



HUNG HING

# 2023 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STOCK CODE 股份代號: 0450

**Together, embrace stability  
and innovation**  
穩健創新 攜手並進

鴻興印刷集團有限公司  
Hung Hing Printing Group Limited



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# Corporate Profile



The Hung Hing Printing Group, listed on the Hong Kong Stock Exchange, is a major global player in book and package printing, consumer product packaging production, corrugated box manufacturing, paper trading, and design innovation in these domains.

Having produced tailor-made printing solutions for clients around the world for more than 70 years, Hung Hing has a heritage of excellence built on a foundation of craftsmanship and innovation.

Headquartered at the Tai Po Industrial Estate in Hong Kong, China, we have seven manufacturing facilities, including one in Hong Kong, five in mainland China (Shenzhen, Zhongshan, Heshan and Foshan in the Guangdong province and Wuxi, in Jiangsu) and one in Hanoi, Vietnam. The Group's total production floor space spans over 600,000 square meters, with a workforce of around 5,800 in Hong Kong, mainland China and Vietnam.

To grow the business, Hung Hing focuses on building strong partnership, and driving business innovation, and creating sustainable printed products and solutions for clients covering leading local and multinational

corporations worldwide. Through its design hub Beluga and investments in new development opportunities, the Group is also pioneering new capabilities including digital+print products to help drive innovation. In addition, building on its years of experience in producing children's books, Hung Hing expands its portfolio around children's education. It includes the Yum Me Play experience platform that provides a variety of workshops and learning experiences, STEM Plus that delivers STEM and AI educational programmes, and Active Minds that distributes children's books.

Hung Hing's financial objective is to deliver consistent returns and long-term growth to shareholders from a leading position in its industry. The strategy to achieve this involves resilience and long-term commitment in fixed and human assets, and an unwavering focus on quality, efficiency and customer service.

# Facilities

## Hong Kong, China

1950

- Relocated to Tai Po Industrial Estate in 1989.
- Corporate headquarters.
- 2 production lines for conventional books printing, suitable for printing of sensitive materials.
- 270 full time staff/workers.

## Zhongshan

1993

- Printing and manufacturing of folding cartons, litho lam and corrugated containers.
- Awarded ISO9001; ISO14001 & BRCGS certifications.
- 590 full time workers.

## Shenzhen

1994

- Printing and manufacturing of folding cartons, children's book, conventional books, litho lam and corrugated containers.
- Awarded ISO9001; ISO14001; ISO50001 & ICTI-ETP certifications.
- 1,900-2,800 full time workers of which 700-1,500 hand assembled related.

## Shunde, Foshan

1998

- Printing and manufacturing of folding cartons, litho lam and corrugated containers.
- Acquired in 2018 to achieve multi-locations network producing high quality corrugated products.
- Awarded ISO9001; ISO14001 certifications.
- 250 full time workers.

## Wuxi

2003

- Printing and manufacturing of folding cartons, litho lam and corrugated containers.
- Awarded ISO9001; ISO14001 & BRCGS certifications.
- 280-400 full time workers of which 100-200 hand assembled related.

## Heshan

2007

- Established in 2007 for printing children's and conventional books.
- Awarded ISO9001; ISO14001 & ICTI-ETP certifications.
- 1,900-3,200 full time workers of which 900-2,200 hand assembled related.

## Vietnam

2019

- Awarded ISO9001; ISO14001 & ICTI-ETP certifications.
- Vietnam operation started in Q4 2019.
- 630 full time workers.



# Chairman's Statement

## Communication of Progress for United Nations Global Compact

It is my pleasure to share this communication of progress on behalf of our organization, reaffirming our unwavering support for the United Nations Global Compact (UNGC) and its ten principles. As one of the leading printing solution providers in Asia, we recognize the pivotal role we play in promoting sustainable development, fostering responsible business practices, and contributing to a better world.

In the area of human rights, we have strengthened our commitment to safeguarding the dignity and well-being of our employees and stakeholders. We have implemented robust policies to prevent discrimination, promote diversity and inclusion, and provide a safe and respectful work environment for all.

We have also intensified our efforts to protect the environment and combat climate change. By embracing innovative technologies and sustainable practices, we have reduced our carbon footprint, increased energy efficiency, invested in renewable energy, and implemented waste management initiatives across our operations. In the past three years, we have met most of the reduction targets we set for energy and waste reduction, with a baseline of 2020. Details are listed in the progress report.

Furthermore, we recognize the importance of responsible business conduct and have enhanced our transparency and accountability measures. We have implemented strong governance frameworks, ensuring that ethical business practices are upheld throughout our value chain. Our governance is supervised, and we regularly report to our Independent Non-executive Director on the Board. Our comprehensive Corporate Social Responsibility Policy, which covers the above three principles as well as other operating policies, is accessible at <https://www.hunhingprinting.com/sustainability>.

This report covers the progress we have made for the period from January 1, 2023, to December 31, 2023, with reference made to the Ten Principles and 17 Sustainable Development Goals listed from page number 42 to 44.

I would like to express my gratitude to our employees, partners, and stakeholders for their unwavering commitment to the UNGC's principles. It is through their dedication and collaboration that we are able to create meaningful change and contribute to a more sustainable and inclusive world.

**Matthew**

*Yum Chak Ming,*  
Executive Chairman





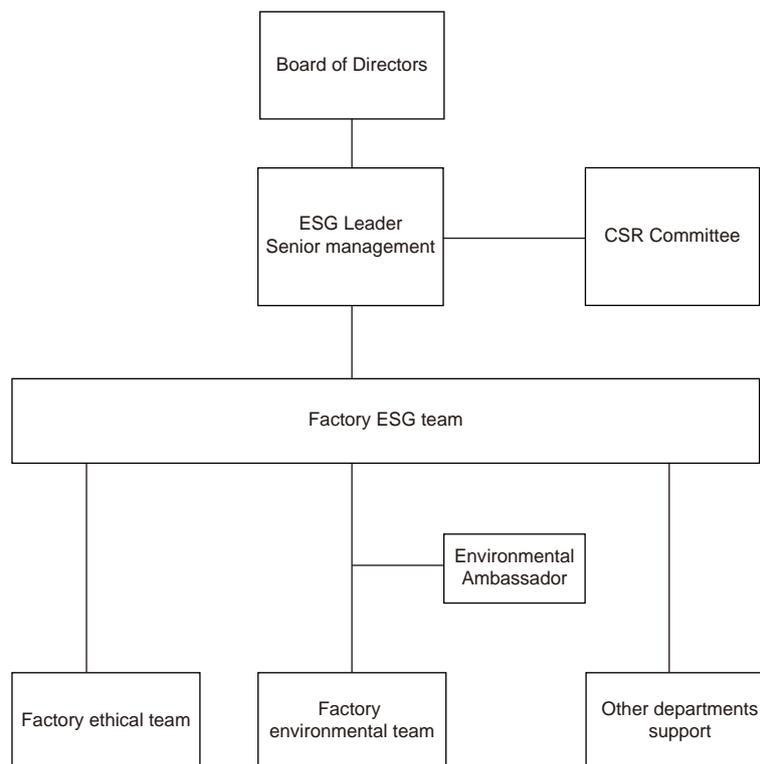
# Environmental, Social and Governance Report

The importance of environmental, social, and governance (ESG) performance is escalating among both investors and the general public, and it is closely related to the sustainability of a company and its community.

