



STARLITE
HOLDINGS LIMITED

星光集團有限公司
(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

STOCK CODE 股份代號: 403

智能環保 共創未來
SMART ENVIRONMENTAL PROTECTION
CREATING A BETTER FUTURE

**ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT
FY 2023/2024**

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OVERVIEW

Pursuant to Appendix C2 Environmental, Social and Governance Reporting Guide (the “Guide”) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”), Starlite Holdings Limited (the “Company”), together with its subsidiaries (the “Group” or “we”) hereby present this Environmental, Social and Governance (“ESG”) Report to report ESG issues that have key environmental and social impacts and are relevant to the business of the Group for the year ended 31st March, 2024 (the “Financial Year”). Unless otherwise stated, the reporting period is from 1st April, 2023 to 31st March, 2024.

Sustainable Governance

As a responsible corporate citizen, the Group has established ESG policy, infrastructure, and framework for managing ESG related matters. The Board of Directors of the Company oversees the Group’s ESG strategy and reporting. ESG working groups were established in key business locations to manage ESG related matters according to the Group’s strategy.

Board Oversight

The Board of Directors of the Company shares the visions of “Be thankful and cherish, sustainable management” with the overall strategy of integrating sustainability initiatives into daily operations. To continuously monitor ESG performance in all key business aspects, the Board meet with ESG working groups quarterly to discuss the key ESG related matters.

Annually, the Board assesses key ESG issues associated with the business and operations, prioritises the ESG issues, and determines the scope of disclosure in this ESG Report. The Board and the ESG working groups evaluate the Group’s ESG-related risks, opportunities and issues by reviewing internal documents, conducting interviews and considering factors including influence on stakeholders, importance to operation and impact on environment and community. For the short and medium term, the key ESG issues include greenhouse gas emission management and climate change risks management. Based on the assessment, the Board sets ESG-related targets, adjust key policies and communicates with ESG working groups of each region for implementation. In the coming three to five years, in view of the challenges of climate change and increase in extreme weather, the Group will continue to implement climate adaptation and resilience strategies. Being a corporation in the manufacturing industry, the Group also sees building green factories as the main goal and continues to enhance sustainability initiatives.

Reporting and Monitoring Mechanism

Quarterly, the Board reviews performance against ESG-related targets, and evaluate effectiveness of risk management and internal control system in relation to ESG-related policy and procedures.

ESG Working Groups

Each ESG working group is led by the General Manager of the respective location, and consists of personnel from relevant functional departments of the location including Procurement, Warehouse and Human Resources and Administration. The major responsibilities of the ESG working groups include overseeing the ESG-related issues of each location, supporting ESG reporting by collecting ESG data, implementing ESG strategies determined by the Board, and directly reporting to the Board on ESG matters.

Reporting Boundary

Every year, the ESG working groups collect data related to financial performance, sales volume, number of employees, number of high value machines and production hours contributions of each location of the Group. The data collected are reported to the Board. The Board considers all the indicators mentioned above and determines the scope of disclosure in this ESG Report. Based on the assessment results, this ESG report of the Group will include emission data from our plants located in Shaoguan, Suzhou, Guangzhou and Malaysia. Compared to the Group's previous ESG reports, emission data from the Shaoguan and Suzhou plants have been disclosed before, whereas the data from the Guangzhou and Malaysia plants are newly added disclosures for this year. This ESG report covers the performance of the Group in two subject areas, namely, Environmental and Social.

Reporting Principles Applied

Materiality

The Group has assessed the materiality of the key ESG issues associated with its business and operations. Detailed disclosure is under "Sustainable Governance - Board Oversight" section.

Quantitative

The Group has made disclosure of information on the quantitative metrics and the principles used, for the reporting of emissions and energy consumption.

Consistency

The Group has ensured the consistency comparing with previous years in preparing this ESG Report in terms of methodologies unless otherwise specified.

A. ENVIRONMENTAL

The Group continues to maintain ISO 14001:2015, a certification in environmental management system. The Group strives to minimise its environmental impacts by managing its energy consumption, use of resources and waste production. In particular:

- (1) The Group maintains its existing low emission operating model, and strive to reduce the resources consumed during production and improve energy efficiency;
- (2) The Group has established a mechanism to collect emission data to monitor the environmental impact of the Group's operations; and
- (3) The Group has set up ESG working groups in applicable locations to monitor and report emission data on a regular basis.

