Conference organised by the World Green Organisation, and donated to Walk & Fun 2023 organised by A Drop of Life for raising awareness in sustainability and environmental protection.

Monetary Contributions by Focus Area



## KEY PERFORMANCE INDICATORS SUMMARY

### Environmental Key Performance Indicators

Environmental Data	2023	2022	Unit
<b>EMISSIONS</b>			
<b>Types of emissions and respective emission data<sup>5</sup></b>			
Nitrogen oxides (“NOx”) emissions	<b>215.9</b>	133.5	kg
Sulphur oxides (“SOx”) emissions	<b>3.1</b>	2.1	kg
Respirable suspended particulates (“RSP”) emissions	<b>17.2</b>	10.7	kg
<b>Total GHG emissions and intensity</b>			
GHG emissions in total	<b>195.9</b>	202.5	tonne(s) CO <sub>2</sub> -e
Scope 1	<b>38.8</b>	39.9	tonne(s) CO <sub>2</sub> -e
Scope 2	<b>129.8</b>	152.5	tonne(s) CO <sub>2</sub> -e
Scope 1 & 2	<b>168.6</b>	192.4	tonne(s) CO <sub>2</sub> -e
Scope 3	<b>27.3</b>	10.1	tonne(s) CO <sub>2</sub> -e
Greenhouse gas intensity	<b>0.009</b>	0.009	tonne(s) CO <sub>2</sub> -e/square foot floor area
	<b>2.04</b>	1.93	tonne(s) CO <sub>2</sub> -e/employee
<b>HAZARDOUS AND NON-HAZARDOUS WASTE AND INTENSITY</b>			
Total hazardous waste	<b>1.054</b>	6.344	tonne(s)
Hazardous waste intensity	<b>0.046</b>	0.278	tonne(s)/thousand square foot floor area
Total non-hazardous waste	<b>4.477</b>	19.526	tonne(s)
Non-hazardous waste intensity	<b>0.196</b>	0.854	tonne(s)/thousand square foot floor area

<sup>5</sup> Emissions from vehicles and vessels included, emissions were calculated in accordance with the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong compiled by the Environmental Protection Department and Electrical and Mechanical Services Department of Hong Kong.

Environmental Data	2023	2022	Unit
<b>USE OF RESOURCES</b>			
<b>Total direct/indirect energy consumption by type and intensity</b>			
Total energy consumption	<b>372.2</b>	426.0	MWh
Direct energy consumption	<b>134.3</b>	138.0	MWh
Petrol	<b>83.4</b>	105.5	MWh
Diesel/Gas Oil	<b>50.8</b>	32.5	MWh
Indirect energy consumption	<b>237.9</b>	288.0	MWh
Purchased electricity	<b>237.9</b>	288.0	MWh
Energy intensity	<b>0.016</b>	0.019	MWh/square foot floor area
	<b>3.9</b>	4.1	MWh/employee
<b>Total water consumption and intensity</b>			
Total water consumption	<b>156.4</b>	249.0	m <sup>3</sup>
Total water consumption intensity	<b>0.007</b>	0.011	m <sup>3</sup> /square foot floor area
	<b>1.6</b>	2.4	m <sup>3</sup> /employee
<b>Total packaging material amount and intensity<sup>6</sup></b>			
Packaging material amount	<b>0.280</b>	0.139	tonne(s)
Packaging material intensity	<b>0.012</b>	0.006	tonne(s)/thousand square foot floor area
	<b>0.003</b>	0.001	tonne(s)/employee

<sup>6</sup> Under normal circumstances, no packaging materials are used in the Group's offices. However, due to the replacement of damaged product packaging in one of our branch offices, packaging material was purchased and used for this independent event.

## Social Key Performance Indicators

### Employment<sup>7,8</sup>

Number of Employees <sup>9</sup>		2023	2022
By Gender	Male	56	62
	Female	40	43
By Rank	Level C Senior Management	4	3
	Senior Management	25	27
	Middle Management	53	55
	General Staff	14	20
		96	105
By Age Group	30 and below	11	18
	31-40 years old	22	35
	41-50 years old	38	31
	Above 50 years old	25	21
By Employment Category	Full-time	96	105
	Part-time	0	0
Gender Ratio (male to female)		1.40:1	1.44:1

<sup>7</sup> Based on employees as of 31 December 2023.

<sup>8</sup> Other than employees employed by the Group, the Group also has workers that provides services for King's Flair and work at the Group's office from time to time. Other workers include consultants, courier staff, auditors, contractors and other maintenance staff. As the Group does not directly employ nor directly manage the activities of such other workers, it does not have records of the exact number of relevant workers, therefore could not be reported.

<sup>9</sup> All of the Group's employees are located in Hong Kong.

## Environmental, Social and Governance Report 2023

New Hire <sup>10</sup>		2023			2022		
By Gender	Male	12			19		
	Female	12			15		
By Age Group	30 and below	7	24	25%	10	34	32%
	31-40 years old	2			8		
	41-50 years old	8			12		
	Above 50 years old	7			4		

Employee Turnover <sup>11</sup>		2023			2022				
By Gender	Male	18	32%		31	50%			
	Female	15	38%		24	56%			
By Age Group	30 and below	13	118%	33	34%	17	94%	55	52%
	31-40 years old	9	41%			17	49%		
	41-50 years old	5	13%			18	58%		
	Above 50 years old	6	24%			3	14%		
By Geographical Region	Hong Kong	33	34%			55	52%		

<sup>10</sup> New hire rate = number of new employees during the Year/ number of employees as of 31 December 2023.