Over the years, our Board of Directors has established the Group's ESG strategy, providing unwavering support for investments in environmental improvements and enhancing employee wellbeing, as well as strengthening the governance of the Group's operations.

In 2022, we established a Corporate Social Responsibility (CSR) committee team at our Group's headquarters in Hong Kong and in 2023, we appointed environmental ambassadors at our factories who maintain direct communication with the Hong Kong-based CSR committee team. Their in-depth understanding of the local environment enriches the conceptual phase and effectiveness of the CSR committee's initiatives, leading to more successful implementations.

## Hung Hing Group ESG administration structure



In 2023, the Group sustained its commitment to environmental sustainability by investing over HK\$5.7 million in renewable energy projects and energy efficiency improvement initiatives. Additionally, several employee well-being programmes were rolled out, details of which are elaborated in the respective sections.

Our operations adhere to stringent environmental and ethical standards, with a keen eye on the dynamic landscape of environmental and ethical regulations and well-recognised standards. Hung Hing's factories are transparent in their compliance efforts, disclosing performance metrics on designated platforms. This allows stakeholders to readily assess our performance in these crucial areas.

	Shenzhen	Heshan	Zhongshan	GDR	Wuxi	HH Dream
ISO14001	Yes	Yes	Yes	Yes	Yes	Yes
SMETA <sup>1</sup>	Yes	Yes	Yes	Yes	Yes	
ICTI-ETP <sup>2</sup>	Yes	Yes				Yes
Inspectorio FEM module <sup>3</sup>	Yes	Yes				
Higg <sup>4</sup> (rename to Worldly)	Yes	Yes				
ISO50001	Yes					
RBA <sup>5</sup>	Yes					
BSCI <sup>6</sup>		Yes				

This Report was prepared in accordance with the Environmental, Social and Governance Report Guide issued by Hong Kong Exchange and Clearing Limited. It covers Scope 1 and Scope 2 emissions data for all sites operating under the Group.

The financial data below was extracted from the Group's 2023 Annual Report to compare ESG performance with our financial background.

<b>HK\$'000</b>	<b>Year 2023</b>	<b>Year 2022</b>
Revenue	2,386,862	2,950,112
Operating profit	177,207	82,342
Profit before income tax	166,883	74,953
Non-current assets	1,661,908	1,570,010
Current assets	2,149,305	2,415,138
Current liabilities	558,118	675,427
Non-current liabilities	77,940	119,671
Net assets	3,175,155	3,190,050

<sup>1</sup> Sedex Members Ethical Trade Audit

<sup>2</sup> International Council of Toy Industries – Ethical Toy Program

<sup>3</sup> Inspectorio is an online platform that enables U.S. retail chains to meet their strategic sustainability and sourcing objectives in the supply chain by leveraging data-driven insights.

<sup>4</sup> Higg (now Worldly) is an integrated software platform that helps you take responsibility for your business's environmental and social impact.

<sup>5</sup> Responsible Business Alliance

<sup>6</sup> Business Social Compliance Initiative Audit

This report delves into Scope 3 carbon emissions, focusing on the carbon footprint associated with passenger air travel for business-related activities across the Group. It also examines the transportation of incoming raw materials and the journey of goods from factories to destination ports, which are crucial for the direct export products. The calculation of Scope 3 emissions for the incoming transportation of raw materials and exported goods considers factors like weight, overland travel distance, and maritime transportation, referencing authoritative sources such as <https://sea-distances.org> and <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021>.

<b>Scope 3 CO<sub>2</sub> emission</b>	<b>Shenzhen</b>	<b>Heshan</b>	<b>HHDream</b>
Raw materials: Incoming transportation emission in Tonne	<b>72.57</b>	<b>25.71</b>	<b>3.26</b>
Exported products: Factory to loading/destination ports according to Incoterms	<b>86.07</b>	<b>492.93</b>	<b>0</b>

The Group's employees flying for business purposes emitted a total of 5.06 tonnes of CO<sub>2</sub> in 2023. This calculation, derived from the passenger flight carbon emission tool by the International Civil Aviation Organization (ICAO), reflects a total travel distance of 54,390 km over 42 business trips.

We are upgrading our computer systems to facilitate information collection so that we can chronicle the carbon emissions from incoming raw materials transported to our manufacturing sites throughout 2024, and present a detailed report in 2025. We will report more Scope 3 emission categories in the coming years.

Our actions align with the 10 principles set by the United Nations Global Compact (UNGC) and the 17 Sustainable Development Goals (SDGs). They are documented in the appendix of this report, where reference tables provide more insights.

# Engaging with Our Stakeholders

We saw the lifting of all travel restrictions associated with the COVID-19 pandemic in early 2023, and business travel began to rebound. This recovery has allowed us to meet with our business partners in person and discuss their concerns such as the uncertainties arising from geopolitical and political issues, and the strategies our Group has implemented to address these challenges.

Recognising the importance of diverse channels for gathering information and understanding the concerns of various stakeholder groups, we maintained the communication channels established during the period of travel restrictions. Following is a list of our internal and external communication channels. Additionally, we leveraged web-based survey tools to conduct several internal surveys, aiming to gauge employee perspectives on a range of topics. The feedback obtained provided valuable insights, shaping our upcoming initiatives.



3月2024

## News

[See all](#)



**鴻興受惠運輸基礎設施 大灣區商機處處**  
鴻興在廣東省內各廠房皆受惠於發展完善的交通基建，在物料管理上擁有先天優勢，而大灣區商機處處，對鴻興發展起積極作用。



**積極推動工業4.0 鶴山試點推行APS**  
鶴山廠剛舉行的APS項目啟動大會，為鴻興邁向高度數碼化展開新的一頁。



**PAPERY™ CORNER - GraphiChair首次亮相博洛尼亞國際兒童書展**  
貝路加推出由100%回收紙皮製成的GraphiChair。他們更與香港插畫家合作，於博洛尼亞國際兒童書展首次展示產品。



**鴻興（中國）成為大灣區首批獲碳足跡標識認證企業**  
福永廠的3項產品獲頒粵港澳大灣區碳足跡標識認證，成為首批獲得該項認證的企業。



**鶴山鴻興獲得兩項由國家知識產權局頒發的發明專利授權**  
鶴山鴻興分別於2月及3月再次獲得國家知識產權局頒發兩項發明專利授權。



**鴻興英國於2024年倫敦書展再創佳績**  
鴻興英國於3月的倫敦書展再次取得圓滿成功，除了吸引人流也爭取到很多潛在新客戶。



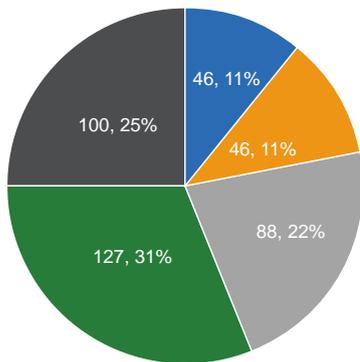
**答謝員工：以爆谷歡樂填滿員工感謝日**  
在員工感謝日，鴻興大埔總部延長了午飯時間，並請所有員工免費享用爆谷。