A1. Emissions

With reference to the Reporting Guidance on Environmental Key Performance Indicators (“KPIs”) issued by the Stock Exchange, the Group has developed an Emission Assessment Form 《排放物評估表》. The Emission Assessment Form is used to assess the major emissions associated with the Group’s production and operations. If there were relevant changes to the Group’s production and operation, ESG working groups will re-evaluate and update the Emission Assessment Form. Considering the expanded disclosure scope of this report, we will use updated emission factors for calculating emissions. Compared to previous years, which used the 《2011年和2012年中國區域電網平均二氧化碳排放因子》 by the National Center for Climate Change Strategy and International Cooperation, this year's report will utilize the 《2021年減排項目中國區域電網基準線排放因子》 published by the Department of Climate Change, Ministry of Ecology and Environment of the People's Republic of China in November 2023, and the "Grid Emission Factor (GEF) in Malaysia, 2017-2021" announced by the Malaysia Energy Commission in February 2024 to calculate greenhouse gas emissions. The Group also has the following measures to manage its overall emissions:

- (1) Monthly, Quality Control Department performs an internal review on environmental matters to ensure environmental protection measures in place are functioning as intended at each factory. The assessment results are recorded in the Environmental Operation Check List 《環境運行檢查記錄表》. Follow-up action may be performed, when deemed appropriate, if abnormalities are found. Annually, Corporate Social Compliance Department, Human Resources and Administration Department perform a comprehensive self-assessment on the overall effectiveness of the Environmental Management System (“EMS”).
- (2) Annually, a management review report summarizing internal and external environmental assessment results is prepared to report on environmental related matters. ESG working groups are responsible for the assessment of the respective factories and reporting the results to EMS Representatives “環境管理系統管理者代表”. EMS Representatives are responsible for reviewing the assessment results, implementing remediation measures (if needed) and reporting the assessment results and remediation progress to Senior CSR Manager. Senior CSR Manager reviews and consolidates environmental related matters and reports to the Enterprise Development Committee of the Group.
- (3) Measure are implemented to manage emission, some key measures include:
 - Purifying waste gas and fumes generated from printing and post-printing finishing working area with air-filters and Volatile Organic Compounds (“VOCs”) disposal systems;

- Purifying waste gas and fumes generated from the catering activities at the canteen with purification devices;
- Using electric forklifts instead of diesel-fuelled forklifts to reduce sulphur dioxide, carbon dioxide and methane emissions;
- Reducing the delivery frequency by consolidating shipments; and
- Encouraging employees to use public transportation.

Through the measures described above, during this reporting period, the emissions of Nitrogen Oxides averaged 0.07 kilograms per HKD million of production value, Particulate Matter emissions averaged 5.11 grams per HKD million of production value, and Sulfur Oxides emissions averaged 0.50 grams per HKD million of production value. Calculated in terms of carbon dioxide equivalents, the average greenhouse gas emissions were 16.15 tonnes per HKD million of production value, with total greenhouse gas emissions amounting to 12,940.77 tonnes.

Emissions	Unit	Shaoguan & Suzhou		Guangzhou	Malaysia	Group
		22/23	23/24	23/24	23/24	23/24
NOx per HKD million of production value	kg	0.13	0.10	0.01	0.03	0.07
SOx per HKD million of production value	g	0.80	0.29	0.53	1.25	0.50
PM per HKD million of production value	g	9.52	6.93	0.46	1.99	5.11
GHG emissions per HKD million of production value	tonnes	17.92	15.07	13.77	22.18	16.15
GHG emissions total carbon dioxide equivalent	tonnes	8,509.53	8,162.88	1,605.26	3,172.63	12,940.77

For the Shaoguan and Suzhou plants, this reporting period saw a significant decrease in emissions of Nitrogen Oxides, Particulate Matters, Sulfur Oxides and greenhouse gases emissions per HKD million of production value compared to the previous reporting period. To ensure that the emissions do not rise again, the Group will continue to adhere to the following measures:

- (1) Water and electricity meters have been installed in each workshop. Departments are given the responsibility to conserve energy as they are required to summarize and report the monthly electricity and water usage of each workshop. Timely actions would be required for any irregularities found.
- (2) Forklifts that consume fuel have been replaced by electric forklifts to reduce fuel consumption.
- (3) Air compressor equipment have been upgraded from fixed frequency to convertible frequency in order to reduce power consumption.

By 2025, the Group targets to maintain the level of greenhouse gases emission not greater than that of the current reporting period. We will be continuously implementing the measures we mentioned above to pursue our target.

With reference to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal 《控制危險廢物越境轉移及其處置巴塞爾公約》 and the National Hazardous Wastes List 《國家危險廢物名錄》 (issued by the Ministry of Environmental Protection of the People’s Republic of China), ESG working groups assessed whether the Group has produced any hazardous waste. Based on the assessment, the Group’s hazardous waste produced mainly consists of ink cans, oil rags, and empty chemical cans.

The Group has implemented the following measures to manage its overall hazardous and non-hazardous waste disposal. Key measures include:

- (1) Engaging licensed hazardous waste collectors to collect and dispose of hazardous waste;
- (2) Keeping track of hazardous waste collection records, including the amount of hazardous waste disposed of;
- (3) Storing hazardous waste in designated waste warehouses until they are collected by the licensed hazardous waste collectors to reduce the risks of hazardous waste being inadvertently discharged;
- (4) Replacing certain hazardous chemicals consumed in the production process with non-hazardous chemicals, leading to reduction in disposal of hazardous chemicals;
- (5) Processing wastewater in treatment facilities established according to the local Environmental Protection Department’s standard. A sewage discharge permit was obtained for discharging purified wastewater via regular sewage system;
- (6) Engaging vendors to collect and recycle used paper;
- (7) Recycling food waste as compost to reduce non-hazardous waste;
- (8) Pre-configuring printers with default two-sided printing;
- (9) Digitalising internal documents to reduce the use of paper; and
- (10) Promoting reuse and recycle through the provision of recycling boxes in the office.

