



利記控股有限公司
LEE KEE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock code : 637

2023/2024

**ENVIRONMENTAL,
SOCIAL & GOVERNANCE
REPORT**



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01

MESSAGE FROM CEO

We Create *Value Solutions Beyond Metals*



“*To stand as a resilient leader amidst uncertainties, we propel to the betterment of the value chain with Innovative Products and Services, Responsible Supply Chain Management, and Sustainable Manufacturing*”

In the 2023/24 financial year, we experienced pandemic recovery and new economic challenges. Our sustainability commitment positioned us as a resilient leader in macroeconomic uncertainties.

“We Create Value Solutions Beyond Metals”, is realized through a trifold approach: Innovative Products and Services, Responsible Supply Chain Management, and Sustainable Manufacturing, these interconnected strategies bolster our circular economy potential. Our Innovation and Sustainability DNA sharpening us to tackle future challenges from circular supply chain.

Our Innovative Products and Services pioneer technologies impacting beyond metals, positively influencing various industries, and intertwining with daily life. Supporting our customers in navigating the new frontiers, our online diagnostic platform can help metals material optimization and boost performance. This initiative solidifying our industry leadership through vibrant capabilities.

Reconciling diverse sectors and cultures is complex. Our devoted Board enable us to boldly embrace unknowns for the betterment of the value chain.

Our Innopreneur spirit turn challenges into opportunities, our academic collaborations have earned global recognition and influencing beyond metals, to the medical domain in Hong Kong. We strive for excellence with our industrial insights, transforming innovative ideas into practical solutions. Through the co-establishment of an Applied Technology Research Institute for Advanced Metal Materials in Ningbo, we exemplify our dedication to commercialise emerging technologies to pragmatic applications that drive industrial advancements.

Industry 4.0 principle inspires our digital integration, our platforms help decision-making and process optimisation. As a pioneer in digital transformation, we leverage data visualization to gain profound understanding of carbon intensity, propelling us towards a new dimension of sustainability journey.

Anchored in Sustainability, we champion Sustainable Manufacturing and Responsible Supply Chain Management.

Our initiatives of scope 3 emissions data collection along the supply chain and engaging like-minded stakeholders, are driving our sustainable manufacturing to a destination with a far-reaching but positive future.

Our Green and Sustainable Finance Certificate, coupled with a sustainability-linked loan, strengthens our operations and leadership in setting new standards for sustainable operations.

As a leading metals solutions provider in Greater China, our adoption of digital carbon management platform helps better manage our greenhouse gas emissions data, paving the journey for the supply chain toward carbon neutrality.

Ethical business conduct, diverse workforce, and community engagement form our sustainability foundation. We maintain high integrity and compliance fostering an equitable, inclusive work environment where employees thrive. Through teamwork with charities, we integrate talents with special needs into the commercial sector through unconventional arrangements, advancing sustainable practices and shared values.

In closing, I extend my deepest gratitude to our partners, including employees, customers, suppliers, and shareholders, who have played a pivotal role in our journey. Your unwavering support is crucial in shaping a sustainable future.

CHAN Yuen Shan Clara
Vice-Chairman and Chief Executive Officer

24 May 2024





02 ABOUT THE REPORT

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

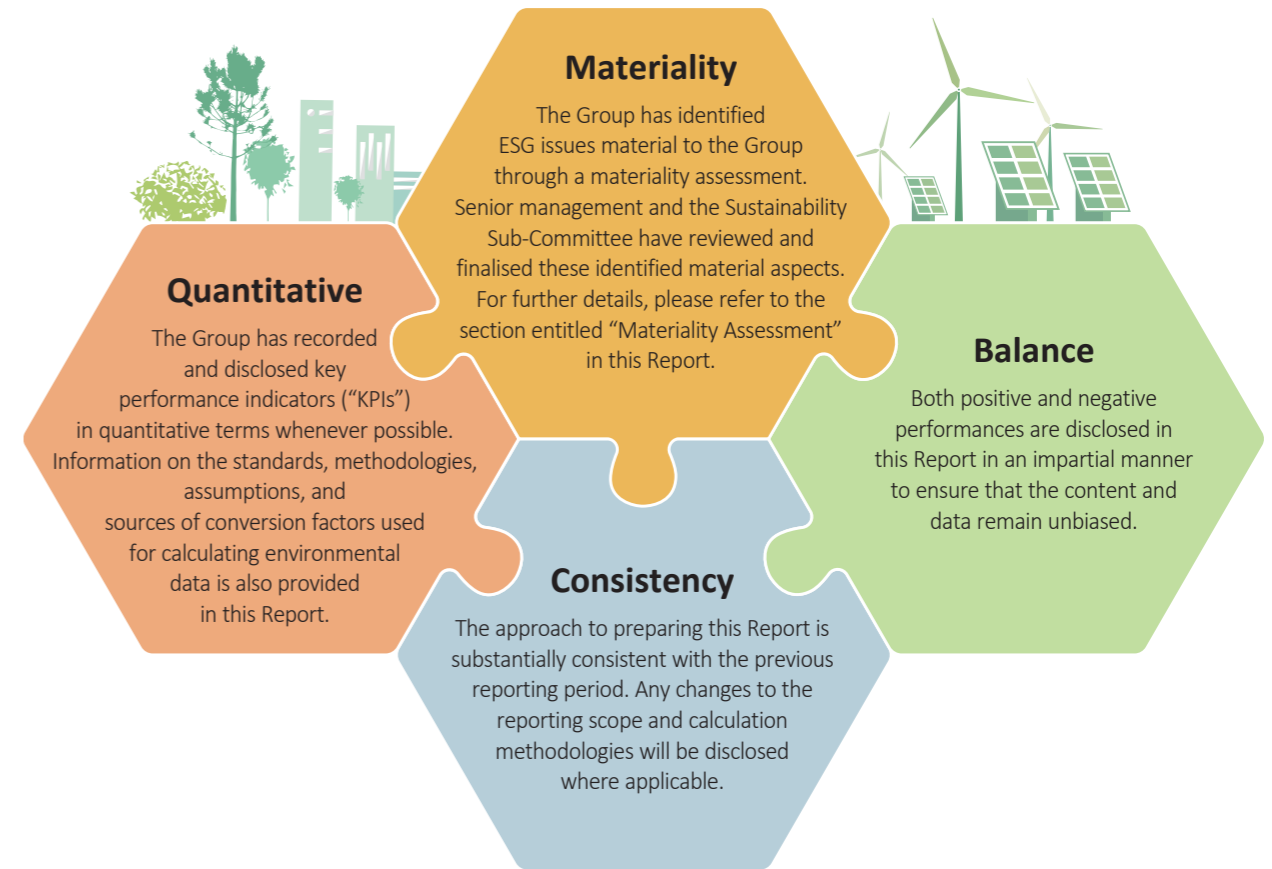
2.1. Reporting Scope and Boundary

This Report covers the ESG performance of the Group’s operations in Greater China (i.e., offices, warehouses, production plants, and (laboratory) and Southeast Asia (i.e., offices) during the period from 1 April 2023 to 31 March 2024 (the “reporting period”), unless otherwise stated. The scope and boundaries of reporting remained the same compared to the previous reporting period.

2.2. Reporting Standard and Principles

This Report has been prepared in accordance with the “mandatory disclosure requirements” and the “comply or explain” provisions of the ESG Reporting Guide (the “ESG Guide”) set out in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“SEHK”).

The Group has followed the four reporting principles set out in the ESG Guide in preparing this Report to ensure the quality of information disclosed in this Report, they include:



2.3. Feedback

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

2.4. Independent Verification

This Report has been verified by an independent third party, the Hong Kong Quality Assurance Agency (“HKQAA”), in accordance with the International Standard on Assurance Engagement 3000 (“ISAE3000”), as issued by the Internal Auditing and Assurance Standard Board (“IAASB”). This verification ensures the Report’s accuracy and completeness, as well as its adherence to the reporting guidelines. The scope of work undertaken by HKQAA is set out in the verification statement which has been appended to this Report.



2023/24 ESG HIGHLIGHTS

0.126 tonnes of CO₂e per production volume
Carbon Intensity

69,110 kg **93%***
Scrap Metal Recovery

237,240 kWh
Renewable Energy Generation

200%
Paper Reduction Target Completion**

95.6% **1.2%***
Customer Satisfaction

1 : 1.09
Gender Diversity

103%
Safety Training Completion**

100%
Safety Inspection Achievement**

ZERO
Work-related Fatalities

SUSTAINABLE MANUFACTURING

ISO 9001
ISO 14001
ISO 45001

Reduce Air Pollution by baghouse dust collectors

Clean Energy by E-forklifts & EV

Solar Power Generation Facility

Emissions Data Collection

Paper Reduction

Digital Carbon Management and Reporting Platform



INNOVATIVE PRODUCTS AND SERVICES

Beyond Metals
Co-established the Applied Technology Research Institute for Advanced Materials Metal

Moving towards Industry 4.0

Real-time Monitoring

Centralized Dashboard

Online Diagnosis Platform



DefectDiagnosis.Prometlab.com

Data Utilization

Medical Domain
AI Assisted Orthopaedic Surgery Planning System

Science and Technology Enterprise
accredited by Zhejiang Provincial Department of Science and Technology

Tier 2 AEO

Global Recycled Standard (GRS) Certification

Product Traceability

Tier 2 Authorized Economic Operator

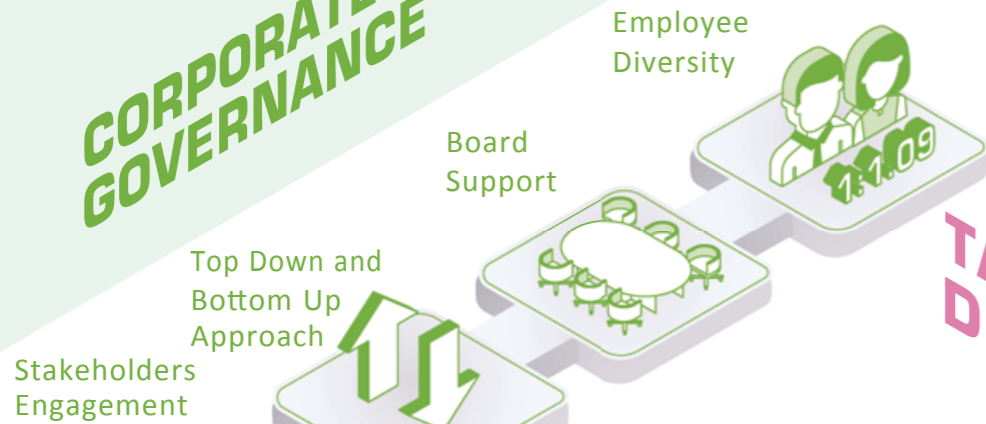
ISO 20400

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

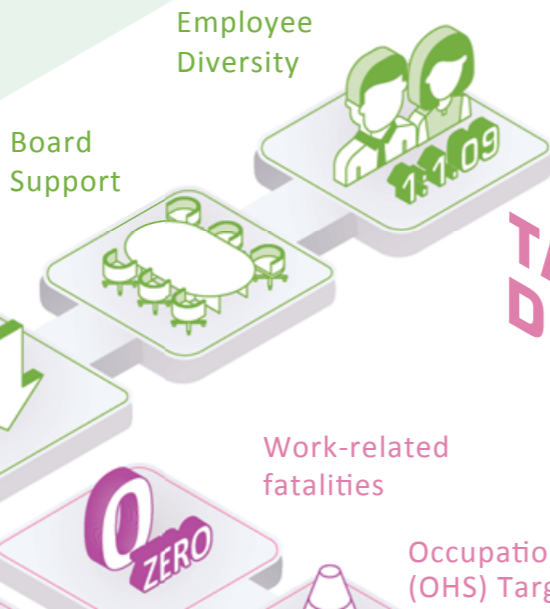


SUSTAINABLE FUTURE

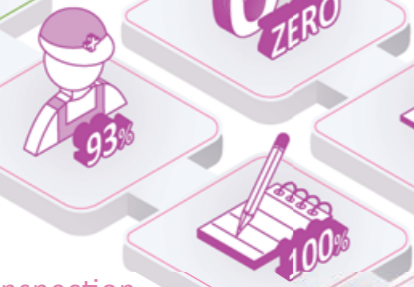
CORPORATE GOVERNANCE



TALENT DEVELOPMENT

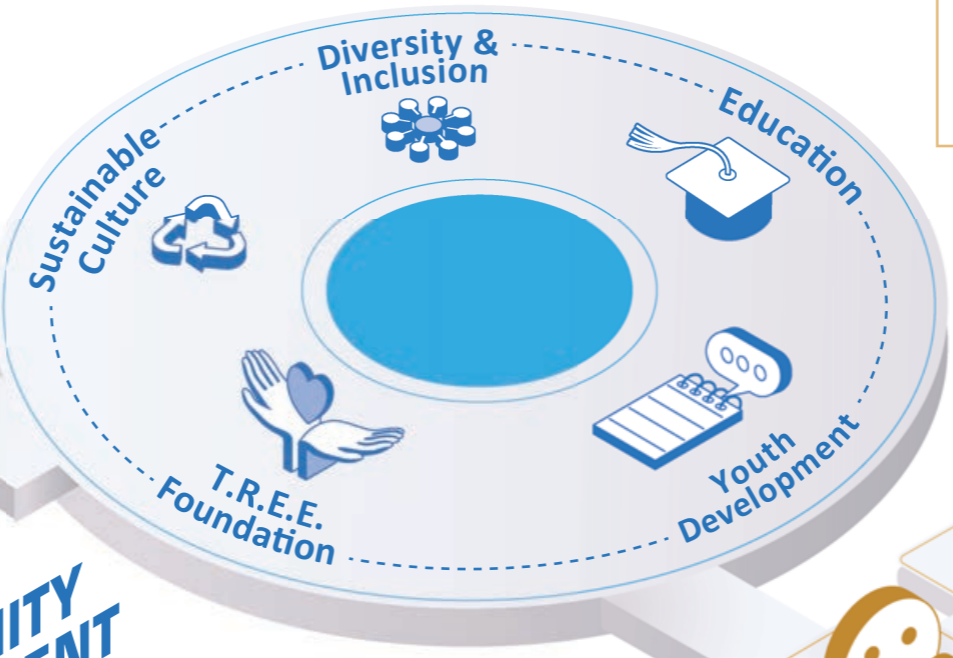


Safety Training Attendance



Safety Inspection Completion

- Anti Corruption and Ethics Training
- Anti-Discrimination Ordinance
- Competition Ordinance
- Personal Data (Privacy) Ordinance



