



king fook holdings limited
景福集團有限公司

STOCK CODE: 280

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1. ABOUT THIS REPORT

King Fook Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group” or “us”) are delighted to present our annual Environmental, Social and Governance (“ESG”) Report (the “Report”). This Report details the ESG policies, initiatives and performances of the Group to allow stakeholders to learn about its progress and development direction in various ESG aspects.

Reporting Scope and Boundary

This Report reflects the Group’s ESG performances from 1 April 2021 to 31 March 2022 (the “reporting year”), covering the operation of jewellery stores and offices in Hong Kong and China, unless otherwise specified. There were no significant changes in the scope and boundaries of reporting compared to the previous reporting year.

Reporting Standards and Principles

Reporting Guidelines

This Report is prepared in accordance with the “mandatory disclosure requirements” and the “comply or explain” provisions of the ESG Reporting Guide (the “ESG Guide”) set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEX”).

Reporting Principles

The Group has followed the 4 reporting principles as set out in the ESG Guide to define the report content and to ensure the quality of information disclosed in this Report, including:

Materiality	The Group has identified its material aspects through materiality assessment. The identified material aspects have been confirmed by the Board of Directors of the Company (the “Board”). For further details, please refer to the section headed “Materiality Assessment” of this Report.
Quantitative	The Group has recorded and disclosed key performance indicators (“KPI”) in quantitative terms whenever possible. Information on the standards, methodologies, assumptions and source of conversion factors used for the calculation of environmental data are also indicated in this Report.
Balance	Both positive and negative performances are disclosed in this Report in an impartial manner to ensure that the content and data are unbiased.
Consistency	The preparation approach of this Report is substantially consistent with the previous year. Any changes in the reporting scope and calculation methodologies will be disclosed where applicable.

2. SUSTAINABILITY AT KING FOOK

Sustainability Governance

Recognising a sound governance structure as the foundation for setting the sustainability direction and strategies for our business operations, the Group is committed to enhancing our ESG governance and integrating the concept of sustainability into our corporate governance and risk management. The Board is ultimately responsible for overseeing our sustainability strategy and reporting, as well as material ESG issues.

The Board is also held responsible for evaluating and determining the Group’s ESG-related risks and opportunities and ensuring that appropriate and effective ESG risk management and internal control systems are in place. To further enhance our ESG governance, we have established an ESG committee led by an executive director of the Company. Comprising of the Group’s Chief Executive Officer and the ESG Workgroup formed by staff representatives, the ESG Committee meets at least once a year and is responsible for evaluating and advising on the effectiveness of the Group’s sustainability strategy and policies and reports regularly to the Board on its operations.



As the subordinate of the ESG Committee, the ESG Workgroup is responsible for making regular progress reports to the Board and management and coordinating the preparation of annual ESG Reports. In addition, the ESG Workgroup also contributes to the formulation of action plans for the Group’s ESG-related targets and carries out benchmarking on our ESG-related emissions with industry peers, thus helping the Board to review our progress made against the targets.

Engaging with Our Stakeholders

Striving to create long-term values for our stakeholders, we regularly engage with stakeholders to understand their priorities and expectations regarding the Group’s ESG performance and future sustainability direction. We have identified major stakeholders that are substantially influenced by or have an influence on the Group, as well as their key interest areas. Through establishing diversified engagement channels, we collect views from stakeholders and maintain an open and two-way dialogue with them, thereby building trusted relationships with our stakeholders.

Stakeholder Groups	Key Interests	Engagement Channels
Shareholders	<ul style="list-style-type: none"> – Planning and Development – Business Continuity Planning – Operational Issues – Financial Situation – After-sales Service – Ethics and Integrity 	<ul style="list-style-type: none"> – Annual and Extraordinary General Meetings – Annual and Interim Results Announcements and Reports – Telephone – Company’s Website/Email

Stakeholder Groups	Key Interests	Engagement Channels
Customers	<ul style="list-style-type: none"> – Service Pledge & After-sales Service – Market Information – Shopping Experience – Product Warranty/Enquiry – Legal Compliance – Ethics and Integrity – Offers and Incentives 	<ul style="list-style-type: none"> – Front-line Staff – Customer Service Hotline – Company’s Website/Email – Service Satisfaction Survey – Communication Applications (e.g. WhatsApp) – Social Communication Platforms
Contractors/Vendors	<ul style="list-style-type: none"> – Legal Compliance – Financial Situation – Corporate Governance and Internal Controls – Ethics and Integrity – Service Pledge & After-sales Service – Market Information – Staff Remuneration, Benefits and Well-being – Product Enquiry – Environmental Management – Occupational Health and Safety 	<ul style="list-style-type: none"> – Regular and Ad Hoc Meetings – Briefings and Workshops – Announcements – E-mail Correspondence – Telephone
Industry Associations and Professional Bodies	<ul style="list-style-type: none"> – Corporate Governance and Internal Controls – Market Information – Legal Compliance – Ethics and Integrity – Operational Issues – Shopping Experience – After-sales Service – Company Development – Financial Situation 	<ul style="list-style-type: none"> – Participation in Associations/ Professional Committees – Regular and Ad Hoc Meetings – Announcements/Memoranda

Stakeholder Groups	Key Interests	Engagement Channels
Employees	<ul style="list-style-type: none"> – Business Continuity and Strategic Planning – Corporate Governance and Internal Controls – Environmental Management – Ethics and Integrity – Legal Compliance – Occupational Health and Safety – Operational Issues – Staff Remuneration, Benefits and Well-being 	<ul style="list-style-type: none"> – Regular and Ad Hoc Meetings – Committees and Task Groups – Briefings and Training Workshops – Circulars, Manuals and Policy and Procedure Guidelines – Award and Recognition Schemes – Employee Relation Activities – Performance Appraisal
Legal Authorities/ Government	<ul style="list-style-type: none"> – Corporate Governance and Internal Controls – Legal Compliance – Operational Issues – Ethics and Integrity – Financial Situation 	<ul style="list-style-type: none"> – Annual Reports – ESG Reports – Interim Reports

Materiality Assessment

We regularly perform evaluations on ESG matters to ensure the Group's material ESG aspects are in line with the expectations of stakeholders.