Although the above measures are in place, during this reporting period, the four plants of the Group emitted a total of 121.48 tonnes of hazardous waste, with an average of 0.152 tonnes of hazardous waste generated per HKD million of production value.

Hazardous waste	Unit	Shaoguan & Suzhou		Guangzhou	Malaysia	Group
		22/23	23/24	23/24	23/24	23/24
Total hazardous waste	tonnes	97.09	115.78	5.70	-	121.48
Hazardous waste per HKD million of production value	tonnes	0.205	0.214	0.049	-	0.152

Notably, the Malaysian plant is currently promoting the rectification of hazardous waste emissions and related data collection, and the complete fiscal year data on hazardous waste emissions from the Malaysian plant has not yet been obtained, and is therefore not disclosed here for the time being. For the Shaoguan and Suzhou plants, during this reporting period, the average hazardous waste generated per HKD million of production value increased from 0.205 tonnes in the previous reporting period to 0.214 tonnes, marking an increase of 4.4%.

The local government has tightened its control over environmental protection, requesting factories to process all categories of hazardous waste generated in accordance with regulations, resulting in an increase for the data of hazardous waste disposed. With the increasingly strict environmental protection policies, especially those regarding wastewater and gas emissions, factories will need to process wastewater and gas emission more frequently with methods such as using sewage treatment stations and replacing VOC equipment. Such methods will generate more hazardous waste like VOCS spray tower wastewater, sludge cake, and activated carbon. More items are also expected to be added to the list of hazardous waste. Each factory must handle them properly and unlawful disposals shall not be tolerated. Therefore, the amount of hazardous waste disposed is expected to increase provided that the factories are in compliance with the environmental protection policies. The Group will be investing more resources to process these hazardous waste as it is part of the Group's responsibility as an environmentally friendly business.

By 2025, the Group targets to maintain the level of hazardous waste disposal not greater than that of the current reporting period. We will be continuously implementing the measures we mentioned above to pursue our target.

Our management takes reasonable efforts to ensure our production complies with relevant environmental laws and regulations. Annually, ESG working groups update the List of Environmental Laws and Regulations 《環境法律法規清單》 to ensure applicable laws and regulations updates are made aware to the Group. ESG working groups pay attention to the relevant laws and regulations and perform assessment to ensure the Group's production and operations are in compliance.

During the reporting period, Management was not aware of any significant incidences of non-compliance with relevant laws and regulations, such as Water Pollution Prevention and Control Law of the People's Republic of China 《中華人民共和國水污染防治法》 and Prevention and Control of Environmental Pollution by Solid Waste Law of the People's Republic of China 《中華人民共和國固體廢物污染環境防治法》 on the environment and natural resources relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

A2. Use of Resources

Major resources used by the Group are electricity, water, diesel and petrol fuel, and plastic and paper packaging materials. No issues in sourcing resources for operation were encountered by the Group during the reporting period. The Group has implemented various measures to manage use of resources. Key measures include:

- (1) Enhancing employees' awareness of energy saving and emission reduction;
- (2) Setting office air-conditioning systems at optimal temperature (at the 25 to 26 Degree Celsius range);
- (3) Pre-configuring printers with two-sided printing setting;
- (4) Digitalizing internal documents to reduce the use of paper;
- (5) Promoting reuse and recycle through the provision of recycling boxes in the office;
- (6) Switching-off lights during lunch and non-working hours;
- (7) Using energy saving light-emitting diode ("LED") lighting;
- (8) Recycling and reusing office supply and production materials where possible;
- (9) Re-using a proportion of wastewater from plants in production to reduce water usage;
- (10) Comparing between actual and budgeted electricity and water consumption, and monitoring of related consumption trend;
- (11) Adopting the Amoeba Management System to hold each business unit accountable for their consumption of resources, such as electricity and water; and
- (12) Enhancing the production setup to reduce resource usage, for example, introducing machines with higher energy efficiency and implementing centralized air supply system in the production line to optimize utilization of compressed air generated from air compressors.

During past reporting periods, the Suzhou plant has upgraded its central air-conditioning system to a new one which has better energy-saving performance; in addition, to help reduce energy consumption the Suzhou plant adopted measure to limit the use of air-conditioners in most workshops only when the room temperature exceeds 28 Degree Celsius. Also, we sold off some of our private cars and large private buses, a move that reduced our gasoline and diesel energy consumption.

During this reporting period, the average direct and indirect energy consumption per HKD million of production value was 29.42 MWh, with total direct and indirect energy consumption amounting to 23,552.03 MWh.

Energy consumption	Unit	Shaoguan & Suzhou		Guangzhou	Malaysia	Group
		22/23	23/24	23/24	23/24	23/24
Total direct and indirect energy consumed	MWh	16,341.91	16,263.10	3,041.28	4,247.65	23,552.03
Energy consumed per HKD million of production value	MWh	34.45	30.07	26.09	29.70	29.42

For the Shaoguan and Suzhou plants, the average direct and indirect energy consumption per HKD million of production value decreased by 12.7% from 34.45 MWh in the previous reporting period to 30.07 MWh.