**印檢指南(7)：判斷技巧(測量)**  
今期Boris為我們介紹測量判斷技巧，及與視覺判斷技巧的比較。



**Percentage chart of the main reasons why employees believe customers are requesting companies to implement DE&I.**



- A. Implementing DE&I will be easier for companies to recruit employees, reduce costs, and benefit customers.
- B. It is easier to recruit and retain talents, which is beneficial to the development of the company in the long run.
- C. Having different backgrounds and different opinions will make companies more creative
- D. Employees are more likely to integrate into the company and are more willing to work
- E. In response to globalization, DE&I is needed to attract different customers

**績談「心騰」**

上一期我提到行為上的改變，首先來自心態上的覺醒，喚起我對《心騰致勝：全新成功心理學》這本暢銷書的一些體會。

**2023年第三季回顧－面對定價壓力與市場轉移，鴻興迎難而上**

第三季出口需求持續疲弱，競爭對手為爭取訂單大幅削價，且看營運總監林必旺的分析及我們的應對策略。

**法蘭克福書展「騰飛創意－香港館」精彩回顧**

「創意騰飛－香港館」是我們任主席為創意香港擔任籌委會主席的重點項目，來看看早前於法蘭克福書展的精彩片段。

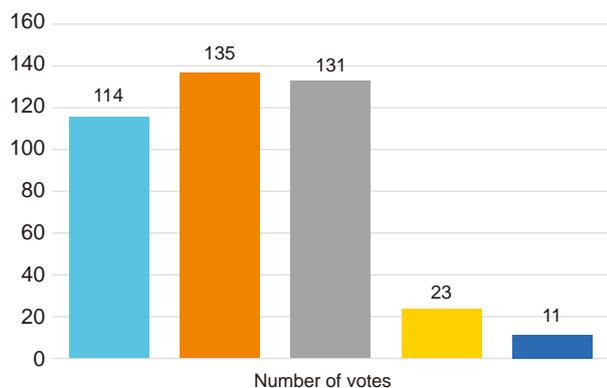
**PAPERYY™ Corner - Ho! Ho! Ho! 聖誕員工優惠**

臨近聖誕節，正在為選購聖誕禮物而煩惱嗎？使用優惠碼【HH40】於PAPERYY網店購買任何正價產品即享全單 6 折優惠！

**2023年轄山鴻興人才梯隊培訓**

為進一步推進轄山鴻興人才隊伍建設，該廠近期為130多名部門主管組織了管理技能提升培訓。

**Data chart of measures employees believe should be implemented as priorities to promote DE&I**



- A. Enterprise establishment of policies and implementation of procedures
- B. Increase training to let employees know what DE&I is and its importance
- C. Vigorously promote DE&I within the company
- D. Establish various indicators and require departments to implement them
- E. Try to equalize the male-female ratio at all levels

**Communication Channels**

Today Hung Hing	Internal
Video meetings	Internal and external
HH ESG Journal	Internal and external
HH Green	Internal
Web-based survey	Internal

After gathering information from various channels, we utilise our established procedures to prioritise the material aspects.

<b>Stakeholder</b>	<b>Communication channels</b>	<b>Information covered</b>
Investors	Annual report; annual general meetings; company emails, company websites, investor enquiries	Business performance; adoption of new technology; geographical diversification; investment strategy
Customers	Online meetings; customer satisfaction surveys; factory audits; customer requests for information; regular video meetings with global partners and key customers; dedicated Group news website, HHESG Journal	International environmental and ethical trends; knowledge of new technologies and market trends; material supply stability and material safety; conflict minerals; intellectual property protection; modern slavery prevention; business contingency plan
Employees	Regular worker representative meetings; suggestion boxes; suggestion emails; dedicated emails to chairman and independent board director for whistle-blowers; employee interest groups; internal email newsletters; dedicated Group news website; innovative committee, CSR committee, HH Green, Employee questionnaires.	Employee benefits; operational, factory and office facility improvements; employee recreational activities; working environment, sustainable lifestyle
Suppliers	Supplier questionnaires; site visits; business meetings	Cost impact of higher safety and environmental compliance requirements; procurement management, supply chain stability
Community	Engagement with NGOs and charitable organisations; e-newsletters;	Labour rights; employee health and benefits; long-term partnerships and collaboration with charitable organisations, internship opportunities; community improvement activities
Government, Industry	Factory visits; seminars; industrial association gatherings; government websites, announcements, subscription-based emails for industrial information; UNGC network; email newsletters from audit and certification bodies	Occupational health and safety; environmental protection and climate change; fire safety; career development opportunities; intellectual property protection; safety regulation updates

1. Is the concern law- or regulation-related; is it mandatory or voluntary?
2. Is it a global or national trend; is it related to a certain type of certification?
3. What is the issue's urgency or potential impact on safety, environmental, social conduct, or business operations?
4. Does it come from a particular group of stakeholders?

Company concerns are prioritised according to following key areas of focus:

1. Effectiveness to address the concern.
2. Resources needed to address the concern.
3. Risk level of the concern.
4. Impact on business operations.

After each concern is evaluated and prioritised, the results are categorised according to the following material aspects:

### Environment

- A. New regulation on environmental protection – European Union Deforestation Regulation
- B. New material or technologies for environmental protection
- C. Reduction in the use of plastic materials for packaging
- D. Measures to fight climate change.
- E. Product carbon footprint and carbon offset options.

### Social responsibility

- F. Fire safety
- G. Occupational health and safety
- H. Fair employment opportunities
- I. Employee compensation and benefits
- J. Training and career advancement opportunities
- K. Modern slavery prevention and protection of minors
- L. Contributions to the community

### Governance and business practices

- M. Material and product safety
- N. Ethical conduct with business partners
- O. Anti-corruption measures
- P. Prevention and reporting of misconduct
- Q. Intellectual properties protection

External Stakeholders Concern



● Environment    
 ● Social Responsibility    
 ● Governance and business practice

# Environment

Environmental concerns top the list of our material aspects, with new regulations emerging almost annually that could affect our operations. In line with the ISO 14001 standards, which all our factories adhere to, each one has a dedicated team tasked with monitoring new regulations within their specific operational sphere. Meanwhile, our headquarters staff concentrate on international regulations.

In 2023, we successfully transitioned to using 100% vegetable inks for our export-oriented operations in Heshan, Shenzhen, and Vietnam. Although

soya offset ink is already a low VOC (Volatile Organic Compound) option, it does contain a trace amount of mineral oil. The 100% vegetable inks we have adopted are completely free from mineral oil, aligning with both current and impending requirements of the French Law 2020-105 (AGEC), or the Anti-waste and Circular Economy Law, the tightened requirement set to take effect in 2025. Coupled with our ongoing efforts to reduce VOC emissions, our Group has achieved a continuous decrease in total VOC emissions over the past five years.

	2023	2022	2021	2020	2019
VOC emission in tonne	8,030	27,052	33,025	50,426	96,117



At our Hong Kong headquarters, the canteen serves lunch to employees, and we have launched several initiatives to cut down on food waste. Despite these efforts, a small amount of food waste is still produced. In 2023, we collaborated with an environmental organisation to repurpose our food waste, preventing it from ending up in landfills. We managed to collect approximately 4,114 kg of food waste in 2023. This figure is published on the Environmental Protection Department's website, ensuring transparency regarding our environmental impact and allowing both our team and other stakeholders to monitor our progress.