<sup>11</sup> Turnover rate = total number of employee turnovers or total number of employee turnovers of that particular category/ total number of employees or total number of employees of the particular category as of 31 December 2023.

<sup>12</sup> The Group categorises interns as employees, and thus interns are also included in the calculation of employee turnover rate. The turnover rate observed for the 30 and below age group is partially attributed by interns who have left the Group due to the completion of their corresponding internship programmes. During the Reporting Year, there were 4 interns who have left the Group.

## Health and Safety

Fatality or injury rate		2023		2022	
Employees suffering from work-related fatality <sup>13</sup> or injury	Male	0	0	0	0
	Female	0		0	
Lost days due to work injury	Full-time	0	0	0	0
	Part-time	0		0	

## Training

Number and percentage of employees trained <sup>14</sup>		2023		2022	
By Gender	Male	33	59%	22	35%
	Female	23	58%	5	12%
By Rank	Level C Senior Management	2	50%	56	58%
	Senior Management	21	84%	13	48%
	Middle Management	31	58%	12	22%
	General Staff	2	14%	1	5%

Average training hours (hours) <sup>15</sup>		2023		2022	
By Gender	Male	3.5		2.2	
	Female	2.2		0.8	
By Rank	Level C Senior Management	2.9	3.0	3.2	1.65
	Senior Management	6.4		3.4	
	Middle Management	2.0		1.2	
	General Staff	0.6		0.2	

## Supply Chain Management

Number of suppliers <sup>16</sup>		2023	2022
By Geographic Region	Mainland China	237	173

<sup>13</sup> No employees of the Group suffered from work-related fatalities in the past three years.

<sup>14</sup> Percentage of employees trained = total trained employees of that particular category/ total number of employees of the particular category.

<sup>15</sup> Average training hours = total training hours of the particular category/ total number of employees of the particular category.

<sup>16</sup> All of the Groups suppliers are based in Mainland China and are manufacturing suppliers.

## REPORT CONTENT INDEX

Material Aspect	Content	Page Index/Remarks
<b>Mandatory Disclosure Requirements</b>		
<b>Governance Structure</b>		
Board statement	A disclosure of the board's oversight of ESG issues	4-5
	The board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses)	4-5
	How the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses	4-5
<b>Reporting Principles</b>		
Description of the application of the Reporting Principles	<p><b>Materiality:</b> The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.</p> <p><b>Quantitative:</b> Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p><b>Consistency:</b> The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison</p>	3, 9-10
<b>Reporting Boundary</b>		
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	3

Material Aspect	Content	Page Index/Remarks
<b>Comply or Explain Provisions</b>		
<b>A. Environment</b>		
<b>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.	8, 21-22 Air emissions and discharges into water and land are considered relatively insignificant to King's Flair's operations, hence no corresponding policies have been developed.
A1.1	The types of emissions and respective emissions data.	22, 27
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).	22, 27
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	23, 27
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	23, 27
A1.5	Description of emission target(s) set and steps taken to achieve them.	21
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	23
<b>A2 Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	24 King's Flair does not have a raw material policy, given that their business model reflects that of a service provider rather than a manufacturer, therefore deemed to be not material.
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	24, 28
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	24, 28
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	24

## Environmental, Social and Governance Report 2023

Material Aspect	Content	Page Index/Remarks
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	No issues in sourcing water during the Reporting Year
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	28
<b>A3 The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	21
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	25
<b>A4 Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	25
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	25
<b>B. Social</b>		
<b>B1 Employment</b>		
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.	8, 17-18
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	29
B1.2	Employee turnover rate by gender, age group and geographical region.	30
<b>B2 Health and Safety</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	8, 17-18
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	31
B2.2	Lost days due to work injury.	31
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	19

Material Aspect	Content	Page Index/Remarks
<b>B3 Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	19
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	31
B3.2	The average training hours completed per employee by gender and employee category.	31
<b>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.	8, 18
B4.1	Description of measures to review employment practices to avoid child and forced labour.	18
B4.2	Description of steps taken to eliminate such practices when discovered.	18
<b>B5 Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	13, 25
B5.1	Number of suppliers by geographical region.	31
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	13-14, 25
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	13-14, 25
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	13-14, 25
<b>B6 Product Responsibility</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	8, 12-16, 19 Product advertising and labelling considered insignificant to King's Flair's operations, so corresponding policies have not been developed.
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	16
B6.2	Number of products and service related complaints received and how they are dealt with.	16

Material Aspect	Content	Page Index/Remarks
B6.3	Description of practices relating to observing and protecting intellectual property rights.	13
B6.4	Description of quality assurance process and recall procedures.	15-16
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	13
<b>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.	8, 12
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	There were no legal cases regarding corrupt practices brought against the Group in the Reporting year.
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	12
B7.3	Description of anti-corruption training provided to directors and staff.	12
<b>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.	26
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	26
B8.2	Resources contributed (e.g. money or time) to the focus area.	26