By 2025, the Group targets to maintain the level of energy consumption not greater than that of the current reporting period. In addition to the aforementioned strategies, the Group has also adopted the following policies:

- (1) Water and electricity meters have been installed in each workshop. Departments are given the responsibility to conserve energy as they are required to summarize and report the monthly electricity and water usage of each workshop. Timely actions would be required for any irregularities found.
- (2) Forklifts that consume fuel have been replaced by electric forklifts to reduce fuel consumption.
- (3) Air compressor equipment have been upgraded from fixed frequency to convertible frequency in order to reduce power consumption.

During this reporting period, the total water consumption for the Group's plants was 231,120.20 m³, with water consumption per HKD million of production value amounting to 487.24 m³. For the Shaoguan and Suzhou plants, water consumption per HKD million of production value decreased by 33.3% from 641.67 m³ in the previous reporting period to 427.99 m³.

Water consumption	Unit	Shaoguan & Suzhou		Guangzhou	Malaysia	Group
		22/23	23/24	23/24	23/24	23/24
Total water consumed	m ³	304,375.00	203,017.00	15,905.20	12,198.00	231,120.20
Water consumed per HKD million of production value	m ³	641.67	427.99	33.53	88.06	487.24

By 2025, the Group targets to maintain the level of water consumption not greater than that of the current reporting period. To ensure that water consumption will not continue to increase, the Group has implemented the following measures:

- (1) Designated personnel have been assigned by the engineering department to investigate the condition of water pipes in the factory. Defective pipes are immediately replaced in order to prevent wasting of water.
- (2) Water and electricity meters have been installed in each workshop. Departments are given the responsibility to conserve energy as they are required to summarize and report the monthly electricity and water usage of each workshop. Timely actions would be required for any irregularities found.
- (3) Recycling and reuse of production water: Pre-press CTP (Computer-to-plate) uses a smart water recycling system to reduce the generation of wastewater.

During the reporting period, Management was not aware of any incidences of non-compliance with relevant laws and regulations, such as Energy Conservation Law of the People's Republic of China 《中華人民共和國節約能源法》 on the use of resources.

A3. The Environment and Natural Resources

To minimise the Group's impact on environment and natural resources, the Group has established a set of environmental management system which was certified with ISO 14001: 2015 standard. ESG working groups have also been established in applicable locations of the Group to monitor environmental issues relating to production and operation.

Annually, the ESG working groups assess the Group's production and operation to identify areas that have significant environment impact and summarise the result on the List of Significant Environmental Factors 《重大環境因素清單》. The Management then prioritises and designs respective action plans to control or remediate required areas. Responsible departments are assigned to the respective areas to monitor the implementation status of the action plans. In addition, the Group selects employees to participate in relevant environmental risk management training. Participating employees who passed the assessment are awarded with certificates.

Annually, a feasibility study on emission reduction initiatives is prepared to analyse the cost and benefit of such initiatives, and ESG working groups then records the relevant information on the Environmental Initiatives Control List 《環境管理方案控制表》 for management's review and approval. During the reporting period, the Group has formulated six major emission reduction initiatives namely, prevention of fire accidents, chemical spills, and atmospheric pollution, and reduction of power consumption, water consumption and office paper usage.

A4. Climate Change

The Group continues to monitor climate-related issues which may impact the operation by holding meetings. Considering geographical presence and business nature, the Group has identified that increase in flooding could be a major physical climate risk as flooding could damage our assets and disrupt our daily operation. To manage the risk, the Group has strengthened the drainage capacity in the production sites to prevent the accumulation of floods.

The Group has also identified increase in concerns from customers for green products being the transitional risk in market aspect. Our corresponding approach is to increase the use in recycled materials in the printing and packaging process as well as to avoid usage of hazardous materials in the production process.

B. SOCIAL

The Group recognises its responsibility to maintain safe and ethical working conditions for our employees. The Group complies with various Codes of Conduct relevant to its business and operation and passes corresponding audits, including, ICTI Ethical Toy Program (“IETP”), Sedex Members Ethical Trade Audit (“SMETA”), Social and Environmental Accountability (“SEA”), EcoVadis and Responsible Business Alliance (“RBA”). We also maintain NBCUniversal Factory Approval and Disney Facility and Merchandise Authorization as evidence of our high standards in corporate management and human capital development.