COMMUNITY ENGAGEMENT

SUSTAINABLE FUTURE

Our Achievements

- 1 48th Geneva International Exhibition of Inventions Gold Medal
- 2 Business Innovator The Most Innovative Enterprise Award
- 3 School of Business of the Hang Seng University of Hong Kong 12th Junzi Corporation Award
- 4 Master-Insight Media 2023 ESG Corporate Vision Award
- 5 Hong Kong Quality Assurance Agency (HKQAA) HKQAA Green Finance Certificate
- 6 Green Council UNSDG Achievement Awards (Organisation Award – Merit)



Commitment to World-class Standards

- First company in Greater China to be admitted as Category 5 Associate Trade Member of the London Metal Exchange (LME)
- London Metal Exchange Listed Sampler and Assayer (LSA)
- Global Recycled Standard (GRS) Certification
- ISO 9001:2015 Quality Management Systems Certification
SGS United Kingdom Ltd
TÜV SÜD Management Service GmbH
- IATF 16949:2016 Automotive Quality Management Systems Certification
SGS United Kingdom Ltd
TÜV SÜD Management Service GmbH
- ISO 14001:2015 Environmental Management Systems Certification
SGS United Kingdom Ltd
- ISO/IEC 17025:2017 HOKLAS Accredited Laboratory
Hong Kong Accreditation Service
- GB/T 24001-2016/ISO 14001:2015 Environmental Management Systems Certification
Beijing Head International Certification Co. Ltd
- ISO 45001:2018 Occupational Health and Safety Management Systems Certification
SGS United Kingdom Ltd
- GB/T 45001-2020/ISO 45001:2018 Occupational Health and Safety Management Systems Certification
Beijing Head International Certification Co. Ltd
- Reference to ISO 20400:2017 Sustainable Procurement Guidance



Other Accreditations and Commitments

- Tier 2 Authorized Economic Operator**
 - Customs and Excise Department of the Government of the HKSAR
- Environmental Campaign Committee**
 - Hong Kong Green Organisation
- Green Finance Certificate**
 - Hong Kong Quality Assurance Agency
- CarbonCare® Star Label**
CarbonCare® Label
CarbonCare® ESG Label
 - CarbonCare InnoLab
 - Established Member of the Green Council's Sustainable Procurement Charter since 2021
- Caring Company 15 Years+**
 - The Hong Kong Council of Social Service
- Work Safety Standardization – 3rd Level (Non-Ferrous)**
 - Ministry of Emergency Management of the People's Republic of China



**WE THINK BIG
LEARN AND BE CURIOUS
ACT FAST THINK HARD
LESS IS MORE
TRUST AND INTEGRITY
EMPOWER POTENTIALS**





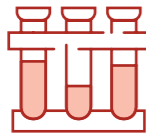

05 COMPANY PROFILE

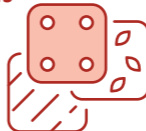

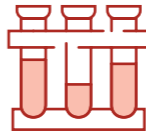

5.1. Background Information about Lee Kee

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

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

5.2. Core Activities and Operations

| Business Profiles | |
|---|---|
|  <p>Premium Metals</p> | Our Group offers a broad portfolio of quality metals, including commodities zinc, aluminium, nickel, copper as well as zinc alloy, aluminium alloy, stainless steel and electroplating chemicals. Apart from distributing top-quality products around the globe, Lee Kee has her own branded metal products – Mastercast, GZ, SA and LMP – which represent premium quality and reliability, years of experience and product expertise. |
|  <p>Research & Development</p> | The Group's cross-disciplinary R&D team has strong experience in collaborating with manufacturers, engineers and product designers. By discussing their desired product features and performance specifications, the team comes up with a wide array of new alloys that meet not only their requirements but international industry standards. |
|  <p>Quality Assurance & Testing</p> | Promet Metals Testing Laboratory is a highly accredited and reliable laboratory in Hong Kong that has gained recognition for its professionalism and competence. Its accreditations include ISO/IEC 17025 and The Hong Kong Laboratory Accreditation Scheme (HOKLAS). Promet is also an approved LME Listed Sampler and Assayer (LSA) for pure zinc, aluminium, and aluminium alloys, which affirm its credibility and reliability. It is also qualified to conduct CS2 tests for construction industry. The laboratory's expertise includes composition test and failure analysis, making it a reliable partner for companies across industries. |
|  <p>Technical Consultancy</p> | With their rich experience tackling technical challenges across different industries, Promet Consultancy brings the latest knowledge and expertise to both die-casters and manufacturers. Promet's technical team has the necessary expertise to investigate the root cause of defective components, conduct operational audits to improve quality and cost-effectiveness, or develop custom alloys tailored to specific applications, helping businesses achieve their goals. |

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



06

SUSTAINABILITY STRATEGY AND GOVERNANCE

As a leading metals solutions provider, we are dedicated to sustainability and creating value beyond metals. We recognise that responsibly managing ESG risks and opportunities along the value chain is integral to long-term business success.

6.1. Overview of the ESG Strategy Framework

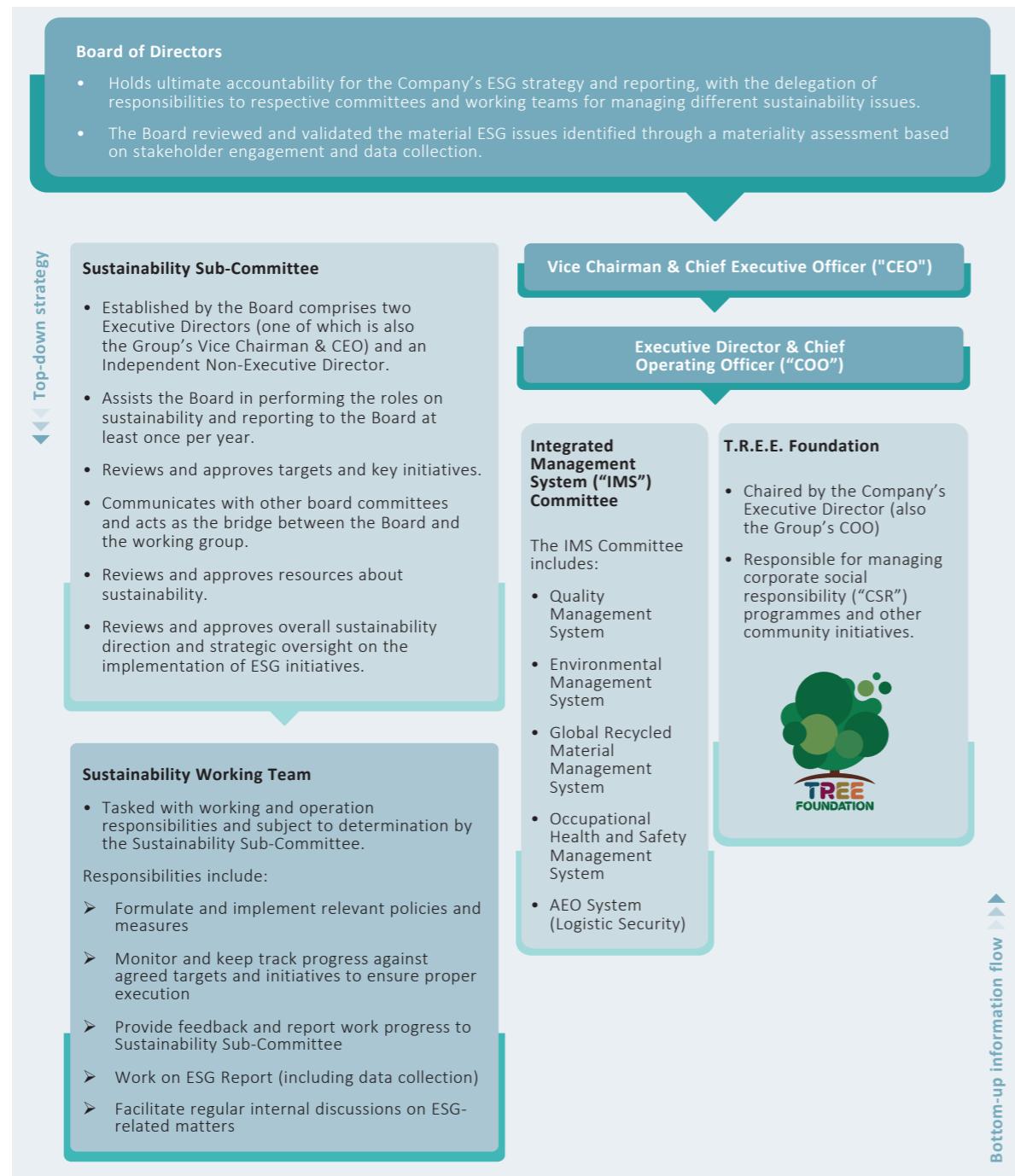
We strive to create sustainable value beyond metals through our ESG strategy. Guided by our corporate mission of “We Create Value Solutions Beyond Metals”, our sustainability vision leverages strategic focus on three areas – “Responsible Supply Chain Management”, “Sustainable Manufacturing”, and “Innovative Products and Services”. Our ESG strategy framework directs us to create a real impact and maximise long-term opportunities across the value chain. With sound corporate governance, talent development and community engagement as the foundation, we ensure our business activities are conducted sustainably, ethically and responsibly within the broader context of our communities and the environment, creating shared value for all our stakeholders.





6.2. Sustainability Governance Structure

A sound governance structure is essential to effectively manage ESG-related risks and opportunities. Our sustainability governance structure underpins a solid basis for embedding sustainability throughout the organisation and delivering our commitment towards sustainability.



6.3. Stakeholder Engagement and Materiality Assessment

Stakeholder Engagement

Engaging in open and effective communication with our stakeholders is essential to gain a deeper understanding of their changing expectations. Such interactions inform the Group's decision-making process, guiding our sustainability practices, initiatives, and disclosures. Through this ongoing dialogue, we collect valuable insights into the ESG dimensions of our business and translate these insights into definitive actions, reaffirming our commitment to sustainable growth and responsible operations.

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





Materiality Assessment

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

Our approach to materiality assessment



The material issues identified were:

| ESG Strategy Framework | | Materials Topics | UNSDGs Alignment |
|-------------------------------------|--------------------------------|---|---|
| Focus Areas | Innovative Products & Services | • Sustainable Products & Services | 9 INDUSTRY INNOVATION AND INFRASTRUCTURE |
| | Sustainable Manufacturing | • Climate Change & Energy Efficiency | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION |
| | | • Waste & Effluent Management | 13 CLIMATE ACTION |
| Responsible Supply Chain Management | • Occupational Health & Safety | | |
| | • Supply Chain Management | 8 DECENT WORK AND ECONOMIC GROWTH | |
| Foundation | • Labour Management | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | |
| | Business Ethics | • Business Ethics | 8 DECENT WORK AND ECONOMIC GROWTH |
| | Talent Development | • Human capital development | 9 INDUSTRY INNOVATION AND INFRASTRUCTURE |
| Community Engagement | • Corporate Engagement | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | |
| | | | 13 CLIMATE ACTION |
| | | | 17 PARTNERSHIPS FOR THE GOALS |





Contribution to UNSDGs

In our continued efforts to contribute to the United Nations Sustainable Development Goals (“SDGs”), we have identified SDGs that are most closely aligned with our sustainability strategy and where we can make a meaningful impact. We remain dedicated to these goals as they represent the core areas where business operations, initiatives, and innovations can drive positive change. By integrating these SDGs into our strategic planning and decision-making, we demonstrate our unwavering responsibility towards fostering a sustainable future for all stakeholders and the global community.



SDG 8 Decent work and economic growth



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

SDG 9 Industry, innovation and infrastructure



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

SDG 12 Responsible consumption and production



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

SDG 13 Climate action



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

SDG 17 Partnership for the goals



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



07

INNOVATIVE PRODUCTS AND SERVICES

Customer needs are one of the key drivers in promoting sustainability throughout the value chain. We adopt a forward-thinking approach in developing advanced materials, cutting-edge technologies, and innovative solutions, enhancing our offerings while furthering efforts to drive change toward a more responsible industry and contribute to a circular economy.

7.1. Research and Development

Research and development is a crucial component of our endeavour to promote sustainability. We have invested in the establishment of a cross-disciplinary R&D team, comprising experienced professionals from various fields, including manufacturing, engineering, and product design. Through collaborative efforts, we develop advanced materials and processes to minimise the environmental impact.

At every stage of the development process, our structured R&D approach incorporates sustainability considerations. By working closely with our customers, we aim to design new alloys that satisfy technical performance specifications while also conforming to our environmental objectives. These include the reduction of greenhouse gas (“GHG”) emissions and the enhancement of resource efficiency. Our holistic and sustainability-centred approach ensures that our solutions generate shared value, fostering long-term economic and environmental benefits across our sector.





In our pursuit of sustainable product innovation, we have strategically invested in state-of-the-art laboratory equipment and digital systems to optimise the R&D process and minimise the environmental impact of our operations. These advanced technologies have significantly enhanced our ability to analyse data and monitor performance metrics throughout the development cycle, thus improving our capability to implement ongoing enhancements at each phase, from initial concept testing to commercial manufacturing.

In 2014, Lee Kee distinguished itself among prominent international metal entities by becoming the first company in Greater China to be granted Category 5 Associate Trade Membership of the London Metal Exchange (“LME”). Beyond metal production and distribution, the Lee Kee Group’s business activities extend to testing and technical consultancy as well as collaborative research and development, offering comprehensive solutions along the metal value chain.

In 2016, Promet Metals Testing Laboratory Limited (“Promet”), a subsidiary of the Lee Kee Group, was also accredited as an approved “LME” Listed Sampler and Assayer (“LSA”) for pure zinc, aluminium, and aluminium alloys. Promet has the distinction of being the first laboratory in Hong Kong to receive accreditation in the Metals and Metallic Alloys category from the Hong Kong Laboratory Accreditation Scheme (“HOKLAS”), which is operated by the Hong Kong Accreditation Service (“HKAS”). Additionally, the laboratory is authorised to perform tests for the construction industry and to detect contaminants in water. These accomplishments underscore our dedication to sustainability, ensuring that the materials we evaluate comply with rigorous environmental and quality standards.

Development of Recycled Alloys

The development of recycled alloys has been one of our key focuses in recent years, supporting our sustainability objectives by lowering Greenhouse Gas (“GHG”) emissions and reducing reliance on virgin materials.