In our ongoing quest to enhance environmental awareness and minimise waste, we adopt a range of good practices:

1. Recyclable separation bins are strategically placed throughout the premises.
2. The 'HH ESG Journal', a regular email bulletin, is sent to our customers, offering insights into new eco-friendly materials, green design concepts, and ESG-focused activities.
3. The internal 'HH Green' monthly email provides tips for green living and information on eco-friendly activities.
4. The Green Monday initiative, which introduces vegetarian options in the factory canteens, now embraced by most of our factories.
5. Our internal production guidelines advise clients to opt for eco-friendly materials wherever feasible.
6. Product quotations include estimated carbon emissions to inform customers.
7. A dedicated team focuses on sourcing sustainable materials for our products, particularly alternatives to plastic.





**鴻興柯式印務有限公司**  
**HUNG HING OFF-SET PRINTING CO LTD**

# QUOTATION

3/3

**香港大埔工業村大喜街17-19號鴻興包裝印刷中心**  
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HungHingPrintingGroup

HungHingPrintingGroup

www.hunghingprinting.com

PJT#	QUOTE#	DATE
335117	503499 (3)	25 Mar 2024

REFERENCE IMAGE

CUSTOMER INFO
To :
Attn:

TITLE

ESTIMATED CARBON EMISSION
0.0703 kg CO2 per copy

**Remarks:**

**PREPARED BY :**

The table below outlines the results of our efforts to reduce plastic usage:

	2023	2022	2021	2020	2019
Plastic film used in window boxes (tonne)	372	501	580	743	1,374
PP film for lamination onto paper (tonne)	312	449	534	589	474

### Climate change risk

The effects of climate change are unequivocal, with disasters from extreme weather becoming almost a seasonal norm globally. Whether it's scorching temperatures, devastating floods, or violent typhoons, the repercussions extend far beyond our daily lives, affecting production and supply chains worldwide. We have factored in these potential risks when choosing our sites and strengthened our risk mitigation efforts.

We have put in place a routine maintenance procedure for our facilities, which includes clearing the drainage and removing objects that could fall. Additionally, we have developed a Business Contingency Plan (BCP) with detailed guidelines for responding to various impact levels. This BCP is regularly updated to accommodate potential scenarios or operational changes.



In 2023, the Pearl River region experienced unprecedented rainfall, leading to rainwater overflow in our Shenzhen warehouse. Thanks to the quick actions of our staff, who moved the goods to a safe area, the damage to our inventory was minimal.

As a responsible corporate citizen, Hung Hing is actively combating climate change by minimising our carbon footprint, tackling air and water pollution, and nurturing biodiversity. In 2023, we allocated approximately HK\$4.3 million to install centralised dampening fluid supply and press roller cooling systems in our Heshan and Shenzhen factories. Previously, each printing press operated with its own dampening fluid filtering and press roller cooling systems situated next to the press in the press room, where the emitted heat was managed by

the room's air conditioning. The new centralised system, with its components installed naturally ventilated location, eliminates the need for secondary cooling. This advanced system features a larger and more sophisticated filtering mechanism, enhancing efficiency and reducing costs. Dampening fluid and cooling water are now distributed to each press through 2 sets of pipelines. The integration of these systems is projected to save approximately 120 m<sup>3</sup> of water and 2 million kWh of electricity.

In 2023, we invested HK\$1.2 million to upgrade one of the air-conditioning chillers at our Heshan facility to the innovative Maglev model, mirroring the same upgrade we implemented at our Shenzhen factory in 2020. This Maglev chiller, having demonstrated its value in Shenzhen, was adopted by our Heshan facility.



	2023	2022	2021	2020
Scope 1 CO <sub>2</sub> (tonne)	5,619	6,966	10,088	7,506
Scope 2 CO <sub>2</sub> (tonne)	19,848	22,112	25,528	22,699

Transparency is crucial for both internal and external monitoring. The Group has made it a goal to appoint environmental ambassadors for our facilities who report directly to the CSR committee at our headquarters. These ambassadors, informed by feedback from both team members and external sources, have pushed for more frequent reporting of our environmental data which will allow us to conduct more detailed monitoring and analysis. Thanks to collaborative efforts with the Information Technology Department, factory ethics teams, and other departments, all our factories have begun submitting their environmental data on a monthly basis starting from 2024. This will enable us to align with our production data, identifying areas for operational and environmental performance improvement.

In June 2023, the European Union enacted the Regulation on deforestation-free products, also known as EUDR, aimed at reducing greenhouse gas emissions and preventing biodiversity loss. By the end of 2024, this regulation will mandate operators to conduct due diligence on specific agricultural products when exporting to or importing from the EU. For Hung Hing, this means providing the geolocation of the wood sources used in our paper materials as part of the due diligence required for our European customers.

This regulation aligns with our policy to supporting well-managed forests and biodiversity. We had already established an internal dual diligence evaluation process when its predecessor, the European Union Timber Regulation (EUTR), came into effect in 2013. All our operating units, as well as our paper suppliers, have earned accredited forestry chain-of-custody certifications<sup>7</sup>. We are in close collaboration with our suppliers and the Chain-of-Custody paper certification body to ensure timely compliance with the regulation.

In 2023, our certified paper use was approximately 58,200 tonnes compared to around 62,800 tonnes in 2022. The Group remained true to its goals of using certified and high-recycled-content paper; more than 96% of the paper we used came from these sources.

Our commitment to supporting biodiversity extends beyond our paper policy to the very grounds of our premises where we have planted a variety of trees and flowering plants. They not only provide sustenance and shelter to birds and other wildlife but also offer a chance for our staff to harvest them for healthy eating.



<sup>7</sup> Forestry Stewardship Council Certification and/or Programme for the Endorsement of Forestry Certification Scheme

While we receive water from reliable municipal sources for all our sites, our ethos is to reuse water whenever feasible. This is exemplified in the centralised dampening fluid and press roller cooling systems we have installed. For water that can no longer be recycled, we ensure it is treated properly before being discharged to the sewage system. Our operations have no intake from or discharge into other water bodies, and therefore they have no adverse effects on water-borne organisms. In 2023, our water consumption decreased to 864,983 from 1,041,474 m<sup>3</sup> in 2022.

### Use of energy

Embracing renewable energy is a cornerstone of our strategy to slash carbon emissions. In 2023, our Zhongshan facility and Hong Kong headquarters increased their solar capacity by 369 kWp and 437 kWp respectively, making a total of 806 kWp. This expansion elevated our total capacity to 6,101 kWp, compared to 5,295 kWp in 2022. The green energy produced by the Group in 2023 soared to 5,478,133 kWh, effectively

doubling from 2,471,000 kWh in the previous year and accounting for around 10% of the Group's total electricity consumption. This shift to renewable sources enabled us to cut approximately 2,050 tonnes of CO<sub>2</sub> emissions, which would have been produced from grid supply. Looking ahead, we plan to install two more solar panel systems in our Heshan and Vietnam plants, aiming for around 1,000 kWp each.



Electricity is our preferred energy source. Diesel-driven forklifts were replaced by electric forklifts when the former ones were retired. Our Hong Kong office has installed eight electric vehicle charging points, which are open to use by Hong Kong employees free of charge. By offering such convenient facilities, we have observed that some of our colleagues have switched from driving petrol engine passenger cars to electric vehicles.