Employment and Labour Practices

B1. Employment

The Group is committed to be an equal opportunity employer, respect cultural differences, promote gender equality, and comply with applicable labour standards and employment laws and regulations which are applicable to our business. The Group has developed comprehensive human resources policies and guidelines to govern recruitment, compensation, promotion and termination of our employees, and employees' working hours and rest periods, some key policies are as follows:

- Employee Handbook 《員工守則》
- Recruitment Procedures 《招聘程序》
- Promotion / Transfer Training Assessment Procedures 《晉升 / 轉崗培訓考核程序》
- Prohibition of Child Labour Recruitment Policy and the Remediation Procedures 《禁止招聘童工政策及補救程序》
- Prohibition of Force Labour and Prisoners Policy and Procedures 《禁止強迫勞工和囚工的政策及程序》

The Group strives to strictly comply with the employment laws and regulations relevant to the Group's business and operation. If there is any significant change to these laws and regulations, the General Manager of Human Resources and Administration Department will update the Group's policies reflecting the applicable updates. The laws and regulations that are directly related to the Group include, but may not be limited to, the following:

Hong Kong:

- Employment Ordinance 《僱傭條例》
- Sex Discrimination Ordinance 《性別歧視條例》
- Disability Discrimination Ordinance 《殘疾歧視條例》
- Family Status Discrimination Ordinance 《家庭崗位歧視條例》
- Racial Discrimination Ordinance 《種族歧視條例》

Mainland China:

- Labour Law of the People's Republic of China 《中華人民共和國勞動法》
- Labour Contract Law of the People's Republic of China 《中華人民共和國勞動合同法》
- Prohibition of Child Labour Provisions 《禁止使用童工規定》
- Underage Workers Special Protection Provisions 《未成年工特殊保護規定》
- Prohibition of Forced Labour and Prisoners Labour Policy and Procedures 《禁止強迫勞工和囚工的政策及程序》
- Female Workers Labor Protection Special Provisions 《女職工勞動保護特別規定》

During the reporting period, Management was not aware of any significant incidences of non-compliance with relevant laws and regulations as stated in this section on the employment and labour practices relating to compensation, recruitment and termination, promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

Total number of workforce and employee turnover rate are disclosed below:

Total number of workforce	As at 31st March, 2024
By Gender	
Male	1,123
Female	1,318
By Age Group	
Under 30 years old	481
30 to 49 years old	1,703
50 years old and above	257
By Employee Type	
Production employee	1,867
Non-production employee	574
By Geographical Location	
Shaoguan	1,058
Suzhou	678
Guangzhou	397
Malaysia	308

Employee turnover rate**The reporting period****By Gender**

Male	4.2%
Female	4.7%

By Age Group

Under 30 years old	8.0%
30 to 49 years old	3.3%
50 years old and above	2.3%

By Geographical Location

Shaoguan	3.5%
Suzhou	5.6%
Guangzhou	5.8%
Malaysia	4.1%

B2. Health and Safety

The Group strives to provide a healthy and safe working environment to our employees in all locations. To provide employees a favourable working environment, air-conditioners have been installed in production lines and staff quarters. Safety guidelines are stipulated in the Group's policies which are distributed to all employees. Fire drill is conducted twice a year for both the factory areas and employees' dormitories to familiarize all employees with the emergency evacuations. We also conduct regular inspection on buildings and equipment to assess health and safety-related risks. If necessary, follow-up actions will be carried out to prevent accidents and protect our employees. The Group has established policies to manage health and safety related matters, some key policies are as follows:

- Company Safety Management Policy 《公司安全管理政策文件》
- Safety Risk Assessment 《安全風險評估》
- Occupational Health Risk Assessment 《職業衛生風險評估》
- Contingency Plans 《應急預案一套》
- Operational Safety Procedures 《安全操作規程》

The Group strives to strictly comply with health and safety laws and regulations relevant to the Group's business and operation. If there is any significant change to these laws and regulations, the General Manager of Human Resources and Administration Department will update the Group's policies reflecting the applicable updates. The laws and regulations that are directly related to the Group include, but may not be limited to, the following:

Hong Kong:

- Occupational Safety and Health Council Ordinance 《職業安全健康局條例》

Mainland China:

- Labour Security Monitoring Regulation of Guangdong Province 《廣東省勞動保障監察條例》
- Social Insurance Law of People's Republic of China 《中華人民共和國社會保險法》
- Regulations on Work Injury Insurance 《工傷保險條例》
- Employee Non-work related Illness / Injury Medical Period 《企業職工患病或非因工負傷醫療期規定》
- Prevention and Treatment of Occupational Diseases Law of People's Republic of China 《中華人民共和國職業病防治法》

No work-related fatalities were reported in each of the past three years including the reporting period. Loss days due to work injury during the reporting period is 598 days.

During the reporting period, Management was not aware of any incidences of non-compliance with relevant laws and regulations as stated in this section relating to the provision of a safe working environment and protection of employees from occupational hazards which were applicable to our business.