As part of the initiative, we have pursued the Global Recycled Standard (“GRS”) certification to recognise the use of recycled materials. Lee Fung Metal Company Ltd. and LKG Elite (Shenzhen) Company Ltd. hold the certification, with Genesis Alloys (Ningbo) Ltd. obtaining it this year, affirming our dedication to sustainable materials and encouraging industry-wide adoption of recycled content.

| | |
|--|--|
| <p>Reduced Environmental Impact</p> <ul style="list-style-type: none"> • Lower GHG emissions compared to producing virgin materials • Decreased energy consumption during the recycling process • Conserves natural resources by reducing the demand for raw materials | <p>High-Quality Standards</p> <ul style="list-style-type: none"> • Maintains comparable performance characteristics to virgin metals • Rigorous quality control and testing to ensure compliance with international standards • Wide range of applications across various industries, e.g. automotive, construction and garment sector |
| <p>Economic Benefits</p> <ul style="list-style-type: none"> • Supports the growth of a circular economy, promoting long-term sustainability | <p>GRS Certification</p> <ul style="list-style-type: none"> • Demonstrates our commitment to sustainable materials and practices • Ensures the traceability and integrity of recycled content in our alloys • Helps promote the adoption of recycled materials across the non-ferrous metal industry |

Streamlining Orthopaedic Care through Customised 3D Planning and Surgical Templates

We have collaborated with the Department of Orthopaedics and Traumatology at The Chinese University of Hong Kong to develop semi-automatic 3D planning software for designing and creating customised surgical templates (i.e. jigs) for osteotomy procedures. Using AI algorithms, the software automatically segments medical images to personalise the 3D-printed jigs for individual patients, reducing the planning and surgery times. The solution was recognised with the “Gold Medal with Congratulations of the Jury” at the 48th Geneva International Exhibition of Inventions, demonstrating our commitment to developing solutions beyond metals that benefit all of society.

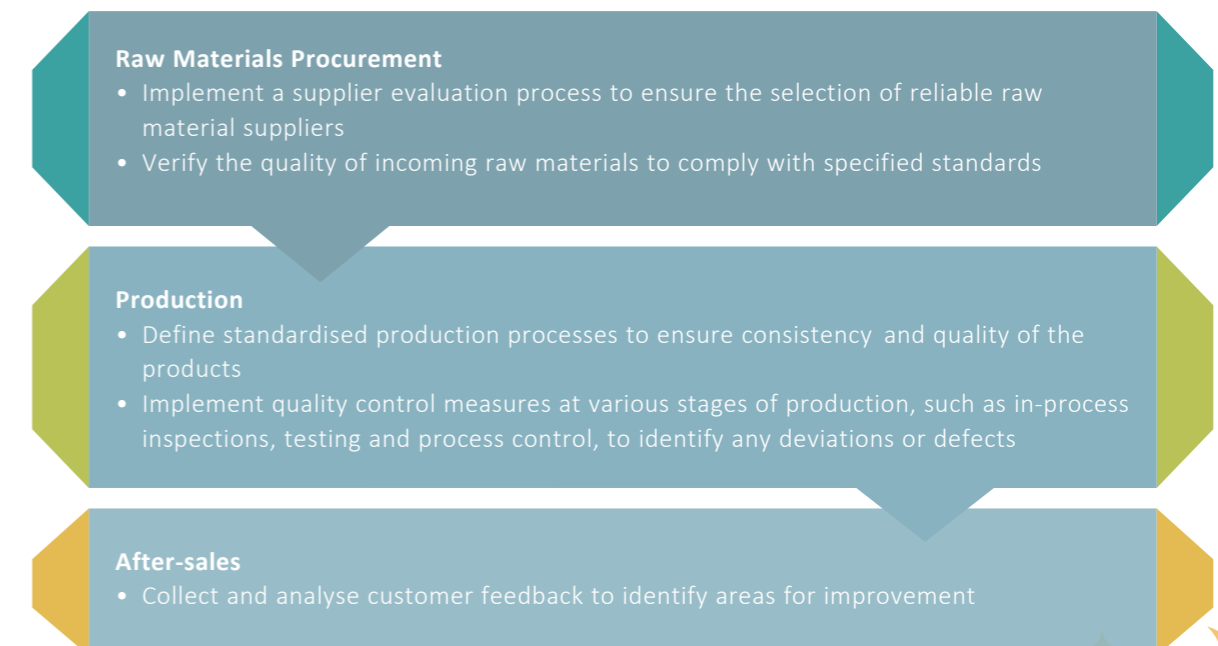
Through our unwavering dedication to research and development, we aim to position Lee Kee at the forefront of sustainable innovation within the non-ferrous metals sector. Our R&D efforts serve as a cornerstone of our commitment to driving positive change across the value chain and fostering a more sustainable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

7.2. Product Responsibility

Quality Policy & Management System

Our vision, “We Create Value Solutions Beyond Metals,” underscores our dedication to delivering high-quality products and integrated services. A crucial aspect of this commitment is our robust Quality Policy and the continuous improvement of our comprehensive Quality Management System (“QMS”). Our holistic QMS is certified by internationally recognised standards, ISO 9001 and IATF 16949, which form the backbone of our efforts to reliably meet and exceed customer expectations across our operations, from product design and manufacturing to supply chain management and customer support.

Quality control measures at major stages:





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



The Quality Objectives serve as performance indicators to guide our efforts towards continuous improvement and ensuring alignment with our overall business strategy.

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

Quality Assurance

The Group employs a comprehensive quality assurance process that involves monitoring supplier performance, implementing quality control measures, fostering employee training and development, analysing customer feedback, and executing corrective and preventative actions. We inspect suppliers' test reports, conformance certificates, and materials declarations to verify that all raw materials meet product specifications, such as EN71, RoHS 2.0, and REACH requirements.

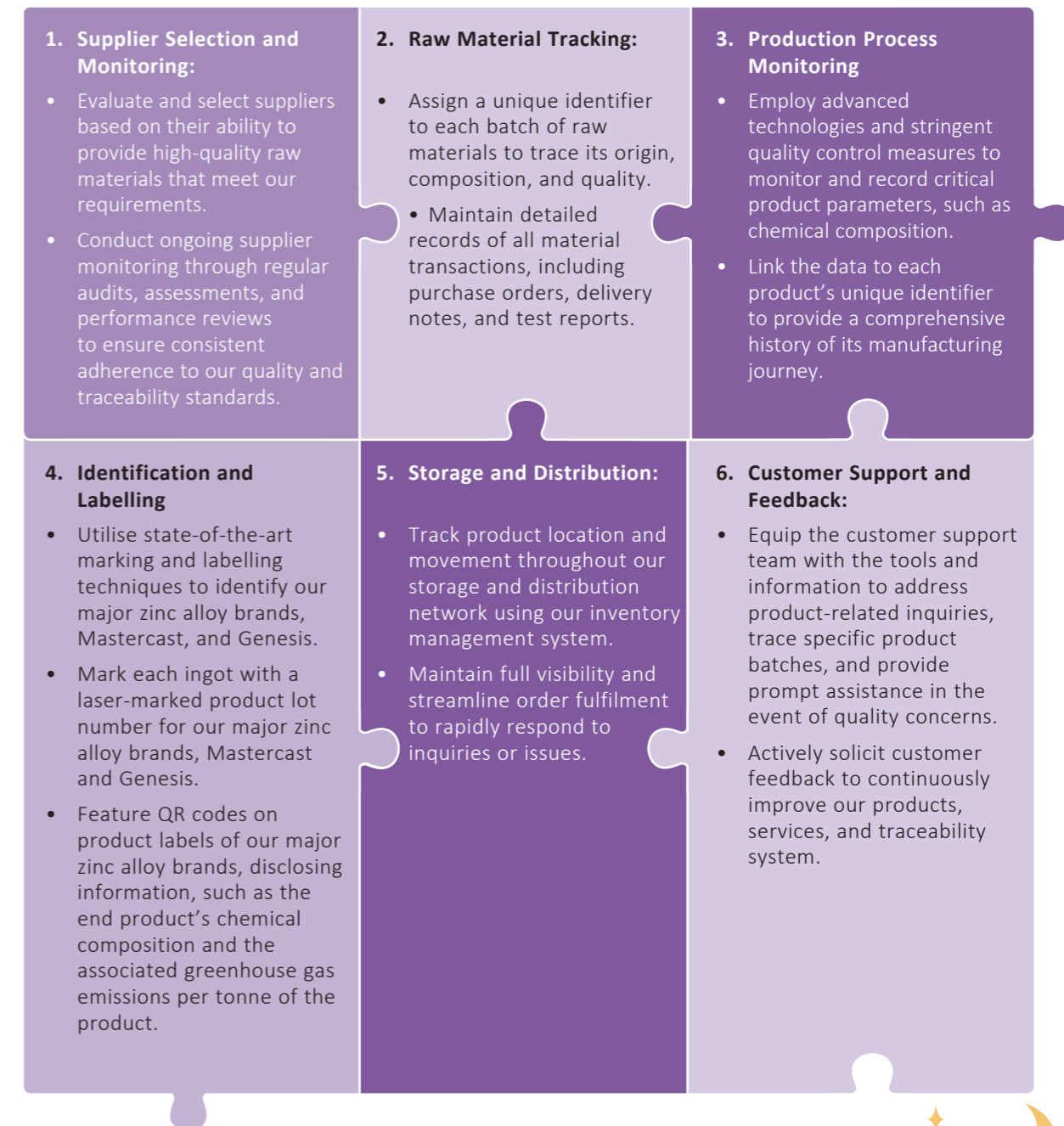
Our quality assurance process incorporates specific procedures for addressing customer complaints. Our Technical Team attentively evaluates customer feedback and swiftly implements effective corrective actions. Insights from complaints are shared with the relevant department to identify the root cause and implement corrective actions. If the customer is not satisfied with the result, the complaint will be escalated to our Complaint Handling Committee, which is comprised of the COO and senior management. If the customer remains dissatisfied after review by the Complaint Handling Committee, the complaint will then be escalated to the CEO for a final decision. Our annual customer satisfaction surveys have yielded a satisfaction rate of 95.6%, and we look forward to ongoing collaboration with stakeholders to foster continuous improvement.



Product Traceability

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

Our comprehensive product traceability system encompasses the following key elements:



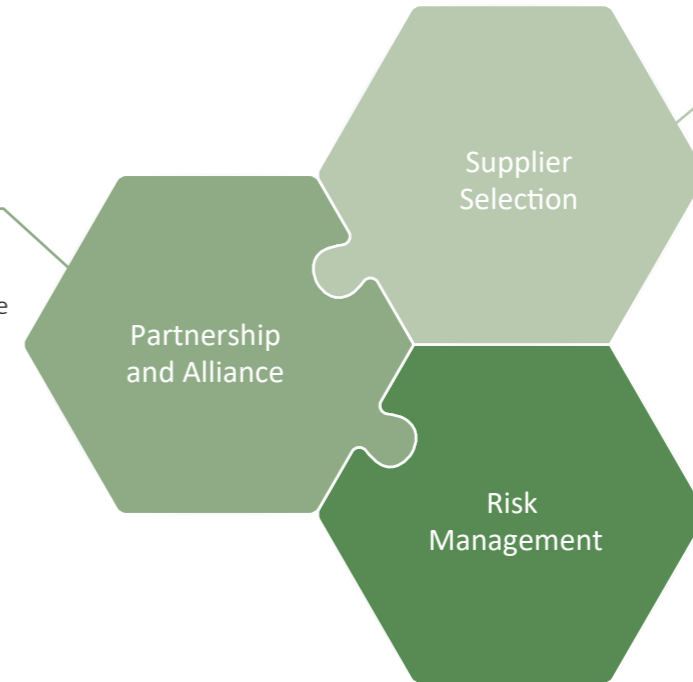
08

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Responsible supply chain management is essential for the long-term sustainability of our operations. We are committed to ethical procurement practices, ensuring that raw materials and products are responsibly sourced. Through close collaboration with suppliers who share our sustainability values, we promote transparency and accountability in our operations. Regular engagement allows us to reinforce our expectations, monitor their performance, and work collectively to address challenges, fostering a more responsible and resilient supply chain.

Partnership

Develop strong partnerships with suppliers to improve performance



Selection

Evaluate supplier's previous performance and select suitable supplier for our business

Performance monitoring and control

Monitor suppliers' compliance throughout the process

8.1. Supply Chain Management

We recognise the integral role that suppliers play as partners in enabling the success of our business operations. Through maintaining fair and transparent cooperative partnerships built on shared values of responsibility and trust, we seek to foster mutually beneficial relationships and ensure the resilience of our supply chain. To ensure that our suppliers meet our standards, we have established protocols to monitor and evaluate their environmental and social management practices, in addition to assessing the quality of their products and services.

Our supply chain management framework is a comprehensive approach to promote sustainability across our supply chain. This framework allows us to evaluate potential risks in our supply chain, ensure their compliance throughout the process, and establish collaborative partnerships for continuous improvement. Our objective in implementing this framework is to minimise the environmental and social impact of our activities and promote ethical practices within our supply chain.