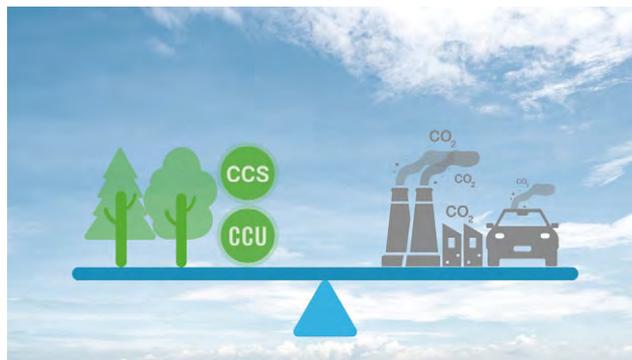
	<b>Electric passenger vehicle</b>	<b>Electric forklift</b>	<b>Electric pallet truck</b>
2023	13	50	395
2022	12	50	393

Natural gas stands out as our preferred heat source as it is the cleanest form of fossil fuel. All our factories in mainland China rely on natural gas to power steam boilers and for cooking purposes while in Hong Kong, we use Towngas for cooking. All our energy sources come from reliable suppliers, with no significant interruptions experienced in 2023.

	<b>Electricity (MWh)</b>	<b>Natural Gas (m<sup>3</sup>)</b>	<b>Towngas (MJ)</b>	<b>Diesel (Tonnes)</b>	<b>Petrol (Tonnes)</b>
<b>Usage</b>	<b>Power and air-conditioning, passenger vehicles, forklifts</b>	<b>Steam boiler and cooking</b>	<b>Cooking</b>	<b>Heavy duty vehicles</b>	<b>Passenger vehicles</b>
2023	55,432	2,699,513	270,480	61.08	81.06
2022	59,226	3,384,100	299,040	75.20	76.02
2020	60,483	3,595,665	323,328	104.50	92.45

## Improvement targets

Scientists have declared 2023 as the hottest year on record, with predictions indicating that each subsequent year could set new temperature highs. This alarming trend underscores the urgent need for us to step up our efforts against climate change. We have responded by proposing to management an ambitious plan: to increase our environmental performance improvement target by 50% and aim for a 30% reduction in emissions and usage intensity by 2030, compared to the base year of 2020. Meeting these targets is challenging as the intensity level fluctuates with the Group's turnover. Although our current figures for electricity and hazardous waste fall short of the 9% reduction target from 2020, we draw confidence from our past achievements. We are optimistic that by making further investments in new energy-efficient technologies, we will be able to reach these goals.



We are also exploring the use of the carbon credit mechanism as a potential strategy to offset our CO<sub>2</sub> emissions. This approach would not only provide financial reference on the cost of carbon emissions but also serve as a last resort to ensure we meet our environmental targets.

Intensity is calculated as units per HKD millions of Group turnover.

## Revised environment targets

Base year 2020	Original Target	New Target
Scope 1 & 2 CO <sub>2</sub> emission intensity	Reduce 10% by 2025, average -2% per year	Reduce 30% by 2030, average -3% per year
Electricity usage intensity	Reduce 10% by 2025, average -2% per year	Reduce 30% by 2030, average -3% per year
Water consumption intensity	Reduce 10% by 2025, average -2% per year	Reduce 30% by 2030, average -3% per year
Non-hazardous waste intensity	Reduce 10% by 2025, average -2% per year	Reduce 30% by 2030, average -3% per year
Hazardous waste intensity	Reduce 10% by 2025, average -2% per year	Reduce 30% by 2030, average -3% per year

The table below shows the results achieved from 2022 to 2023.

	2023		2022		2020
	Improvement	2023	Improvement	2022	Base year
Group turnover HKD million	-6.5%	2,387	15.51%	2,950	2,554
Electricity intensity	1.9%	23.22	15.20%	20.08	23.68
CO <sub>2</sub> emission intensity	10.1%	10.66	16.85%	9.87	11.87
Water usage intensity	12.46%	362.39	14.72%	353.04	413.98
Non-hazardous waste <sup>8</sup> intensity	70%	0.18	58.33%	0.25	0.60
Hazardous waste intensity	-8.3%	0.26	25.00%	0.18	0.24

The Group's turnover includes its paper trading business, which consumes much less energy and generates less waste. The table below provides comparisons of the targets after removing data from the paper trading business.

Intensity excluding paper trading:

	2023		2022		2020
	Improvement	2023	Improvement	2022	Base year
Group turnover HKD million		2,183		2,712	2,268
Electricity usage MWh	8.32%	55,182	2.04%	58,964	60,192
Electricity intensity	4.75%	25.28	18.08%	21.74	26.54
CO <sub>2</sub> emission in tonne	16.09%	25,313	4.11%	28,928	30,168
CO <sub>2</sub> emission intensity	12.82%	11.60	19.77%	10.67	13.30
Water usage in M <sup>3</sup>	18.00%	862,627	2.42%	1,026,544	1,051,986
Water usage intensity	14.80%	395.16	18.39%	378.52	463.84
Non-hazardous waste in tonne	72.21%	423.52	51.20%	743.88	1,524.20
Non-hazardous waste intensity	71.13%	0.23	59.70%	0.27	0.67
Hazardous waste in tonne	-0.09%	607.9	12.67%	530.37	607.30
Hazardous waste intensity	-3.99%	0.27	25.92%	0.20	0.27

<sup>8</sup> Non-hazardous waste includes non-recyclable production waste and household waste.

## Waste handling

Our principle is to minimise waste to the greatest extent possible. A significant portion of the waste generated in our manufacturing process can be recycled. By segregating this waste into various categories, we facilitate its sale to recycling companies, who then repurpose it for alternative uses. Hazardous waste – including liquid chemicals, chemically contaminated containers, cleaning rags and sludge from wastewater treatment – was collected and treated by authorised agents who have the appropriate qualifications<sup>9</sup> to handle such materials. The significant increase in hazardous waste in 2023 was mainly due to the demolition of the wastewater treatment facility as a result of the relocation of the Wuxi plant.

The table below provides data on waste materials generated over the past three years.

	2023	2022	2021	2020
Paper (recycled) in Tonne	32,771	47,848	45,023	39,192
Wood (recycled) in Tonne	590	889	1,126	863
Plastic (recycled) in Tonne	322	339	398	393
Metal (recycled) in Tonne	281	142	271	149
Non-hazardous waste in Tonne	424	744	653	1,524
Hazardous waste in Tonne	609	530	731	607

<sup>9</sup> Regulation on the Management of the Shifting of Hazardous Waste

# Social Responsibility

## Our employees

The post-pandemic era has significantly accelerated changes in the global market, with the Chinese manufacturing industry notably shifting from labour-intensive to automated and high value-added production. Hung Hing is acutely aware of these evolving dynamics and has intensified its commitment to securing and nurturing top talent. Our approach extends beyond competitive remuneration and employee benefits; we are fostering a supportive work environment, offering training and career growth opportunities. This holistic strategy encompasses the entire employee journey, from onboarding to eventual departure, ensuring adherence to esteemed ethical principles that safeguard fair treatment and protect the rights of our workforce.

### Hung Hing Labour Policy

1. Have zero tolerance for child labour (under the age of 16).
2. Will not accept forced labour in any form, including modern slavery.
3. Do not allow discrimination of any kind throughout the employment period, and we promote a culture of diversity, equity and inclusion in the workplace.
4. Arrange working hours reasonably, and overtime is compensated at a higher rate.
5. Offer remuneration that will not be lower than the regional minimum wages to support a decent living for employees.
6. Allow employees to form lawful associations.
7. Provide a healthy and safe workplace for employees.
8. Have channels for employees to query and report any misconduct, and investigations of misconduct will be conducted confidentially.