B3. Development and Training

The Group emphasises on the training and development of employees to meet the developmental needs of the Group. Training Management Policy 《培訓管理制度》 covers areas including pre-job training (three levels of safety training related to new hire orientation, production areas and on job duties), position transfer training, on-the-job training, external training, and special training. Key Position Training Assessment Procedures 《關鍵崗位培訓考核程序》 covers assessment on theoretical knowledge, practical skills, substitute / replacement for key positions. The Group also has established Promotion / Transfer Training Assessment Procedures 《晉升/轉崗培訓考核程序》 to regulate employee promotion and transfer procedures. Major areas covered by the Promotion / Transfer Training Assessment Procedures are summarised as follows:

- Conditions, principles, and approval authority for promotion / transfer
- Requirements for promotion / transfer of different positions
- Detailed promotion / transfer procedures
- Non-promotion or transfer salary adjustment application procedures
- Flow chart for promotion or transfer training

Percentage of employees trained and average training hours completed per employee are disclosed below:

Percentage of employees trained	The reporting period
By Gender	
Male	44.9%
Female	55.1%
By Employee Category	
Senior management	1.0%
Middle management	7.8%
Operational level employee	91.2%

Average training hours completed per employee	The reporting period
By Gender	
Male employee	61.06
Female employee	69.98
By Employee Category	
Senior management	65.38
Middle management	64.64
Operational level employee	65.85

B4. Labour Standards

The Group is committed to comply with all applicable labour standards relevant to our business. We perform stringent checking during the recruitment and onboarding process. We interview candidates to ensure their identity documents are genuine and they are coming to work on their own free will. When case of non-compliance is discovered, the Human Resources and Administration Department will investigate the reason of the case with the department involved, and implement corrective actions. We have also established policies to strictly prohibit any child and forced labour. Our management personnel take all reasonable steps to set up and maintain a recruitment process to ensure there is no deviation from these policies. These policies are:

- Prohibition of Child Labour Recruitment Policy and Remediation Procedures 《禁止招聘童工政策及補救程序》
- Prohibition of Forced Labour and Prisoners Policy and Procedures 《禁止強迫勞工和囚工的政策及程序》

The Group strives to strictly comply with labour standards relevant to the Group's business and operation. If there is any significant change to these laws and regulations, the General Manager of Human Resources and Administration Department will update the Group policies reflecting the applicable updates. The laws and regulations that are directly related to the Group include, but may not be limited to, the following:

Hong Kong:

- Employment Ordinance 《僱傭條例》

Mainland China:

- Underage Workers Special Protection Provisions 《未成年工特殊保護規定》
- Prohibition of Child Labour Provisions 《禁止使用童工規定》
- Labour Law of People's Republic of China 《中華人民共和國勞動法》

During the reporting period, Management was not aware of any incidences of non-compliance with relevant laws and regulations as stated in this section relating to child and forced labour.

Operating Practices

B5. Supply Chain Management

To ensure product quality, the Group established guidelines and management measures to manage environmental and social risks related to supply chain, major measures are summarised as follows:

- (1) The Group established Guidelines for Supplier Quality Evaluation 《供應商品質評價工作指引》 to ensure supplier evaluation are regularly performed and documentation regarding suppliers' environmental and social performance such as copies of suppliers' qualification certificates, the Group's written evaluation records on suppliers and self-evaluation records of suppliers are retained for future decision-making references.
- (2) Purchasing Department prepares Supplier Account Opening / Evaluation Form 《供應商開戶/調查表》 to qualified supplier as an effort to document supplier information and relevant qualification. Purchasing Department performs supplier evaluation via site assessment and sample checking, etc.
- (3) To check the suppliers' environmental, health and safety and social responsibility standards, Purchasing Department sends questionnaire or survey to suppliers to gather the suppliers' policy and information related to occupational health and safety, labour and employees and environmental protection practice. We monitor the status of compliance of suppliers on a continuous basis.
- (4) The Group requires suppliers to sign the Supplier Social Responsibility Commitment 《供應商社會責任承諾書》, Supplier Agreement 《供應商承協書》 and Material Supply Conformity Declaration 《供應商物料符合性聲明》 of the Group.

During this reporting period, in accordance with the aforementioned requirements, our Group's Shaoguan, Suzhou, Guangzhou, and Malaysia plants respectively selected 45, 42, 44, and 44 suppliers.

Number of suppliers by geographical location during the reporting period is disclosed below:

	Shaoguan	Suzhou	Guangzhou	Malaysia
Number of suppliers	45	42	44	44
By Geographical Location				
Mainland China	44	41	44	-
Hong Kong	1	1	-	-
Overseas	-	-	-	44

B6. Product Responsibility

The Group recognises the importance of product responsibility. We continue to maintain ISO 9001:2015, a certification in quality management system. The Group has also established relevant policies to ensure compliance with applicable laws and regulations and to fulfil our obligations towards our customers. The laws and regulations that are directly related to the Group include, but may not be limited to, the following:

Mainland China:

- HJ 410-2017 (Technical Requirement for Environmental Labeling Products. Culture Paper) 《環境標誌產品技術要求:文化用紙》
- GB/T7705-2008 (The Offset Lithographic Prints for Decorating) 《平版裝潢印刷品》
- GB/T30325-2013 (General Requirement of Hard-Cover Binding) 《精裝書籍要求》
- HJ 2503-2011 (Technical Requirements on Environmentally Labeling Products Printing, Part 1: Planography printing) 《環境標誌產品技術要求 印刷第一部分：平版印刷》

European Union:

- Directive 2009/48/EC (Toy Safety Directive)
- Restriction of Hazardous Substances (“RoHS 2.0”)
- Regulation concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (“REACH”)
- EN 71-1: 2014+A1:2018 - Safety of toys - Part 1: Physical & Mechanical Test
- EN 71-2: 2011+A1:2014 - Flammability Test
- EN 71-3:2019 - Toxic Elements Test

United States:

- Standard Consumer Safety Specification for Toy Safety ASTM F963-17

The Group strives to uphold product responsibility through the following measures:

(1) **Strict selection of supplier**

The Group evaluates the quality and performance of the existing approved suppliers on a regular basis to ensure materials purchased by the Group meet the requirements.