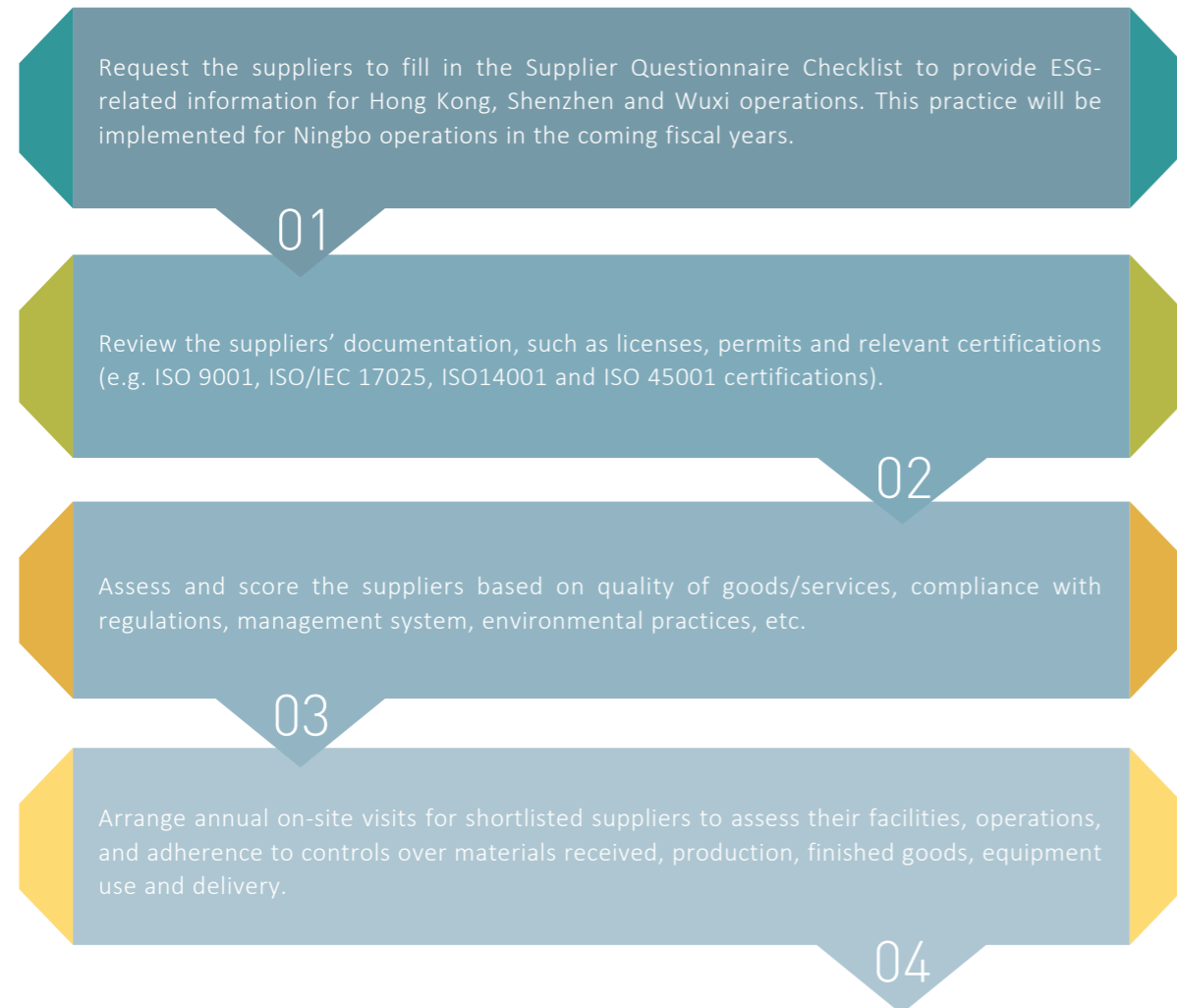


As an Established Member of the Green Council’s Sustainable Procurement Charter since 2021, we pledge to implement sustainable procurement procedures with reference to ISO 20400 Sustainable Procurement standard. Through active participation in industry association events and metal conferences, we seek to share and adopt industry best practices across the supply chain. These efforts underscore our commitment to sustainability throughout our supply chain and our commitment to continually improving our sustainability practices.

Supplier Selection and Evaluation Process

With the mission of being a leader in the metals industry, we recognise the importance of sustainability impacts across our value chain. Below is the summary of the new supplier selection and evaluation process for our suppliers in raw materials and products for Hong Kong, Shenzhen, Wuxi and Ningbo operations:

1. Supplier Evaluation



2. Onboarding





The Supplier Questionnaire Checklist outlines responsible procurement practices that supports our environmental, social and business objectives in the following areas:



We will continue implementing the same supplier evaluation approach for our suppliers in raw materials and products throughout our operations. This will enable us to establish a consistent approach to supplier management, further strengthening our ability to mitigate risks and ensure the ethical production of our products and services.

Supplier Performance Monitoring and Assessment

We recognise the importance of continually monitoring our supply chain to ensure the suppliers meet our expectations. Supplier review is conducted on an annual basis to ensure their compliance with our standards for quality, pricing, service delivery, legal and regulatory compliance, environmental and occupational health and safety management, as well as relevant certifications. Our review process is designed to identify and mitigate any regulatory, environmental, or social risks that may arise in our supply chain.

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

Training and Development

We provide regular training sessions to ensure that our employees are knowledgeable about our supply chain management criteria. Our staff are trained to recognise and comprehend the hazards linked to supplier interaction, such as the exploitation of child labour and adherence to labour laws. This equips our employees with the knowledge to make informed choices when dealing with suppliers and to mitigate any possible threats.

8.2. Conflict Minerals

The Group is unwavering in its commitment to responsible mineral sourcing, aligning our practices with the Organisation for Economic Cooperation and Development (“OECD”) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

We are acutely aware of the potential risks posed by conflict minerals and are steadfast in our pursuit of a conflict-free supply chain. Our policy expressly prohibits the use of conflict metals such as gold, tantalum, tungsten, and tin originating from mines in conflict regions, particularly those in the Democratic Republic of Congo under the control of non-government military factions or unlawful groups.

To ensure the integrity of our supply chain, we rigorously assess our suppliers for the presence of conflict minerals, guaranteeing that all procured materials are ethically sourced and free from conflict and human rights violations. We mandate that our raw material suppliers sign a conflict minerals declaration, and we implement a stringent screening process to preclude the procurement of materials from affected regions. The Supplier Questionnaire Checklist we have developed details our conflict minerals requirements, obliging raw material suppliers to attest to the non-involvement of conflict minerals in their products. This comprehensive approach underscores our commitment to ethical sourcing and the safeguarding of human rights within our supply chain.



09

SUSTAINABLE MANUFACTURING

With different environmental issues posing significant challenges to the world and jeopardising our personnel and operations, we constantly seek to integrate different sustainable practices into all aspects of our business. In particular, we have implemented measures to reduce our GHG emissions and prepare our operations and staff to tackle climate-related risks by embracing digital transformation and automation as enablers, which allows us to enhance operational efficiency while implementing robust environmental management systems and fostering a culture where the health and safety of our employees and stakeholders is the top priority.

To ensure the safety, security and environmental responsibility of our operations, we have established an environmental management system and an occupational health and safety management system in compliance with ISO14001 and ISO45001 standards respectively. These management systems cover various aspects of our operations, including non-ferrous metals supply and logistics management, manufacturing of tin alloys, solder and zinc alloys, as well as the provision of chemical testing, physical testing and microbiological testing services and facility management for Lee Kee Group.

- Environmental Policy
- Occupational Health and Safety Policy
- Environmental Aspects Operating Procedures
- Objectives and targets
- Hazard identification and risk assessment

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



9.1. Operational Efficiency and Environmental Management

To reinforce sustainability in our operations, we have a number of internal policies and documents in place to effectively address and manage our environmental responsibilities, which include the following:

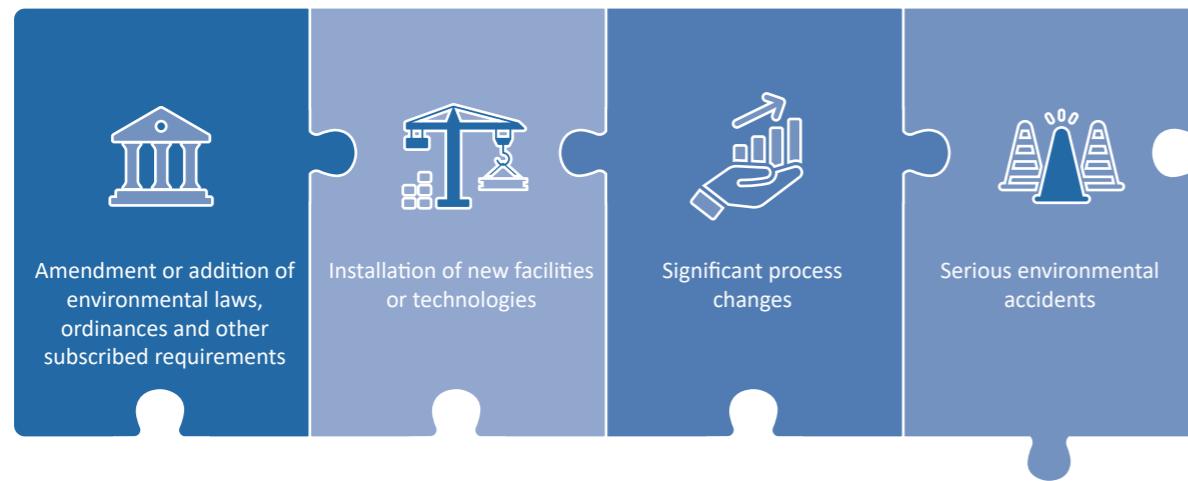
| | |
|---|---|
| Environmental Policy | Defines our commitment to safeguarding the environment, optimising resource utilisation and reducing emissions and waste |
| Environmental Aspects Operating Procedures | Provide a systematic framework for identifying, evaluating, and managing significant environmental aspects and their associated impacts |
| Environmental Aspects Assessment Form | Records each identified Environmental Aspect and its corresponding Environmental Impact |





We diligently adhere to all pertinent environmental protection laws and regulations across the various jurisdictions where we operate and continually strive to enhance our environmental performance.

Our specialised environmental management team is entrusted with the responsibility of examining our Group’s activities, products, and services under normal, abnormal, and reasonably foreseeable emergencies, taking into account past, present, and future considerations. The responsible departments are required to review the environmental aspects annually or if any of the following conditions arise:



Climate Change and GHG Reduction

We have seen more frequent extreme weather events in the past year of 2023, and it is crucial that we prioritise the preparedness and adaptation of our personnel and operations to effectively respond to the impacts of climate change. These unforeseeable events can impede our daily operations, underscoring the importance of transitioning to a low-carbon economy. In pursuit of carbon neutrality, Mainland China and Hong Kong are moving towards a low-carbon future, which presents both risks and opportunities. An analysis of climate risks and opportunities associated with this transition has revealed significant climate-related issues that could impact our operations. We have developed short-term and long-term action plans to facilitate the adaptation and mitigation of these risks. This allows us to position better in a changing environment and establish resilience against the impacts of climate change.

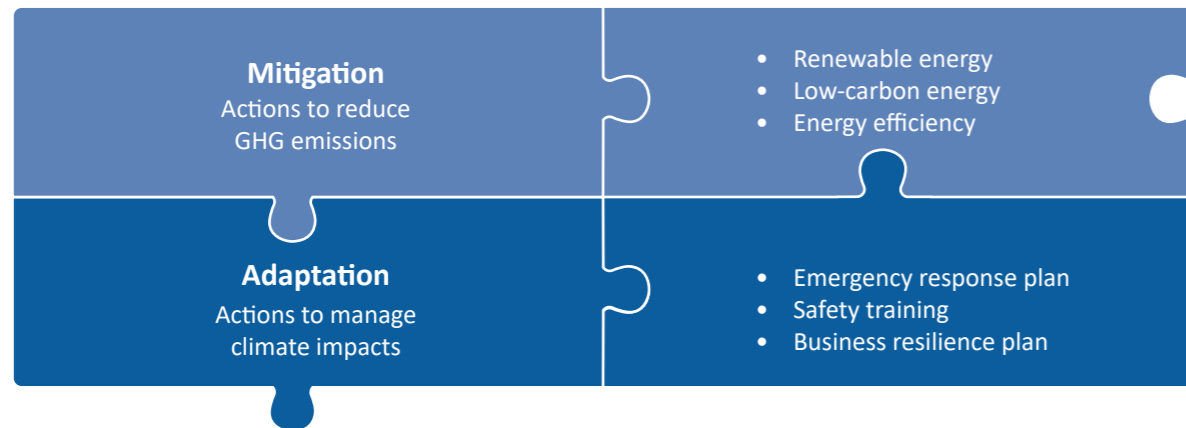
| Climate Risks | Potential Impacts | Mitigation Measures |
|--|---|---|
| Physical Risks | | |
| A prolonged period of extremely hot weather | <ul style="list-style-type: none"> Reduced operation efficiency | <ul style="list-style-type: none"> Install sensors to identify high temperature and adjust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





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

Our approach to managing GHG and climate-related impacts:

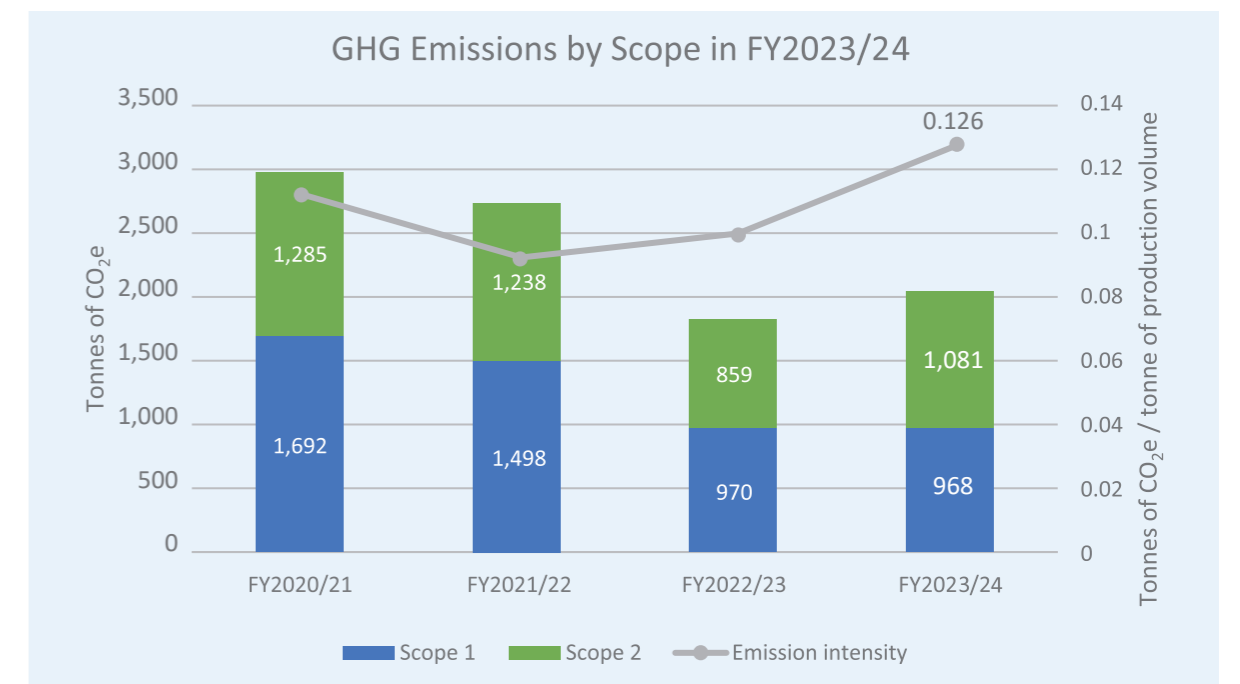


| Transitioning to Electric Vehicles |
|---|
| As part of efforts to reduce carbon emissions and promote sustainable transportation, we have adopted electric vehicles during the reporting period. E-forklifts have also been implemented in our Hong Kong and Ningbo operations to replace traditional LPG and diesel forklifts. The transition to electric vehicles and e-forklifts demonstrates our commitment to reducing environmental impact and promoting the use of clean energy in our operations. |
| Tracking and Analysing Real-time Carbon Emissions |
| We have embraced SGS's S-Carbon digital carbon management and reporting platform during the reporting period. This innovative solution empowers us to seamlessly monitor, analyse, and report our carbon emissions levels in real time. By adopting this advanced platform, we gain valuable insights into our carbon footprint, enabling us to make data-driven decisions and take effective actions to reduce our environmental impact. With the S-Carbon platform, we are equipped to navigate the challenges of carbon management and drive our sustainability efforts forward. |

We have continued our sustainability efforts this year by steadily implementing energy-saving initiatives undertaken last year. Our Ningbo facility's waste heat recovery initiative from furnace flue gas to lower production process energy consumption has shown steady performance. Additionally, the rooftop solar power facility installed at our headquarters last year has reliably generated renewable energy, helping to minimise our carbon emissions. As we remain committed to promoting sustainability, we will keep the momentum to optimise efficiency further and reduce our footprint.