We implement rigorous measures to prevent the employment of child labour. This includes a two-tiered verification system at the hiring phase and before the commencement of employment to ascertain the age and identity of prospective employees. Should instances of child labour come to light within our operations, we have established protocols aimed at safeguarding the welfare of these individuals such as providing access to education if they wish, or transferring them to a safe environment, with all expenses covered by the company.

In addition to the traditional festivities observed during the Mid-autumn Festival and in the lead-up to Chinese New Year, a myriad of events were organised at numerous locations to recognise employee contributions and infuse joy into their lives. These initiatives are designed to foster a harmonious work-life equilibrium and fortify familial ties. The following section highlights some of the activities held in 2023.



### Employees recognition and Work-life balance activities

In February, colleagues from the Hong Kong headquarters, along with their families, went hiking along the Hung Mui Kuk Nature Trail. As they climbed up the iconic Amah Rock, they undertook a clean-up initiative, removing trash along the path. This endeavor not only allowed them to enjoy the trail's beautiful scenery but also reinforced the imperative of preserving our natural heritage for future generations.



In May, the Vietnam factory held an awards ceremony to honor its most outstanding employees. Among the lauded was an employee who joined the factory as a regular worker three years prior, was promoted to a manager, and then elected as the "Most Outstanding Manager". This highlighted how our policy of training and employing talented individuals yields benefits for both the company and its employees.



On 29 June, Hung Hing organised a movie night for its employees in Hong Kong, allowing them to enjoy a film at no cost.



In the sweltering heat of August, the company organised yacht outings for employees, offering a refreshing swim for those adept in the water. For others less confident at sea, alternative entertainments like singing were available, ensuring all could delight in the yacht experience. The evening concluded with a lavish meal, nurturing camaraderie and providing a much-needed respite from work.



In December, the CSR team hosted a barbecue at Tai Mei Tuk, a picturesque locale near our Hong Kong headquarters. This evening event united staff from various departments, enhancing networking and solidifying team cohesion.



### Family Bonding activities

In July, during the summer holiday, the Heshan and Shenzhen factories hosted various parent-child activities, promoting quality time between employees and their children, thereby nurturing familial bonds and creating unforgettable summer experiences. As a token of appreciation for these precious moments, employees who captured emotive and endearing photographs during these activities received special gifts.



In October, coinciding with the Mid-Autumn Festival, the Vietnam factory arranged a celebratory event, inviting employees' immediate family members to partake in the festivities, highlighted by performances from each department. This gathering fostered a cosy, comforting, and heart-warming environment for employees and their families.



In December, a Family Open Day was organised in Hong Kong, allowing family members of the employees to explore the workplace. The company curated engaging activities, welcoming these cherished visitors. Guests were fascinated by the products created and the workplace ambience, further enriched by an entertaining quiz and the creation of small, handcrafted items.



## Health and safety

We maintain a meticulously organised system for delivering occupational safety training to our employees, complete with comprehensive procedures and guidelines to ensure health and safety in the workplace. In addition to routine internal inspections conducted by safety officers at each factory, all our production facilities undergo regular ethical audits by external parties, encompassing our occupational safety practices.

Platform name	Website address	Description
RBA Responsible Business Alliance	<a href="https://www.rba-online.org">https://www.rba-online.org</a>	Formerly the 'Electronic Industry Citizenship Coalition' and now focused on 'Advancing Sustainability Globally'
ICTI-Ethical Toy Program	<a href="https://www.ethicaltoyprogram.org">https://www.ethicaltoyprogram.org</a>	Advancing ethical manufacturing in the toy industry
Sedex	<a href="http://www.sedexglobal.com">www.sedexglobal.com</a>	A platform that promotes responsible supply chain management

These audits employ a checklist that includes, but is not limited to:

1. Procedures for machine safety evaluation and maintenance.
2. Employee safety training.
3. Chemical storage and usage, with proper labelling and the correct use of related personal protective equipment.
4. Fire safety.
5. Appropriate protection and warning labels for special equipment such as electrical switches, hot surfaces, pressurised containers, and laser devices.
6. Accurate records of injuries and related corrective actions.

In addition to the above-mentioned measures, factories organise activities from time to time to raise employee safety awareness. In February, Heshan hosted the ‘Safety Month Fun Fair’ to emphasise the importance of production safety and precautionary procedures for handling and using chemicals, and to enhance overall industrial safety awareness. In August, the Shenzhen site collaborated with a nearby hospital to conduct an emergency first response seminar for approximately 300 employees, covering essential first-aid knowledge and skills, including how to perform cardiopulmonary resuscitation (CPR) during emergencies. The training comprised theoretical learning, on-site assessment, and skill practice.

In 2023, the Total Incident Rate (TIR) remained low at 0.22. Notably, over the past three years, no work-related fatalities have been recorded across the Group.

## Development and training

Training is a crucial method for maintaining a talent pool essential for the company’s development. With COVID-19 restrictions lifted, our training resumed normal operations for both internal and external programmes. Beyond our standard new employee orientation and on-the-job training, the Heshan factory

organised a multi-day training session in November for over 130 team leaders at various levels to bolster their management skills. The training encompassed theoretical lectures, case study analyses, interactive discussions, video demonstrations, drills, and practical exercises. Participants were encouraged to integrate the knowledge gained into their daily work.

We continued to propagate knowledge sharing among our employees through various initiatives such as innovative idea-sharing meetings, disseminating information via the company newsletter ‘Today Hung Hing’, sponsoring external training courses, and arranging visits to exhibitions or business partner sites.

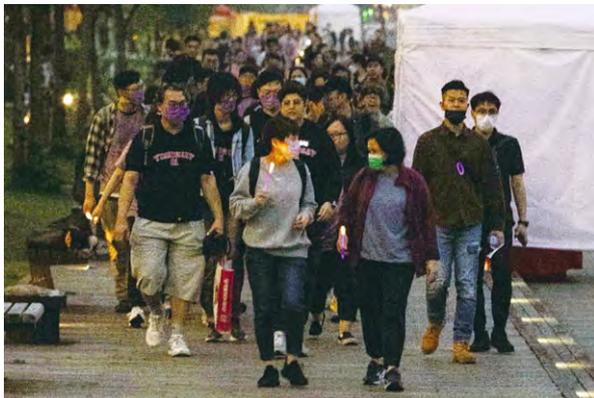
As we transition from labour-intensive to automated operations, having talents who possess innovative thinking and thrive in a diverse, equitable, and inclusive environment is vital for our success. To foster such a culture, we conducted two web-based surveys on innovation and DE&I (Diversity, Equity, and Inclusion) cultures. Our goal was to understand employees’ perceptions of these concepts, evaluate the company’s performance in these areas, and determine how to promote this culture further. We gathered over 300 responses for each survey and will plan our subsequent actions based on the analysis of these results.



## Our community

The Group encourages its employees to contribute to charitable causes and participate in community work. Demonstrating leadership through action, the Group has participated in the Hong Kong Council of Social Service's Caring Company scheme, striving to enhance community welfare for over 15 years, and was granted the programme's "15 Years plus Caring Company Logo".