(2) **Product quality assurance and recall**

Upon receipt of materials from suppliers, the Quality Control Department performs laboratory test against the latest safety and environmental standards to ensure product quality. For products that are subject to recall, the Customer Services Department communicates with the customer to understand the reason and give feedback, and the Quality Control Department performs testing to investigate the product quality issue. During the reporting period, none of products sold or shipped by the Group were subject to recalls for safety and health reasons.

(3) Complaint handling

When a complaint is received, the Customer Services Department coordinates with the departments for investigation. After investigation, a Corrective Action Plan documenting reason of complaint, corrective actions and preventing actions will be developed and communicated to customers. During the reporting period, there are 205 products and service-related complaints received. All the received complaints are resolved.

(4) Customer satisfaction survey

Each year, the Group selects key customers to conduct surveys in order to understand customer's satisfaction level towards the Group's products and services, and to improve product quality based on the survey results.

(5) Major products of the Group

The main products of the Group are packaging materials including luxury packaging and specialty printing, children's books, greeting cards and 3D wooden puzzle. Quality Control Department is responsible for keeping track of changes to product safety regulations. If there is any change in the relevant laws and regulations, Quality Control Department ensures the Group's existing production procedures and product safety comply with the latest regulations and the Group's requirements.

(6) Intellectual Property Right Protection

The Group protects intellectual property rights by providing annual training to relevant departments. Documents related to intellectual property are kept in location where only authorized personnel can enter. We strictly prohibit employees from installing and using pirated software in the workplace. We would not use the patent rights of other parties unless we have obtained proper authorization. Also, we include terms related to confidentiality in our contracts to communicate with our business partners our requirements regarding the use of trademarks and copyrights.

(7) Customer Data and Privacy Protection

The Group is committed to protecting privacy of customers. We have established Customer Data and Assets Maintenance Policy which sets out our approach to use and protect customers' privacy. The physical assets we receive from our customers will be recorded and safely stored by relevant personnel. Customer information obtained is also restricted for business purpose only and are kept confidential. All employees should follow the Policy and the Policy is subject to regular review.

During the reporting period, Management was not aware of any significant incidences of non-compliance with relevant laws and regulations as stated in this section on product responsibility relating to health and safety, advertising, labelling and privacy matters relating to the products manufactured.

B7. Anti-corruption

The Group is committed to prevent unlawful acts such as bribery, extortion, fraud, and money laundering. The Group's Employee Handbook includes integrity and confidentiality standards to ensure the behaviours of employees are abide by laws and with proper business ethics and professional conducts. The Employee Handbook and internal policies are subject to periodic review and updates will be made to ensure compliance with the latest development of applicable laws and regulations. The Company has posted Anti-bribery Notice 《廉潔聲明牌》 in office areas and meeting rooms to remind employees of conducting business in the absence of any undue influences. The Group also organizes anti-corruption and anti-bribery workshops to directors and staff every year. If any activity associated with bribery is being discovered, the business transaction between the associated counter parties would be terminated. Employees engage in bribery activity will also be liable to disciplinary actions.

A whistle-blowing policy is in place accessible to all employees to prevent corruption. Employees could contact the Human Resources and Administration Department by mail or by phone to report any concerns. The case will be investigated and followed up by the personnel from the Human Resources and Administration Department thoroughly.

The laws and regulations that are directly related to the Group include, but may not be limited to, Corruption Punishment Ordinance of the People's Republic of China 《中華人民共和國懲治貪污條例》, Independent Commission Against Corruption Ordinance 《廉政公署條例》 and Prevention of Bribery Ordinance 《防止賄賂條例》. During the reporting period, Management was not aware of any significant incidences of non-compliance with relevant laws and regulations related to anti-corruption as stated in this section, nor any concluded legal cases regarding corrupt practices brought against the Group or our employees.

Community

B8. Community Investment

The Group takes into consideration the communities' interests to ensure the Group's business activities do not carry any negative impact to the community. All employees are encouraged to participate in community activities and charitable events as to contribute to the society. Our main focus areas of contribution include education, community development and environmental protection. During the reporting period, we actively participated in the tree planting events organized by local governments and communities to protect the environment.

During the reporting period, four plants of the Group has contributed RMB1.88 million, RMB2.86 million and RMB0.22 million in focus areas of education, environmental protection and community development respectively.

We work with a broad range of different charitable organisations, which work within the communities where we operate and beyond. Past charitable contributions include fund raising for natural disaster reliefs, as well as contributing funds to assist university students who were in financial need. We welcome ideas for new and fruitful collaborations with non-profit groups and organisations that are working to make our world a better place.