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

| Aspect | Base year | Progress as of FY2023/24 | Long-term Targets (by FY2030/31) |
|--|-----------|--------------------------|----------------------------------|
| GHG emissions intensity (per tonne of production volume) | 2020/21 | ↑ 14.7% | ↓ 20% |



The electricity consumption increased due to the commencement of a new production line in Hong Kong during the year and thus increased associated greenhouse gas emissions. Due to market demand for our products has softened, leading to a decline in production volume, we have experienced an increase in emission intensity compared to previous year. To mitigate this issue, we are actively implementing more efficient production methods and exploring alternative energy sources to enhance our environmental performance.


As part of our ongoing sustainability efforts, the Group is pursuing ISO 14064 and ISO 14067 certifications, demonstrating our commitment through rigorous management of greenhouse gas inventories and product carbon footprint.






Energy and Water Efficiency Initiatives


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



Replace current equipment with energy-efficient alternatives to lower energy usage, such as by progressively replacing fluorescent lighting with more energy-efficient LED fixtures in our offices



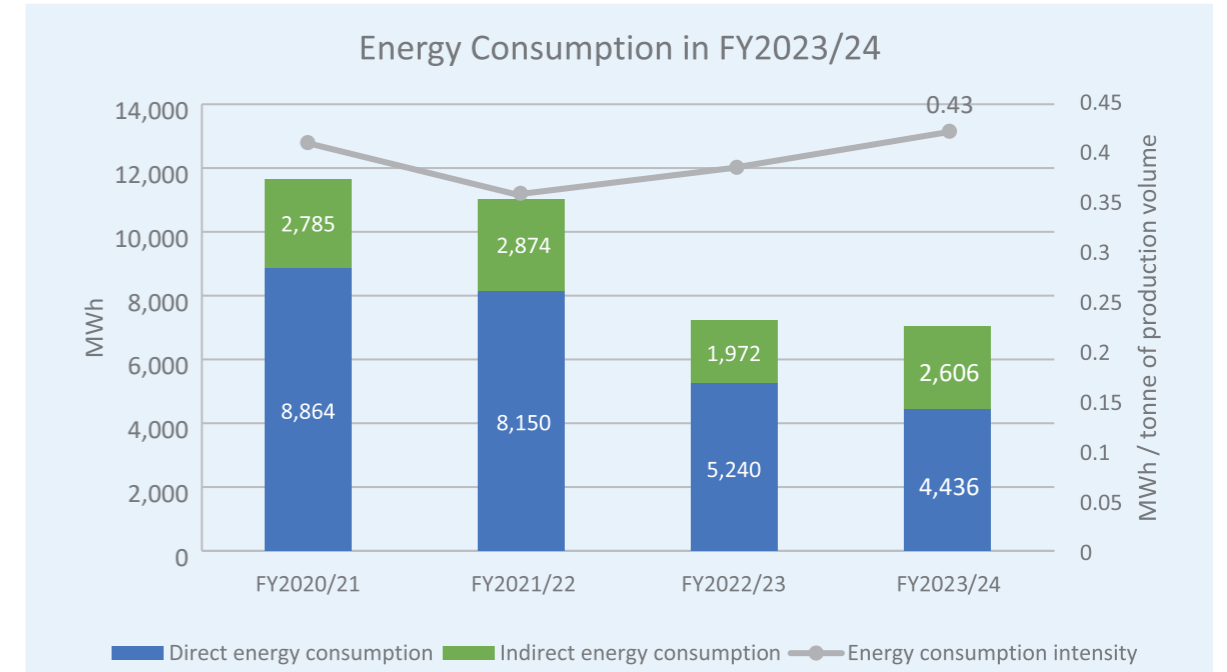
Conduct routine equipment check-ups, maintenance and cleaning of fan coil units and filters to enhance operational efficiency



Conduct periodical leak checks on air conditioning units and periodic inspections of air conditioning systems and company vehicles to minimise energy usage and the resulting emissions

In the fiscal year 2020/21, we also established energy consumption targets that encompass all our Group operations, with a base year of FY2020/21.

| Aspect | Base year | Progress as of FY2023/24 | Medium-term Targets (by FY2025/26) |
|---|-----------|--------------------------|------------------------------------|
| Energy consumption intensity (per tonne of production volume) | 2020/21 | ↑ 5% | ↓ 15% |



Total energy consumption decreased compared to the previous year. However, our production volume declined relative to the previous year due to softer market conditions, resulting in higher energy consumption intensity per tonne of production. To achieve our medium-term target, we will continue to invest in energy-efficient technologies, optimise our production processes, and enhance our equipment maintenance procedures.

Optimised Energy Efficiency and Carbon Emission Reduction through Variable-Speed Cooling Technology

Our new process cooling system incorporates an innovative chiller unit with variable-speed compressor and fan technology. This enables the chiller to adjust its speed dynamically based on load, ambient temperature, and other variables. The unit utilises soft-start functionality via frequency conversion, minimising startup current requirements. Under low loads, the chiller automatically slows its rotational speed, lowering operating noise to as low as 49dB. This chiller offers operating efficiency, resulting in significant cost savings and contributing to energy conservation and emissions reduction. Compared to conventional fixed-speed air-cooled modular machines, it can reduce greenhouse gas emissions by approximately 18%.





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

| Revolutionising Metal Cooling Processes with Innovative Water Bath Technology |
|--|
| During the reporting period, we upgraded our cooling system to a closed loop system, which employs a water bath for cooling purposes. The benefits of this system include heightened efficiency and environmental sustainability, as it eliminates water waste and excessive mist production. Moreover, closed-loop systems can be automated to achieve greater precision and consistency in the cooling process. As a result of adopting this cooling technology, our water consumption intensity was reduced by 20% compared to FY2022/23. |

Waste Management Practices

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

| Replace, Reduce, Reuse, Recover, Recycle | | | |
|---|--|---|---|
| Non-hazardous waste | | Hazardous waste | |
| Non-recyclable | Recyclables | Non-recyclable | Recyclables |
| e.g. general refuse | e.g. wastepaper, used plastic bottles, waste glass | e.g. waste oil, chemical waste, waste batteries | e.g. empty toner cartridge |
| Collected by the government’s sanitary division | Collected by qualified handlers for recycling | Collected by qualified handlers for disposal | Collected by the manufacturer for remanufacturing |

| Reduce | Recycle | Proper Handling of Hazardous and Non-hazardous Waste |
|---|---|---|
| Minimising material consumption and waste generation at every stage of the production process | Emphasising the importance of promoting a circular economy within our organisation | Minimising harm to the environment and avoiding land pollution |
| <ul style="list-style-type: none"> Precision Material Management: By implementing accurate calculations of material requirements and expert tool arrangement and tool usage, the processing quality of materials can be greatly improved. Emphasising tool maintenance and proper handling also leads to reduced waste and improved efficiency in production. Innovative Diecasting Technology: Our technology is designed for zinc diecasting, reducing material consumption and waste generation throughout production. It enables significant material savings and effective reduction of carbon emissions for diecasting companies. | <ul style="list-style-type: none"> Scrap Metal Recycling: Following the testing of steel bars, we responsibly collect and recycle any scrap metal generated during the process. During the reporting period, we successfully recovered a total of 53,366 kg of metals, contributing to a more sustainable use of resources. Industrial Waste Recycling: We responsibly managed used lubricant oil generated from our production equipment by collecting and recycling it through licensed waste collectors, minimising its environmental impact. Office Waste Recycling: To minimise waste in our office environments, we actively recycle paper, plastic, metal cans, glass, beverage cartons, and toner cartridges, and participate in recycling programmes to reduce our waste footprint, promote sustainability and support responsible disposal. | <ul style="list-style-type: none"> Properly pack, label and store all spent acid after chemical analysis, and entrust licensed handlers for collection and treatment. For microbiological waste, expired and contaminated labware generated from the microbiological test is sterilised by autoclave for 30 minutes at 121 degrees centigrade before disposal to avoid environmental exposure to labware contaminated with bacteria. Ensuring that the handling of all hazardous and non-hazardous waste from our operations strictly comply with relevant laws and regulations. |





9.2. Digital Transformation and Automation

We place a strong emphasis on promoting sustainability and environmental stewardship. We adopt digital technologies and automation. These transformative tools are shaping the future of manufacturing and management, and we incorporate them into our operations. By doing so, we actively reduce our environmental impact, optimise resource utilisation, and cultivate a sustainable work environment.

Digital transformation empowers us to utilise data analytics effectively, streamlining operations and facilitating informed decision-making. We enhance supply chain visibility, optimise manufacturing processes, and uncover opportunities for greater efficiency and sustainability by leveraging these technologies.

Embracing Automation: Automated Visual Inspection and Ingot Robot Stacker Systems

Automated Visual Inspection:

We have implemented an automated visual inspection system to streamline quality control processes, and it has supported the inspection of ingots produced on the new casting line. The system utilises computer vision and optical character recognition (“OCR”) technologies to analyse images of ingots on our casting line. By leveraging these digital image analysis capabilities, the inspection system is able to automatically identify any defects, anomalies, or quality issues present in the ingots rather than relying on human inspectors.

Ingot Robot Stacker Systems:

To further streamline our production process and enhance workplace safety, we have integrated Ingot Robot Stacker Systems and Automatic Strapping Machines into our operations. The Stacker Systems automatically stack ingots in an organised fashion for further processing, and the Automatic Strapping Machines apply polypropylene materials to bundle stacked ingots securely. By leveraging these machines, we are able to package ingots through coordinated automated sequences, eliminating the need for manual labour in completing these tasks and reducing ergonomic risks for employees.

Automation, through the adoption of advanced technologies like robotics and computer-aided manufacturing, significantly contributes to our sustainability initiatives. By replacing repetitive, time-consuming, or hazardous tasks, this transition not only improves efficiency and precision but also enhances worker safety and job satisfaction, creating a more sustainable work environment.

Automated Casting Line & Industry 4.0 Integration:

Our state-of-the-art casting line now features auto-skimming and auto-stacking robotic arms, significantly enhancing worker safety by minimising exposure to hazardous tasks. Moreover, this automation technology not only enhances process stability but also elevates the overall quality of our products. In addition, our casting line is fully integrated into the Industry 4.0 system, enabling real-time data collection and analysis of process parameters. In line with our production expansion during the reporting period, Industry 4.0 principles were also adopted into the new production line, integrating OEE function to measure manufacturing productivity and enhance efficiency. This advanced connectivity and data-driven decision-making facilitate ongoing performance monitoring, early identification of abnormalities, and timely warnings, empowering us to proactively address potential issues.

The automation integration into our casting line processes during the reporting period has further streamlined operations, enhanced productivity, and significantly contributed to our production expansion efforts. These technological advancements and process optimisations have enabled us to meet growing demands, increase production capacity, and effectively scale up our manufacturing while upholding sustainability principles.

9.3. Occupational Health and Safety



OHS Performance

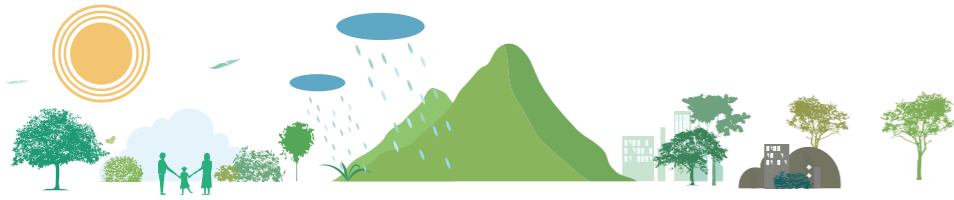
| | |
|-----|---|
| 0 | Work-related fatalities in the past three years |
| 2 | Work-related injuries |
| 512 | Lost days due to work injuries |

Health and Safety Management

Lee Kee prioritises the safety and wellbeing of its employees above all else, recognising that a successful and enduring organisation hinges on the welfare of its workforce. This commitment is exemplified through the implementation of a robust health and safety management framework, guaranteeing a secure and safeguarded workplace for all employees.

The commitments and objectives stated in our OHS Policy focus on upholding superior occupational health and safety standards, aligning with applicable laws and regulations. The pivotal role in this endeavour lies with the top management, who bear the responsibility of sustaining and enhancing the OHS management system. Their tasks encompass preventing work-related injuries, establishing a structure for OHS objectives, removing hazards, and minimising risks associated with occupational health and safety, among other duties.





To further demonstrate our dedication to employee wellbeing, our Hong Kong operation has implemented a robust system for identifying and managing OHS risks. Our system is certified under the ISO 45001 standard, a globally recognised validation of our approach to health and safety management practices. Our steadfast dedication ensures the highest level of safety and wellbeing for our employees.

Health and Safety Inspections: Pre-emptive Surveillance and Hazard Management

As part of our commitment to maintaining a safe working environment, we conduct monthly health and safety inspections. These inspections involve surveying working sites to identify potential safety, environmental, and 5S issues that may pose risks to our workers. When concerns are identified, the responsible departments are required to take prompt action within a specified timeframe based on the level of risk. By adopting this proactive approach to monitoring and risk mitigation, we are able to promptly address potential hazards and uphold a high standard of safety throughout our operations.