On 1 April, Hung Hing supported the Hong Kong Children's Charity Foundation (HKCCF) by participating in a nocturnal walk. This event aimed to heighten awareness of the needs of sick children, augmenting support for their caretakers and medical professionals. We also engaged in activities organised by business partners to bolster child welfare.



Beyond financial contributions, the Group also facilitates vocational experiences for the youth. In the summer of 2023, we provided internships for three university students in Hong Kong within our Information Technology division. Through a carefully structured programme, we ensured these interns acquired substantial professional experience, laying a solid foundation for their prospective career progression.

In 2023, the Group donated a total of HK\$205,000 to charitable community initiatives across mainland China, Hong Kong, and Vietnam.

## **Our suppliers**

Sustainability is prioritised across all aspects of our operations, from materials and operational practices to community engagement and business partnerships. We disclose our sustainability performance through various channels, including the ESG report, and directly to our customers. Furthermore, we also expect our suppliers to align with our commitment to sustainable and ethical operations.

In 2023, we collaborated with our suppliers to gather information necessary for calculating the carbon footprint of the raw materials procured. This initiative has enabled us to report the carbon emissions associated with transporting raw materials to three of our manufacturing sites. We aim to extend this disclosure to encompass all our facilities by the following year. The information collection effort will persist until we have amassed sufficient information to report at least 90% of Scope 3 emissions for both transportation and the materials themselves. Preliminary findings indicate that 86% of our raw material suppliers are situated within 200 kilometres of our factories.

During the year, we distributed 145 questionnaires focusing on environmental protection and ethics to our key suppliers, garnering 139 responses. These suppliers represent more than 80% of the total value of the production materials we purchased in 2023.

## **Business integrity and anti-corruption**

We are committed to upholding business integrity and eradicating corruption through ongoing educational and awareness-raising initiatives. Our induction and refresher training programmes incorporate anti-bribery sessions, cumulating in 16,500 hours of training delivered to 66,300 participants.

Our regular precautionary measures include displaying anti-bribery policies in all our factory meeting rooms and disseminating the company's anti-corruption policy to our employees annually. We conduct internal audits of our procurement processes and organise regular meetings with supplier management teams who are not engaged in transactional activities.

The company maintains a robust standard of corporate governance practices and procedures. All directors of our Group have participated in professional seminars, conferences, or forums beneficial to their roles. Our website features the whistle-blower policy and a mechanism for employees to report misconduct directly to our independent non-executive directors. In 2023, we did not receive any complaints at the Group level, and to our best knowledge, there were no legal proceedings related to corruption against the Group or its employees.

## Our customers

We give top priority to ethical conduct, product safety, intellectual property protection and environmental sustainability in our interactions with customers. Our ethical policy is transparent, and we consistently audit our practices to ensure compliance, as outlined in the 'Our Employees' section. We actively work with our customers to resolve any issues pertaining to quality and product safety, employing regular laboratory testing to ensure our products comply with relevant regulations<sup>10</sup>. Whenever complaints arise, we carry out comprehensive investigations and take appropriate corrective measures. These procedures are documented within our ISO 9000 quality management system.

Moreover, we adhere strictly to data protection regulations, using customer contact details exclusively for legitimate business interactions, thereby ensuring compliance with relevant legislation<sup>11</sup> and safeguarding the privacy of customer information.

To the best of our knowledge, the Group does not hold any consumer data.



<sup>10</sup> EN71 European Union toy safety regulation; ISO 8124 Safety of Toys Standard; European Union RoHS (Restriction of the use of certain hazardous substances in electrical and electronic equipment) regulation (Directive 2011/65/EU); European Union Packaging and Packaging Waste regulation (Directive 94/62/EC); US ASTM F963 Standard Consumer Safety Specification for Toy Safety; US and EU Conflict minerals regulation, namely tin, tantalum, tungsten and gold (3TG), are primarily mined in conflict zones in Africa.

<sup>11</sup> UK and EU General Data Protection Regulations

# ESG Performance Data

## Subject Area A – Environment

### Aspect A1: Emissions

Performance Indicator		2023 Data	2022 Data	2021 Data Restate	2020 Data Restate	HKEx ESG Report Guide KPI
Emission*	Total Sulphur Dioxide SO <sub>2</sub> emission (tonne)	2.78	2.96	6.35	3.85	KPI A1.1
	Total Carbon Monoxide CO (tonne)	0.02	0.02	0.06	0.03	KPI A1.1
	Total Volatile Organic Chemicals emission (tonne) (From production)	6.69	27.05	33.03	50.43	KPI A1.1
	Total Carbon Dioxide emission (CO <sub>2</sub> ) (tonne)	25,442.96	29076.93	35,871.76	30,324.30	KPI A1.1, A1.2
	Direct emission (Fuel, natural Gas, Towngas, fire extinguishers)	5,619.87	6964.09	10,085.35	7,503.26	KPI A1.1, A1.2
	Indirect Emission (Electricity consumed, Towngas)	19,823.09	22,112.84	25,786.41	22,821.04	KPI A1.1 A1.2
	Total nitric oxide NOx emission (tonne)	0.13	0.13	0.20	0.16	KPI A1.1 A1.2
	Total greenhouse gas emission per million HKD of goods sold (tonne CO <sub>2</sub> e)	10.66	9.87	10.19	11.89	KPI A1.2
Hazardous Waste	Solid and liquid hazardous from production and water treatment	608.9	530.37	731.07	607.30	KPI A1.3
	Total hazardous waste produced per million HKD of goods sold (tonne)	0.26	0.18	0.21	0.24	KPI A1.3
Non-hazardous Waste	Non-hazardous waste (tonne) (Office waste, paper, plastic not suitable for recycle, household waste from canteen and dormitories)	423.52	743.88	653.37	1,524.20	KPI A1.4
	Total non-hazardous waste produced per million HKD of goods sold (tonne)	0.18	0.25	0.19	0.60	KPI A1.4
<b>Aspect A2: Use of Resources</b>						
Energy	Fuel and gas (MWh)	27,343	33,935	48,334	36,496	KPI A2.1
	Electricity (MWh)	55,432	59,226	68,075	60,483	KPI A2.1
	Energy consumed per million HKD of goods sold (MWh)	35	32	33	38	KPI A2.1
Water	In M <sup>3</sup> (Consumption by production, canteen and dormitory)	864,983	1,041,474	1,093,661	1,057,315	KPI A2.2
	Water consumed per million HKD of goods sold (M <sup>3</sup> )	362	353	310	414	KPI A2.2
Paper	Total paper consumed by production (tonne)	148,000	157,000	217,665	142,027	KPI A2.2
Packaging material	Packaging materials are mainly nylon tape and PP shrinkage film (tonne)	268.12	314.65	425.98	325.48	KPI A2.5
	Packaging materials consumed per million HKD of goods sold (tonne)	0.11	0.11	0.12	0.13	KPI A2.5