ESG Performance Data

Subject Area A: Environment			
Key Performance Indicator		FY2023/2024	Unit
Emissions from Gaseous Fuel Consumption and Vehicles	Total NO _x	58.76	kg
	NO _x per HKD million of production value	0.07	kg
	Total SO _x	396.27	g
	SO _x per HKD million of production value	0.50	g
	Total Particulate Matter (PM)	4,088.85	g
	PM per HKD million of production value	5.11	g
GHG emissions (direct and indirect)	Direct (Scope 1) greenhouse gas emissions total carbon dioxide equivalent	106.65	tonnes
	Direct (Scope 1) greenhouse gas emissions total carbon dioxide equivalent per HKD million of production value	0.13	tonnes
	Energy indirect (Scope 2) greenhouse gas emissions total carbon dioxide equivalent	12,824.22	tonnes
	Energy indirect (Scope 2) greenhouse gas emissions total carbon dioxide equivalent per HKD million of production value	16.02	tonnes
Hazardous waste	Total hazardous waste	121.48	tonnes
	Hazardous waste per HKD million of production value	0.152	tonnes
Energy consumption	Total direct and indirect energy consumed	23,552,027.42	kWh
	Energy consumed per HKD million of production value	29,420.34	kWh
Water consumption	Total water consumed	231,120.20	m ³
	Water consumed per HKD million of production value	487.24	m ³
Packaging material	Total plastic material consumed	300,585,180.00	unit
	Plastic material consumed per HKD million of production value	375,480.10	unit
	Total Pit/Carton boxes consumed	5,149,838.15	unit
	Pit/Carton boxes consumed per HKD million of production value	6,432.99	unit
	Total Kraft paper consumed	328.57	tonnes
	Kraft paper consumed per HKD million of production value	0.41	tonnes

The following publications were made reference to for the calculation of specific emission KPIs:

1. "Appendix 2: Report Guidance on Environmental KPIs" by the Hong Kong Exchanges and Clearing Limited;
2. "2006 Guidelines for National Greenhouse Gas Inventories Volume 2" by the Intergovernmental Panel on Climate Change;

3. *“Emission Reduction Project China Regional Grid Baseline Emission Factors” 《2021年減排項目中國區域電網基準線排放因子》* by the Department of Climate Change, Ministry of Ecology and Environment of the People's Republic of China;
4. *“Grid Emission Factor (GEF) in Malaysia, 2017-2021”* by Malaysia Energy Commission;
5. *“Chinese Energy Statistical Yearbook 2020”* by National Bureau of Statistics of the People's Republic of China; and
6. *“GB Standards on diesel, gasoline and liquefied petroleum gases”* by Standardization Administration of the People's Republic of China.

ESG Content Index

Subject Area A: Environment		
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.	Page 3-7
A1.1	The types of emissions and respective emissions data.	Page 25
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	Page 25
A1.3	Total hazardous waste produced and intensity.	Page 25
A1.4	Total non-hazardous waste produced and intensity.	Note 1
A1.5	Description of emission target(s) set and steps taken to achieve them.	Page 5
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Page 6
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Page 8
A2.1	Direct and / or indirect energy consumption by type in total and intensity.	Page 25
A2.2	Water consumption in total and intensity.	Page 25
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Page 8-9
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Page 8-9
A2.5	Total packaging material used for finished products and intensity.	Page 25
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Page 10
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Page 10
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.	Page 11
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Page 11

Note 1: Non-hazardous waste generated by the Group are mostly paper waste and food waste. The Group has engaged qualified recycling vendors to recycle all paper waste while food waste is recycled as compost. Through these cycling measures, we believe that our production of non-hazardous waste shall not have significant impact to the environment and was therefore not considered as part of the Group's major environmental matter.

ESG Content Index (Continued)

Subject Area B: Social		
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.	Page 13-15
B1.1	Total workforce by gender, employment type, age group and geographical region.	Page 14
B1.2	Employee turnover rate by gender, age group and geographical region.	Page 15
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.	Page 16-17
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Page 17
B2.2	Lost days due to work injury.	Page 17
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Page 16
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Page 18
B3.1	The percentage of employees trained by gender and employee category.	Page 18
B3.2	The average training hours completed per employee by gender and employee category.	Page 18
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.	Page 19
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Page 19
B4.2	Description of steps taken to eliminate such practices when discovered.	Page 19
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Page 20
B5.1	Number of suppliers by geographical region.	Page 20
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.	Page 20

ESG Content Index (Continued)

Subject Area B: Social (Continued)		
Aspect B5: Supply Chain Management (Continued)		
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Page 20
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Page 20
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.	Page 21-22
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Page 21
B6.2	Number of products and service-related complaints received and how they are dealt with.	Page 22
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Page 22
B6.4	Description of quality assurance process and recall procedures.	Page 21
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Page 22
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.	Page 23
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.	Page 23
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Page 23
B7.3	Description of anti-corruption training provided to directors and staff.	Page 23
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.	Page 24
B8.1	Focus areas of contribution.	Page 24
B8.2	Resources contributed to the focus area.	Page 24