Safety Committee: Promoting a Culture of Safety and Accountability

In our Hong Kong operations, we have set up a Safety Committee chaired by the Associate Production Director. The Committee convenes monthly meetings to address and review accidents, provide updates on safety issues and reporting, evaluate findings from safety inspections, review safety briefings and agreements with contractors, and share essential safety information. By maintaining open channels of communication and encouraging a collaborative approach to safety management, we aim to cultivate a culture of accountability and continuous improvement in OHS practices.

Emergency Preparedness and Contingency Plan: Strengthening Adaptability and Reactivity

With a strong dedication to ensuring health and safety throughout our entire value chain, we acknowledge the significance of being prepared for emergencies. Hence, we have implemented thorough contingency planning and conduct regular emergency drills. Our Contingency Plan outlines the necessary guidelines and instructions aimed at improving emergency preparedness and efficiently managing potential occupational health and safety emergencies. These planned responses are effectively communicated to employees, contractors, visitors, emergency response service providers, government authorities, and the local community, as deemed necessary.

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



In our ongoing efforts to prioritise health and safety across our operations, we joined the “AED Anywhere for Anyone” Programme of the Hong Kong Fire Services Department (“HKFSD”) to facilitate access to life-saving automated external defibrillator (“AED”) devices at our facilities. We worked with the HKFSD to place AED units across our factory premises and provide employees training on administering prompt treatment in the event of sudden cardiac arrest, which better equipped our employees to handle health emergencies.

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

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

Safety Training: Empowering Employees with Knowledge and Skills

In line with our dedication to maintaining a safe working environment and promoting a culture of responsibility, we offer comprehensive safety training to all relevant staff. This includes specialised training in forklift operations and chemical handling, which equips our employees with the necessary skills and knowledge to perform their tasks safely and efficiently.

We organised two fire safety training sessions and conducted a fire drill during the reporting period in our Hong Kong operation to ensure compliance with required standards and to enhance employees’ fire safety knowledge and preparedness. Representatives from the Fire Services Department were

invited to share their expertise on fire prevention in fire prevention talks.

Similarly, a fire safety training session was held in our Shenzhen operation. The training covered various aspects related to fire safety, including the latest escape routes, precautions for escaping in case of fire accidents and chemical leakages, and the proper handling of fire extinguishers and hose reel systems.

By investing in fire safety education and training, we demonstrate our commitment to maintaining a safe working environment and empowering our employees with the knowledge and skills necessary to respond effectively in emergency situations.



10

RESPONSIBLE BUSINESS OPERATIONS

Responsible business operations form the fundamental basis of our sustainability strategy framework at Lee Kee. They serve as the driving force behind our achievements in key areas such as innovative products and services, sustainable manufacturing, and responsible supply chain management. As a leading non-ferrous metal company, we are dedicated to fostering a culture of business ethics, investing in talent development, and actively engaging with our communities. These three dimensions of responsible business operations are interlinked and mutually reinforce our dedication to achieving ESG excellence. By upholding these principles, we ensure our long-term success while making a positive and enduring impact on society and the environment.

10.1. Business Ethics

To guarantee the implementation of responsible business operations, the Group places a strong emphasis on business ethics and maintains rigorous supervision over its business processes. We remain dedicated to integrating business ethics across every level of the Group's structure, fostering a culture of high ethical standards from within. From our employees to our suppliers, we employ diverse methods to ensure the active participation of all individuals in our monitoring procedures.

Anti-corruption: Upholding Ethical Conduct and Fostering Transparency

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

Furthermore, we prioritise ongoing education and awareness by inviting external parties to deliver annual anti-corruption training sessions. During the reporting period, we invited the Independent Commission Against Corruption to deliver anti-corruption training for all our employees in Hong Kong, and organised training to enhance employees' knowledge of anti-corruption legislation in Ningbo and Thailand. In addition to fostering a culture of integrity within our organisation, we extend this commitment to our suppliers. We ensure their adherence to ethical standards with a supplier questionnaire checklist, promoting transparency and accountability within our value chain.

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

Safeguarding Intellectual Property and Ensuring Information Security

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

In order to provide additional guidance to our employees, we strictly follow the "Code of Practice for the Use of Company Computers" and the "Software Use Policy." These policies ensure that company resources are used responsibly and securely. Furthermore, we maintain stringent control over intellectual property and confidential information, requiring suppliers to sign Non-Disclosure Agreements ("NDAs") before collaborating on projects, such as the creation of Promet's Online Defect Diagnosis website and other promotional materials.





Whistleblowing: Fostering Transparency and Accountability

Our Group acknowledges the importance of whistleblowing in fostering transparency, accountability, and ethical behaviour throughout the organisation. We have implemented a robust whistleblowing policy that offers employees and external parties a confidential avenue to report any suspected case of malpractice or impropriety to our senior management or Audit Committee.

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

10.2. Talent Development

Lee Kee adheres to a people-oriented approach and values our employees as our important human resources. We have developed a detailed and comprehensive Employee Handbook, which aims to protect the basic rights and interests of our employees. Furthermore, we have established regulations to govern our employees and have implemented a comprehensive training system to ensure their development in a compliant and suitable manner. During the reporting period, the Group did not have any labour violations or employment cases in breach of labour guidelines.

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

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

To maintain our commitment to equitable employment practices, we have implemented a robust recruitment screening process. When it comes to promotions, we offer employees opportunities to showcase their capabilities and recognise their exceptional achievements. Our Employee Handbook outlines the criteria for promotions, which includes meeting specific goals and objectives, as well as demonstrating the aptitude to handle elevated roles and increased responsibilities. All promotions require recommendations from the employee's department head and approval from senior management. To ensure fairness and uniformity, our Human Resources and Admin Department thoroughly reviews and endorses all promotion and salary recommendations.



In our Employee Handbook, we provide guidelines on terminating employment contracts, including the conditions and procedures, prioritising the protection of our employees' rights and interests. We actively assess and incorporate employee feedback to drive ongoing enhancements in our employment practices.

Lee Kee values open dialogue within our organisation and actively promotes transparent communication between employees and management. Performance appraisals play a crucial role in the process, serving as a means to measure and evaluate employee performance. Additionally, they provide a platform for two-way communication, enabling employees to gain a comprehensive understanding of performance expectations and effectively plan their career development. The results of these appraisals contribute to bonus sharing, salary adjustments, promotions, transfers, and the overall career development of our employees.

Training and Development

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

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

- Provide induction training for new employees and for those newly transferred to different departments;
- Ensure appropriate in-house and external training, enabling individuals to keep up with satisfactory job performance;
- Encourage staff to join external courses for employees' career development;
- Provide training required by those selected for promotion so that they are appropriately prepared for their new responsibilities;
- Provide sponsorship/subsidy to encourage employees to further study and well-equip themselves to take challenges ahead; and
- Encourage learning sharing among Lee Kee members.





Job-specific training and support on employees' career advancement

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

Our Group encourages employees to pursue career development by allowing our employees to reimburse expenses upon satisfactory completion of any work-related course or modules for long-term programs leading to a formal academic certificate. Furthermore, subsidies are provided for associates to join workshops on job-related initiatives, such as "Data Protection in Direct Marketing Activities" by the Hong Kong Privacy Commissioner for Personal Data to Marketing staff to enhance their marketing knowledge.

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

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

To enhance awareness and strengthen our dedication, we conduct seminars to educate our employees and ensure their familiarity with the rules and regulations outlined in our Code of Conduct. Within our Group, we strictly enforce a zero-tolerance policy towards workplace discrimination or harassment.

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

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

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

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

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

Once employees have successfully completed their probationary period, they become eligible to participate in our Group Medical Scheme, which provides coverage for both outpatient and inpatient services. Additionally, we offer travel insurance to employees during authorised business trips conducted outside of their regular workplace, providing them with added protection. Furthermore, our Long Service Award program serves to acknowledge and appreciate employees for their dedication, commitment, and loyalty to Lee Kee.

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

Respect for Human Rights

The Group holds a strong commitment to safeguarding the rights and interests of our employees, actively ensuring that our business operations uphold the utmost ethical labour standards. We have a strict policy in place that prohibits the utilisation of child labour and forced labour, fully complying with all relevant laws and regulations aimed at preventing such practices.

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

Moreover, our dedication to ethical labour practices extends beyond our organisation and encompasses our supply chain. We integrate our standards into our supplier evaluation criteria, making it a requirement for our suppliers to adhere to and uphold the same labour practices. This ensures that there are no occurrences of child labour or forced labour at any stage within our supply chain.

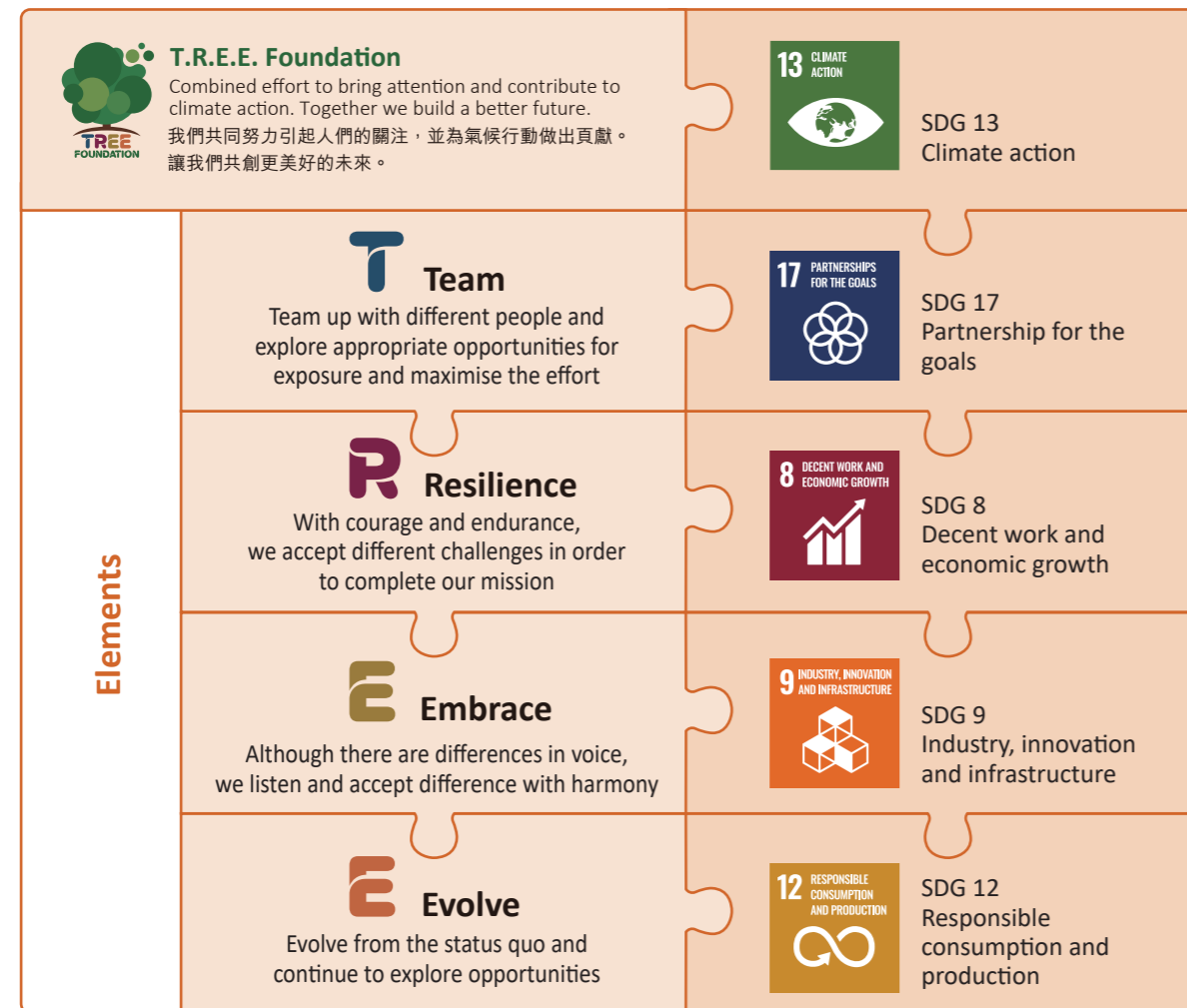




10.3. Community Engagement

Active engagement with our stakeholders is imperative for the long-term success and sustainability of our corporation. Given the unprecedented challenges we have encountered this year, we have gained a heightened appreciation for the concept of symbiosis. In order to foster a proactive approach in shaping our future direction, the T.R.E.E. Foundation has defined the following core values and elements as our roadmap for community engagement.

The primary objective of the T.R.E.E. Foundation is to promote corporate social responsibility and advocate for a proactive stance on sustainable development. The foundation is rooted in core values like teamwork, resilience, embracing change, and continual evolution, all of which drive progress towards a brighter future. By pooling our collective endeavors, we strive to make a meaningful contribution to combating climate change and addressing the diverse challenges faced by our society. Our foundation fully aligns with the Sustainable Development Goals (SDGs), as demonstrated by our logo, which incorporates distinct colours corresponding to different goals. The interlocking branches depicted in our logo signify the interconnected nature of our efforts towards sustainable development.



Helping Disadvantaged Groups: Strengthening Community Ties and Promoting Inclusivity

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

- Support in charity concerts:** We collaborated with the Society for Community Organisation (“SoCO”) and made donations to their charity concert titled “Ode to Joy – SoCO Charity Concert 2023 for the Alleviation of Poverty” held at the Hong Kong Cultural Centre in November 2023. This helped raise funds for a worthy cause and promote inclusivity.
- Spreading festival joy with underprivileged children and their families:** To make a positive impact during the holiday season, we sponsored the Christmas Party organised by Benji’s Centre held at La Parole in Sheung Wan in December 2023. The Christmas Party was a wonderful opportunity for underprivileged children and their families to get together and celebrate the festive spirit.



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

We hold a strong belief in the importance of education and youth development as fundamental pillars for building a sustainable and prosperous society. We are deeply committed to actively participating in initiatives that foster the growth of young minds. By investing in the potential of the next generation, we hope to contribute to their personal development and inspire them to pursue their passions and dreams.