**Subject Area B – Social**  
**Employment and Labour Practices**  
**Aspect B1: Employment**

Performance Indicator		2023 Data	2022 Data	2021 Data Restate	2020 Data Restate	HKEx ESG Report Guide KPI
Workforce	Total	5,752	6,227	6,493	6,612	KPI B1.1
	By gender					KPI B1.1
	Male	2,987	3,204	3,279	3,293	KPI B1.1
	Female	2,765	3,023	3,214	3,319	KPI B1.1
	By employment category					KPI B1.1
	Senior Management – male	102	101	108	139	KPI B1.1
	– female	45	47	48	57	KPI B1.1
	Middle management – male	419	421	379	344	KPI B1.1
	– female	442	481	411	410	KPI B1.1
	Worker – male	2,467	2,688	2,792	2,812	KPI B1.1
	– female	2,277	2,489	2,755	2,850	KPI B1.1
	By age Group					KPI B1.1
	At and below 30	867	957	954	1,200	KPI B1.1
	> 30–50	4,015	4,505	4,798	4,857	KPI B1.1
	over 50	870	765	741	555	KPI B1.1
	By geographic location					KPI B1.1
	Eastern China	287	287	355	380	KPI B1.1
	Southern China	4,601	5,152	5,475	5,804	KPI B1.1
	Hong Kong	234	266	292	290	KPI B1.1
	Vietnam	630	522	371	138	KPI B1.1

Performance Indicator		2023 Data	2022 Data	2021 Data Restate	2020 Data Restate	HKEx ESG Report Guide KPI
Employee turnover %	Total	49	57	72	30	KPI B1.2
	By gender					KPI B1.2
	Male	52	60	76	29	KPI B1.2
	Female	44	53	66	31	KPI B1.2
	By age Group					KPI B1.2
	At and below 30	76	80	91	55	KPI B1.2
	> 30–50	34	46	58	20	KPI B1.2
	over 50	24	26	19	9	KPI B1.2
	By geographic location					KPI B1.2
	Eastern China	38	20	35	39	KPI B1.2
	Southern China	54	61	75	31	KPI B1.2
	Hong Kong	14	21	16	17	KPI B1.2
	Vietnam	16	17	14	6	KPI B1.2
<b>Aspect B2: Health and Safety</b>						
Incident	Number of incidents	16	12	26	20	KPI B2.1
	Number of work-related fatalities	0	0	0	0	KPI B2.1
	TIR (Total Incident Rate = number of incidents per 200,000 work hours)	0.22	0.15	0.28	0.25	KPI B2.1
Lost days	Number of days lost due to work injury	1,065	674	1,613	959	KPI B2.2
	LTIR (Lost Time Injury Rate = number of hours lost per 200,000 work hours)	119.41	67.12	139.38	95.69	KPI B2.2

Performance Indicator		2023 Data	2022 Data	2021 Data Restate	2020 Data Restate	HKEx ESG Report Guide KPI
<b>Aspect B3: Development and Training</b>						
Attendee	Total	66,556	62,863	75,327	57,483	KPI B3.1
	By gender					
	Male	39,765	33,058	38,961	27,608	KPI B3.1
	Female	26,791	29,805	36,366	29,875	KPI B3.1
	By employment category					
	Senior Management	0.49%	0.58%	0.55%	0.74%	KPI B3.1
	Middle management	4.60%	4.41%	2.71%	3.01%	KPI B3.1
	Worker	94.91%	95.01%	96.74%	96.25%	KPI B3.1
Training hour	Total	139,200	247,580	369,339	139,724	KPI B3.2
	By gender (Average hours)					KPI B3.2
	Male	2.12	4.30	5.41	2.44	KPI B3.2
	Female	2.05	3.53	4.37	2.42	KPI B3.2
	By employment category (Average hours)					KPI B3.2
	Senior Management	2.28	2.30	1.91	2.74	KPI B3.2
	Middle management	3.09	2.61	2.40	2.81	KPI B3.2
	Worker	2.04	4.01	4.99	2.42	KPI B3.2

Performance Indicator	2023 Data	2022 Data	2021 Data Restate	2020 Data Restate	HKEx ESG Report Guide KPI	
<b>Operating Practices</b>						
<b>Aspect B5: Supply Chain Management</b>						
Active Supplier						
In China	593	859	1,267	1,513	KPI B5.1	
In Hong Kong	25	26	57	58		
In Vietnam	52	15	20	9	KPI B5.1	
<b>Aspect B6: Product Responsibility</b>						
Percentage of total products sold or shipped subject to recalls for safety and health reasons.	0.0000%	0.0000%	0.0000%	0.0000%	KPI B6.1	
Number of products and service related complaints received	125	192	211	470	KPI B6.2	
<b>Community</b>						
<b>Aspect B8: Community Investment</b>						
KPI B8.2	Total value of money and product donation	205,000	71,000	85,800	260,115	KPI B8.2

\* Diesel and gasoline emission data according to GHG emission from fuel type, mobile combustions sources in Hong Kong Exchange 'HOW TO PREPARE AN ESG REPORT' 'Appendix 2:Reporting Guidance on Environmental KPIs'  
[https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Environmental-Social-and-Governance/Exchanges-guidance-materials-on-ESG/app2\\_envirokpis.pdf?la=en](https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Environmental-Social-and-Governance/Exchanges-guidance-materials-on-ESG/app2_envirokpis.pdf?la=en)

Towngas direct emission data according to Towngas bill data; Towngas indirect emission data according to Towngas 2019 Sustainability Report  
[https://www.towngas.com/getattachment/84a23e36-8aac-41e4-9df3-126b07a948b6/TGC\\_ESG\\_Report\\_2019](https://www.towngas.com/getattachment/84a23e36-8aac-41e4-9df3-126b07a948b6/TGC_ESG_Report_2019)

Natural gas emission data according to 2006 IPCC Guidelines for National Greenhouse Gas Inventories <https://www.ipcc-nggip.iges.or.jp/public/2006gl/index.html>

China electricity emission data according to China Southern Power Grid 2020 Green Development Annual Report 《中國南方電網有限責任公司之2020年綠色發展年刊》  
<https://www.csg.cn/shzr/zrbg/202108/P020210823416045966061.pdf> coal consumption per kWh and convert to CO2/kWh according to 2006 IPCC Guideline for National Greenhouse Gas Inventories

Hong Kong electricity emission data according to information listed in CLP 2023 monthly invoices

Vietnam electricity emission data according to <https://www.iges.or.jp/en/pub/list-grid-emission-factor/en> Operating Margin EF (average)



# Environmental, Social and Governance (ESG) Report Content Index

## Environmental, Social and Governance (ESG) Report Content Index

Indicators	Description	Report Page
<b>Subject Area 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.	Page 13,18,23
KPI A1.1	The types of emissions and respective emission data.	Page 33
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, intensity (per million HKD of goods sold)	Page 33
KPI A1.3	Total hazardous waste produced (in tonnes) and, intensity (per million HKD of goods sold)	Page 33
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, intensity (per million HKD of goods sold)	Page 33
KPI A1.5	Description of emission target(s) set and steps taken to achieve them	Page 21~22
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Page 14,23
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KPI A2.2	Water consumption in total and intensity (per million HKD of goods sold).	Page 33
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KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Page 19,21
KPI A2.5	Total packaging material used for finished products (in tonnes) and, intensity (per million HKD of goods sold)	Page 33

Indicators	Description	Report Page
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KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	Page 16~17
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<b>Employment and Labour Practices</b>		
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KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Page 35
<b>Aspect B2: Health and Safety</b>		
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KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Page 29,35
KPI B2.2	Lost days due to work injury.	Page 35
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Page 28~29

Indicators	Description	Report Page
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Indicators	Description	Report Page
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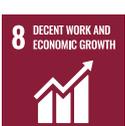


# United Nations Global Compact Ten Principles Reference Table

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