- Sponsoring students from low-income families in Mainland China:** In support of education, we donated to the Hong Kong Seagull Scholarship Limited for the 2023/24 academic year. We sponsored two students from Chongqing University in Mainland China through this initiative and are delighted to report that both students successfully completed their year-long course.
- Inspiring secondary school students’ career aspirations:** Lee Kee Group collaborated with the ELCHK Lutheran Academy during the reporting period for a visit to our Tai Po Headquarters. A total of 25 secondary school students participated in the visit, providing them with valuable insights into our industry and work environment.





- Supporting artists with special educational needs:** In a collaborative effort to make a positive impact on our communities, the T.R.E.E. Foundation partnered with Learning Bridge Association, a local non-profit organisation, to develop a thermal bottle featuring a drawing themed “Born to be Unique” created by talented artists with special educational needs (“SEN”). We have also allocated funds to sponsor the “Employment Program for SEN Artists” to support the career development of artists with SEN. Through these initiatives, we hope to foster an inclusive environment through a collective effort to build a better future.
- Sponsoring runners in marathon race:** We sponsored two young runners from the Hong Kong Youth Service to participate in the 10-kilometre marathon race as part of the Marathon Charity Programme at the Standard Chartered Hong Kong Marathon 2024, enabling them to realise their aspirations and pursue their dreams.

Employee Volunteering: Fostering a Culture of Sustainability and Community Engagement

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

- Creating a socialising platform for employees:** Outward Bound Hong Kong, in collaboration with Lingnan University, organised the Outward Bound Corporate Challenge in December 2023, with the objective of creating a platform for employees to socialise and interact with colleagues outside office hours. A total of 18 of our staff members formed two teams and enthusiastically participated in the challenge. Our employees successfully completed the activities, demonstrating teamwork and their active involvement in personal and professional development.
- Donation to the elderly:** Employees from Genesis volunteered to donate supplies to elderly villagers during the reporting period. It is the 8th consecutive year that Genesis organised the donation campaign to deliver donations. This year’s contribution included essential items such as cooking oil and thermos cups, with a total of 175 sets distributed, providing warmth and care to those in need.



Environmental Protection: Demonstrating Our Commitment to a Greener Future

We recognise the importance of environmental protection and actively engage in initiatives that demonstrate our commitment to a greener future. By actively supporting eco-friendly initiatives, we aim to contribute to the preservation of our planet.

- Promoting a sustainable lifestyle:** During the reporting period, we participated in Earth Hour and World Water Day to promote small actions individuals can take every day to protect the environment. We aim to raise our employees’ awareness of simple lifestyle changes that can collectively benefit the planet.
- Recycling old desk calendars:** In support of the recycling efforts led by the Environmental Protection Department through the Taipo District Community Green Station, we actively participated in the recycling of old desk calendars during the reporting period. To facilitate the collection process, we placed a designated collection box in our office pantry for one month. Our employees enthusiastically contributed, resulting in the collection of 102 desk calendars. These calendars were then separated into metal and paper components to ensure proper recycling. The materials were subsequently returned to the Environmental Protection Department, effectively promoting sustainable practices within our community.
- Recycling peach blossom trees:** Following the Chinese New Year celebrations, we participated in the Peach Blossom Trees Recycling organised by the Environmental Association. As part of our commitment to environmental sustainability, we collected and recycled peach blossom trees in our office. Our participation was recognised by a Certificate of Appreciation from the Environmental Association for our contribution to environmental conservation and fostering a greener community.



11

ENVIRONMENTAL AND SOCIAL PERFORMANCE DATA TABLE



11.1. Environmental and Social Performance Data Table

| SEHK KPI ¹ | Unit | FY2023/24 | FY2022/23 | FY2021/22 |
|--|---|---------------------|-----------|-----------|
| A. Environmental² | | | | |
| A1.2 | Greenhouse gas emissions in total and intensity | | | |
| Scope 1 emissions ³ | Tonnes of CO ₂ e | 968 | 970 | 1,498 |
| Scope 2 emissions ⁴ | Tonnes of CO ₂ e | 1,081 ⁵ | 848 | 1,238 |
| – Total (Scope 1 and 2 emissions) | Tonnes of CO ₂ e | 2,049 | 1,817 | 2,736 |
| – Intensity | Tonnes of CO ₂ e/tonnes of production volume | 0.126 | 0.097 | 0.090 |
| A1.3 ⁶ | Total hazardous waste produced | | | |
| Mix of hydrochloric acid and nitric acid | | | | |
| – Total | Litres of waste produced | 100.0 | 80.0 | 42.6 |
| – Intensity | Litre of waste produced/tonnes of production volume | 0.0062 | 0.0043 | 0.0014 |
| Hydrofluoric acid | | | | |
| – Total | Litres of waste produced | 20.0 | 20.0 | 12.4 |
| – Intensity | Litre of waste produced/tonnes of production volume | 0.00123 | 0.00107 | 0.00040 |
| Waste lead-acid battery | | | | |
| – Total | Kg of waste produced | 0.0 | 0.0 | 156.0 |
| – Intensity | Kg of waste produced/tonnes of production volume | 0.0000 ⁷ | 0.0000 | 0.0050 |
| Total hazardous waste recycled | | | | |
| Empty toner cartridges | | | | |
| – Total | Pieces of waste recycled | 23 ⁸ | 5 | 10 |
| – Intensity | Pieces of waste recycled/tonnes of production volume | 0.00142 | 0.00027 | 0.00032 |
| Light tube ⁹ | | | | |
| – Total | Kg of waste recycled | 66.1 ¹⁰ | 0.0 | 26.3 |
| – Intensity | Kg of waste recycled/tonnes of production volume | 0.00407 | 0.00000 | 0.00085 |

¹ Any discrepancies between (i) totals provided and the sum of the numbers presented; and (ii) percentages provided and the associated numbers throughout the Report are due to rounding.

² The cut-off date of production volume is based on the manufacturing site's ERP system.

³ Refers to direct GHG emissions from fuel combustion. The emissions data was calculated based on emission factors adopted from "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" published by SEHK.

⁴ Emissions associated with electricity purchased are calculated based on the latest available emissions factors provided by the power companies.

⁵ The scope 2 emissions increase in FY2023/24 as a result of the inclusion of electricity usage from a new production line that commenced operations in Hong Kong during the fiscal year.

⁶ Hazardous waste data only includes Hong Kong operations.

⁷ All lead-acid batteries replaced in FY2021/22 remain operational and functional, without any need for replacement.

⁸ The amount of recycled empty toner cartridges increases in FY2023/24 due to access to more comprehensive data through collaborating with the recyclers.

⁹ Light tube data includes fluorescent tubes and light bulbs.

¹⁰ The number of light tubes recycled increased in FY2023/24 since no recycling took place the prior year as the used light tubes were stockpiled instead of being sent to a certified handler, which the stockpile was sent for recycling in FY2023/24.



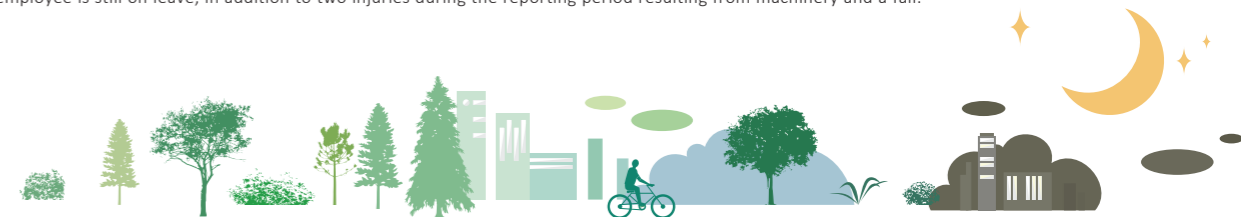


| SEHK KPI ¹ | Unit | FY2023/24 | FY2022/23 | FY2021/22 |
|--|--|----------------------|-----------|-----------|
| A1.4 ¹¹ | Total non-hazardous waste produced | | | |
| General waste ¹² | | | | |
| – Total | Tonnes of waste produced | 54.9 | 45.1 | 53.9 |
| – Intensity | Tonnes of waste produced/tonnes of production volume | 0.0034 | 0.0024 | 0.0017 |
| | Total non-hazardous waste recycled | | | |
| Paper waste | | | | |
| – Total | Kg of waste recycled | 1,172 | 896 | 1,270 |
| – Intensity | Kg of waste recycled/tonnes of production volume | 0.072 | 0.048 | 0.041 |
| Aluminium can | | | | |
| – Total | Kg of waste recycled | 26.5 | 48.3 | 40.0 |
| – Intensity | Kg of waste recycled/tonnes of production volume | 0.0016 | 0.0026 | 0.0013 |
| Plastic bottles | | | | |
| – Total | Kg of waste recycled | 83.4 | 217.3 | 169.2 |
| – Intensity | Kg of waste recycled/tonnes of production volume | 0.0051 | 0.0116 | 0.0055 |
| Glass | | | | |
| – Total | Kg of waste recycled | 34.3 | 43.6 | 43.6 |
| – Intensity | Kg of waste recycled/tonnes of production volume | 0.0021 | 0.0023 | 0.0014 |
| Scrap metal | | | | |
| – Total | Kg of waste recycled | 69,110 ¹³ | 35,742 | 34,179 |
| – Intensity | Kg of waste recycled/tonnes of production volume | 4.26 | 1.91 | 1.10 |
| A2.1 | Energy consumption | | | |
| Direct energy consumption (Fuel consumed) | | | | |
| – Total | '000 kWh | 4,436 | 5,240 | 8,150 |
| – Intensity | '000 kWh/tonnes of production volume | 0.27 | 0.28 | 0.27 |
| Indirect energy consumption (Purchased electricity and town gas) | | | | |
| – Total | '000 kWh | 2,606 | 1,972 | 2,874 |
| – Intensity | '000 kWh/tonnes of production volume | 0.160 | 0.105 | 0.094 |
| Total energy consumption | | | | |
| – Total | '000 kWh | 7,042 | 7,212 | 11,024 |
| – Intensity | '000 kWh/tonnes of production volume | 0.43 | 0.39 | 0.36 |

¹¹ Non-hazardous waste data only includes Hong Kong operations, except for recycled scrap metals which include both Hong Kong and Mainland operations.
¹² General waste data includes the municipal waste disposed of at landfills in Hong Kong operations.
¹³ Scrap metal data increases in FY2023/24 due to Promet starting a new project in September 2022 to conduct steel reinforcing bar testing at prefabrication yards, leading to additional scrap volumes in our operation.

| SEHK KPI ¹ | Unit | FY2023/24 | FY2022/23 | FY2021/22 | |
|-----------------------|---|---------------|-------------------|-----------|------|
| B. Social | | | | | |
| B1.1 | Total workforce | No. of people | 184 | 193 | 187 |
| | By employment type | | | | |
| | – Full-time | No. of people | 178 | 187 | 183 |
| | – Part-time | No. of people | 6 | 6 | 4 |
| | By gender | | | | |
| | – Male | No. of people | 89 | 99 | 95 |
| | – Female | No. of people | 95 | 94 | 92 |
| | By age group | | | | |
| | – Under 30 | No. of people | 22 | 20 | 18 |
| | – 30 to 50 | No. of people | 103 | 116 | 115 |
| | – Over 50 | No. of people | 59 | 57 | 54 |
| | By geographical region | | | | |
| | – Hong Kong | No. of people | 103 | 112 | 106 |
| | – Greater China (other than Hong Kong) | No. of people | 70 | 73 | 74 |
| | – Southeast Asia | No. of people | 11 | 8 | 7 |
| B1.2 | Overall turnover rate¹⁴ | | 32.1 | 17.6 | 27.3 |
| | By gender | | | | |
| | – Male | % | 47.2 | 17.2 | 18.9 |
| | – Female | % | 17.9 | 18.1 | 35.9 |
| | By age group | | | | |
| | – Under 30 | % | 31.8 | 35.0 | 72.2 |
| | – 30 to 50 | % | 32.0 | 12.9 | 27.8 |
| | – Over 50 | % | 32.2 | 21.1 | 11.1 |
| | By geographical region | | | | |
| | – Hong Kong | % | 42.7 | 18.8 | 22.6 |
| | – Greater China (other than Hong Kong) | % | 11.4 | 12.3 | 35.1 |
| | – Southeast Asia | % | 63.6 | 50.0 | 14.3 |
| B2.1 | Work-related fatalities | | | | |
| | – Number | No. of people | 0 | 0 | 0 |
| | – Rate | % | 0 | 0 | 0 |
| B2.2 | Lost days due to work injury | No. of day | 512 ¹⁵ | 201 | 4 |

¹⁴ It is calculated as the “total number of employees leaving employment during the reporting period divided by the total number of employees as of 31 March 2024 and then multiplied by 100%”.
¹⁵ The number of lost days due to work injury reported this year substantially increased compared to previous years due to one injury from FY2022/23, where the employee is still on leave, in addition to two injuries during the reporting period resulting from machinery and a fall.





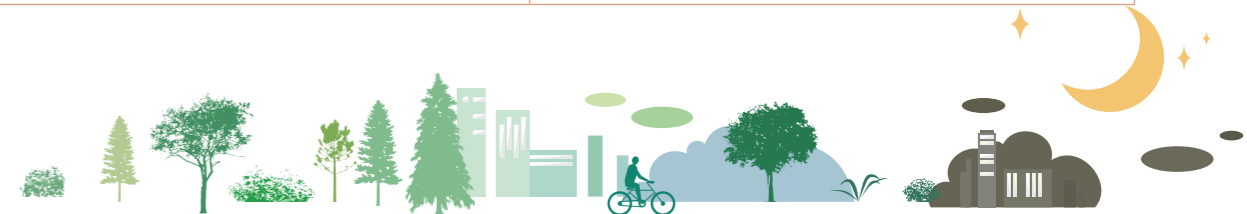
| SEHK KPI ¹ | Unit | FY2023/24 | FY2022/23 | FY2021/22 | |
|-----------------------|--|--------------------------|-----------|-----------|----|
| B3.1 | Percentage of employee trained¹⁶ | 90.2 | 90.2 | 90.9 | |
| | By gender | | | | |
| | – Male | 88.8 | 87.9 | 89.5 | |
| | – Female | 91.6 | 92.6 | 92.4 | |
| | By employee category | | | | |
| | – General staff | 86.8 | 89.6 | 93.8 | |
| | – Middle manager | 97.8 | 89.3 | 91.1 | |
| | – Senior manager | 100.0 | 100.0 | 58.3 | |
| B3.2 | Average training hours per employee | 19.4 | 17.3 | 24.9 | |
| | By gender | | | | |
| | – Male | 27.1 | 22.3 | 35.2 | |
| | – Female | 12.3 | 12.1 | 14.1 | |
| | By employee category | | | | |
| | – General staff | 22.8 | 17.3 | 25.5 | |
| | – Middle manager | 13.1 | 19.9 | 28.9 | |
| | – Senior manager | 4.8 | 6.0 | 2.3 | |
| B5.1 | Number of suppliers by geographical region | | | | |
| | – Greater China | No. of suppliers | 64 | 55 | 37 |
| | – Asia (Other than Greater China) | No. of suppliers | 11 | 15 | 20 |
| | – Rest of the world | No. of suppliers | 4 | 6 | 8 |
| B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons | 0 | 0 | 0 | |
| B6.2 | Number of products and service-related complaints received | No. of complaints | 7 | 4 | 18 |
| B7.1 | Number of concluded legal cases regarding corrupt practices brought against the Company | No. of cases | 0 | 0 | 0 |
| B7.3 | Number of anti-corruption training conducted | No. of training sessions | 7 | 4 | 6 |
| | Total number of participants who attended the anti-corruption training | | | | |
| | – Employees | No. of people | 118 | 117 | 84 |
| | – Directors | No. of people | 3 | 3 | 3 |

¹⁶ Including employees who were still working in the Company as of 31 March 2024 only. It is calculated as the “total number of employees who received training divided by the total number of employees as of 31 March 2024 and then multiplied by 100%”.

11.2. Membership

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

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





11.3. Relevant Laws and Regulations

| Aspects | Relevant Laws and Regulations ¹⁷ |
|--|---|
| <p>Aspect A1: Emissions</p> <p>Air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste</p> | <p>Hong Kong: Noise Control Ordinance (Cap. 400), Waste Disposal (Chemical Waste) (General) Regulation (Cap. 354C), Air Pollution Control Ordinance (Cap. 311) and Water Pollution Control Ordinance (Cap.358).</p> <p>Mainland: Ningbo Atmospheric Pollution Prevention and Control Regulation (寧波市大氣污染防治條例), Ningbo Environmental Pollution Prevention and Control Regulation (寧波市環境污染防治規定), Environmental Protection Law of the People’s Republic of China (中華人民共和國環境保護法), Atmospheric Pollution Prevention and Control Law of the People’s Republic of China (中華人民共和國大氣污染防治法), Production Safety Law of the People’s Republic of China (中華人民共和國安全生產法) and Hazardous Chemicals Safety Management Regulation (危險化學品安全管理條例).</p> |
| <p>Aspect B1: Employment</p> <p>Compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare</p> <p>Aspect B4: Labour Standards</p> <p>Preventing child and forced labour</p> | <p>Hong Kong: Employment Ordinance (Cap. 57), Minimum Wage Ordinance (Cap. 608), Mandatory Provident Fund Schemes Ordinance (Cap. 485), Personal Data (Privacy) Ordinance (Cap. 486), Sex Discrimination Ordinance (Cap. 480), Disability Discrimination Ordinance (Cap. 487), Family Status Discrimination Ordinance (Cap. 527), Race Discrimination Ordinance (Cap. 602) and Inland Revenue Ordinance (Cap. 112).</p> <p>Mainland: Labour Law of the People’s Republic of China (中華人民共和國勞動法) and Labour Contract Law of the People’s Republic of China (中華人民共和國勞動合同法).</p> |

| Aspects | Relevant Laws and Regulations ¹⁷ |
|---|---|
| <p>Aspect B2: Health and Safety</p> <p>Providing a safe working environment and protecting employees from occupational hazards</p> | <p>Hong Kong: Occupational Safety and Health Ordinance (Cap. 509), Boilers and Pressure Vessels Ordinance (Cap. 56), Factories and Industrial Undertakings Ordinance (Cap. 59), Dangerous Goods Ordinance (Cap. 295) and Prevention and Control of Disease Ordinance (Cap. 599).</p> <p>Mainland: Measures for the Administration of Occupational Health Examination (職業性健康檢查管理規定), Special Rules on the Labour Protection of Female Employees (女職工勞動保護特別規定) and Prevention and Control of Occupational Diseases Law of the People’s Republic of China (中華人民共和國職業病防治法).</p> |
| <p>Aspect B6: Product Responsibility</p> <p>Health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress</p> | <p>Restriction of Hazardous Substances Directive (EU) 2015/863 amending Annex II to Directive 2011/65/EU, (RoHS 2.0) and the European Union (EU) Regulation EC 1907/2006 Registration, Evaluation, Authorization and Restriction of Chemicals (REACH).</p> |
| <p>Aspect B7: Anti-corruption, bribery, extortion, fraud and money laundering</p> | <p>Hong Kong: Prevention of Bribery Ordinance (Cap. 201), and Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap 615).</p> <p>Mainland: Anti-Money Laundering Law of the People’s Republic of China (中華人民共和國反洗錢法) and Suppression of Corruption Regulation of the People’s Republic of China (中華人民共和國懲治貪污條例).</p> <p>Singapore: Prevention of Corruption Act (Chapter 241).</p> <p>Thailand: The Organic Act on Anti-Corruption B.E. 2561 (2018).</p> <p>Malaysia: Malaysian Anti-Corruption Commission (MACC) Act 2009.</p> |

¹⁷ For English version, the laws and regulations in Mainland are presented in both English and Chinese. Should there be any discrepancy between the Chinese and the English name, the Chinese version shall prevail.





11.4. SEHK ESG Reporting Guide Content Index

| Mandatory Disclosure Requirements | | Section/Remarks |
|-------------------------------------|---|-------------------------------------|
| Governance Structure | A statement from the board containing the following elements: (i) a disclosure of the board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses. | Sustainability Governance Structure |
| Reporting Principles – Materiality | The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; and (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement. | Reporting Standard and Principles |
| Reporting Principles – Quantitative | Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. | Reporting Standard and Principles |
| Reporting Principles – Consistency | The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison. | Reporting Standard and Principles |
| Reporting Boundary | A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change. | Reporting Scope and Boundary |

| Subject Areas, Aspects, General Disclosures and KPIs | | Section/Remarks |
|--|--|--|
| A. Environmental | | |
| Aspect A1: Emissions | | |
| General Disclosure | Information on: (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 ¹⁸ . | Operational Efficiency and Environmental Management |
| KPI A1.1 | The types of emissions and respective emissions data. | Due to the business nature of Lee Kee, this KPI is considered not material and thus is not disclosed. |
| KPI A1.2 | Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Operational Efficiency and Environmental Management Environmental and Social Performance Data Table |
| KPI A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Environmental and Social Performance Data Table |
| KPI A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Environmental and Social Performance Data Table |
| KPI A1.5 | Description of emission target(s) set and steps taken to achieve them. | Operational Efficiency and Environmental Management |
| KPI A1.6 | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them. | Operational Efficiency and Environmental Management |

¹⁸ There is no non-compliance case against laws and regulations identified during the reporting period.

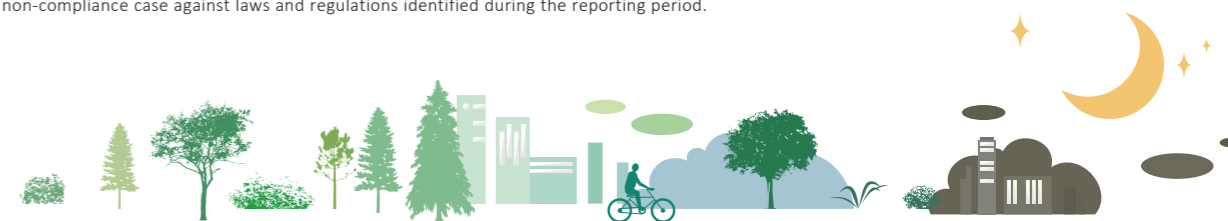




| Subject Areas, Aspects, General Disclosures and KPIs | | Section/Remarks |
|---|--|--|
| Aspect A2: Use of Resources | | |
| General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials. | Operational Efficiency and Environmental Management |
| KPI A2.1 | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). | Operational Efficiency and Environmental Management Environmental and Social Performance Data Table |
| KPI A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility). | Due to the business nature of Lee Kee, this KPI is considered not material and thus is not disclosed. |
| KPI A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them. | Operational Efficiency and Environmental Management |
| KPI A2.4 | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them. | Operational Efficiency and Environmental Management |
| KPI A2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. | Due to the business nature of Lee Kee, this KPI is considered not material and thus is not disclosed. |
| Aspect A3: The Environment and Natural Resources | | |
| General Disclosure | Policies on minimising the issuer's significant impacts on the environment and natural resources. | Operational Efficiency and Environmental Management |
| KPI A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | Operational Efficiency and Environmental Management |
| Aspect A4: Climate Change | | |
| General Disclosure | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. | Operational Efficiency and Environmental Management |
| KPI A4.1 | Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them. | Operational Efficiency and Environmental Management |

| Subject Areas, Aspects, General Disclosures and KPIs | | Section/Remarks |
|--|--|---|
| B. Social | | |
| Employment and Labour Practices | | |
| Aspect B1: Employment | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare ¹⁹ . | Talent Development |
| KPI B1.1 | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region. | Environmental and Social Performance Data Table |
| KPI B1.2 | Employee turnover rate by gender, age group and geographical region. | Environmental and Social Performance Data Table |
| Aspect B2: Health and Safety | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. | Occupational Health and Safety |
| KPI B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. | Occupational Health and Safety Environmental and Social Performance Data Table |
| KPI B2.2 | Lost days due to work injury. | Occupational Health and Safety Environmental and Social Performance Data Table |
| KPI B2.3 | Description of occupational health and safety measures adopted, and how they are implemented and monitored. | Occupational Health and Safety |

¹⁹ There is no non-compliance case against laws and regulations identified during the reporting period.



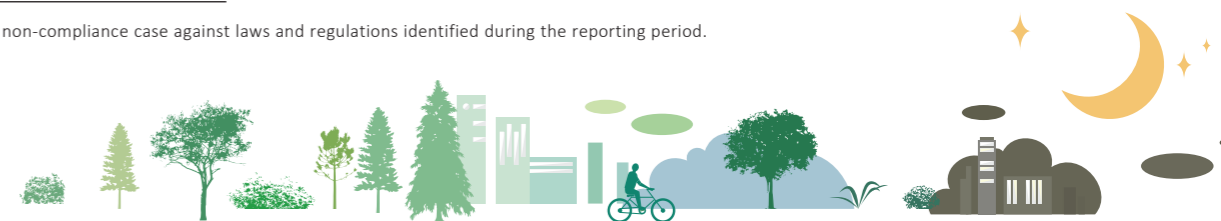


| Subject Areas, Aspects, General Disclosures and KPIs | | Section/Remarks |
|--|---|---|
| Aspect B3: Development and Training | | |
| General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | Talent Development |
| KPI B3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management). | Environmental and Social Performance Data Table |
| KPI B3.2 | The average training hours completed per employee by gender and employee category. | Environmental and Social Performance Data Table |
| Aspect B4: Labour Standards | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour ²⁰ . | Talent Development |
| KPI B4.1 | Description of measures to review employment practices to avoid child and forced labour. | Talent Development |
| KPI B4.2 | Description of steps taken to eliminate such practices when discovered. | Talent Development |

²⁰ There is no non-compliance case against laws and regulations identified during the reporting period.

| Subject Areas, Aspects, General Disclosures and KPIs | | Section/Remarks |
|--|--|---|
| Operating Practices | | |
| Aspect B5: Supply Chain Management | | |
| General Disclosure | Policies on managing environmental and social risks of the supply chain. | Responsible Supply Chain Management |
| KPI B5.1 | Number of suppliers by geographical region. | Environmental and Social Performance Data Table |
| KPI B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. | Responsible Supply Chain Management |
| KPI B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. | Responsible Supply Chain Management |
| KPI B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. | Responsible Supply Chain Management |
| Aspect B6: Product Responsibility | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress ²¹ . | Product Responsibility |
| KPI B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | Environmental and Social Performance Data Table |
| KPI B6.2 | Number of products and service-related complaints received and how they are dealt with. | Product Responsibility Environmental and Social Performance Data Table |
| KPI B6.3 | Description of practices relating to observing and protecting intellectual property rights. | Business Ethics |
| KPI B6.4 | Description of quality assurance process and recall procedures. | Product Responsibility |
| KPI B6.5 | Description of consumer data protection and privacy policies, and how they are implemented and monitored. | Business Ethics |

²¹ There is no non-compliance case against laws and regulations identified during the reporting period.





| Subject Areas, Aspects, General Disclosures and KPIs | | Section/Remarks |
|--|---|--|
| Aspect B7: Anti-corruption | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering ²² . | Business Ethics |
| KPI B7.1 | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. | Environmental and Social Performance Data Table |
| KPI B7.2 | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored. | Business Ethics |
| KPI B7.3 | Description of anti-corruption training provided to directors and staff. | Business Ethics Environmental and Social Performance Data Table |

| Subject Areas, Aspects, General Disclosures and KPIs | | Section/Remarks |
|--|--|----------------------|
| Community | | |
| Aspect B8: Community Investment | | |
| General Disclosure | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. | Community Engagement |
| KPI B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). | Community Engagement |
| KPI B8.2 | Resources contributed (e.g. money or time) to the focus area. | Community Engagement |

²² There is no non-compliance case against laws and regulations identified during the reporting period.





11.5. Assurance Statement

VERIFICATION STATEMENT

Scope and Objective of Verification

Hong Kong Quality Assurance Agency (“HKQAA”) has been engaged by Lee Kee Group (“Lee Kee”) to undertake an independent verification of “Environmental, Social and Governance Report 2023/2024” (“the Report”) for Lee Kee Holdings Limited (Stock Code: 637). The scope of HKQAA’s verification covers the data and information associated to the sustainability performance of Lee Kee Group and its subsidiaries in the period of 1st April 2023 to 31st March 2024 for its major operations in Greater China (i.e., offices, warehouses, production plants, and (laboratory) and Southeast Asia (i.e., offices), as disclosed in the Report.

The aim of this verification is to provide a reasonable assurance on the reliability of the report content. The Report has been prepared in accordance with the Appendix C2 “Environmental, Social and Governance Reporting Guide (“ESG Guide”)” of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (“SEHK”).

Level of Assurance and Methodology

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

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

Independence

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

Conclusion

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

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

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

Signed on behalf of Hong Kong Quality Assurance Agency

K. T. Ting
Chief Operating Officer
May 2024