Building on the results of the materiality assessments conducted in the previous reporting year, we conducted a materiality review via the benchmarking with local and international sustainability reporting standards and material aspects of industry peers. This is to ensure we gain a more in-depth understanding of the risks and opportunities we face as well as any significant changes that have occurred.

In preparing our materiality assessment, we adopted the internationally recommended three-step process of “Identification, Prioritisation and Validation”. The material aspects identified have been validated by the Board.

1. Identification

- Reviewed our sustainability-related practices and the results from the previous materiality assessment exercises.

2. Prioritisation

- Mapped the issues identified as materials by local and international sustainability reporting standards and industry peers.

3. Validation

- The prioritised list of material issues was presented to the Board and ESG Committee for discussion and validation.

Material issues of the Group

The results of our materiality assessment show the following 8 material aspects of the Group, which inform our sustainability approach, strategy and reporting.

Environment

- Managing environment footprint

Social

- Employment practices
- Occupational health and safety
- Development and training
- Ethical supply chain and transparency
- Quality assurance
- Customer experience and satisfaction
- Anti-corruption

3. OUR VALUE CHAIN

The Group is well aware that upholding operational standards along the value chain is the cornerstone for success in the luxury goods retail industry and the key to building long-term relationships with customers and business partners. Committed to identifying, managing and mitigating environmental and social risks within the value chain, we have established policies and procedures on quality assurance, customer service protocols, supply chain management and business ethics, and have complied with all relevant laws and regulations and expect the same from our business partners.

Assuring Product Quality

Striving to provide customers with products with the highest standards of safety, quality and reliability, we have set out a robust quality assurance procedure in our internal policy, including the responsibilities of relevant staff members and the quality inspection processes.

While the Group's business focuses on the retail of jewellery, we have established stringent quality inspection procedures before production to ensure the delivery of high-quality jewellery items. Upon receiving samples from suppliers, our dedicated quality control officer will examine the product sample. If the sample meets our quality requirements, relevant information about the product will be passed to senior management for approval before procuring raw materials and delivering them to the supplier for production. If the product sample were unable to meet the requirements, they would be returned to the supplier for rectification within a specified period.

In addition, relevant departments are required to verify the product information, such as weight, labour cost and model number against the supplier's invoice upon receiving goods from suppliers. If any discrepancy between the information on the goods and the supplier's invoices were noted, follow-up actions would be taken in accordance with the policies and procedures of the corresponding department. We also participate in numerous quality certification chambers and carry out regular inspections to ensure our jewellery products are of the highest quality.



Taking full responsibility for any products that were not able to meet the safety or quality requirements, we guarantee to recall all products that are found defective immediately. During the reporting year, the Group had no products sold or shipped subject to recalls for safety and health reasons, and had non-compliance with laws and regulations relating to health and safety relating to products and services.

Delivering High Quality Services

Placing customers as our priority, the Group strives to earn trusted relationships with customers through dedicated customer service with professionalism and our commitment to service excellence.

Customer Experience

We have always adhered to the customer-first spirit and have set out our requirements for customer services in the internal policy and procedures. To ensure employees are familiar with our customer service standards, we arrange training on topics such as customer service and management skills, product knowledge, communication skills and customer dispute handling skills for front-line staff. In addition, we have the “mystery shopper programme” in place across all stores to objectively assess the quality of services. This helps us identify the strengths in our customer service, as well as room for improvement.

To safeguard the health and safety of our customers, we have developed the Business Continuity Planning Policy and Procedures, comprising a comprehensive set of contingency plans and disaster recovery strategies for potential emergencies, such as shoplifting, robbery, extreme weather, fire and accidental injury or illness to customers. Emphasising risk assessment and prevention, such policy has set out the requirements for documenting critical business information and processes in a timely manner. Through staff training and re-evaluation of the contingency plans, we seek to reduce operational disruptions caused by disasters and management failures to a manageable level, thereby ensuring the safety of customers during their visits to retail stores.



In response to the recurrent outbreaks of Coronavirus disease (“COVID-19”) in Hong Kong during the reporting year, the Group continued to adopt stringent epidemic prevention measures. All employees are provided with masks and disinfectant supplies. We conduct regular disinfections at stores and set up professional air purifiers to ensure the ventilation of stores. In addition, every store is equipped with temperature screening stations to monitor customers for any fever symptoms. We have also introduced ultraviolet sterilisation services to help customers disinfect their jewellery and watch, as well as electronic devices.



Customer Complaint Handling

The Group has always prioritised the needs and satisfaction of customers. We believe that comments and suggestions from customers are one of the keys to the Group’s continuous improvement. As such, our internal policy has stipulated the actions required upon receiving complaints and the handling approaches for different types of complaints and enquiries. Complaint channels are in place to welcome all customers to provide feedback through telephone hotline, email or in person.

Upon receiving complaint or enquiry from customers, the customer service officer shall record relevant details of the complaint and report to the relevant department or stores for follow-up actions. We will also review the complaint cases during regular management meetings to seek improvement opportunities in our service quality.

During the reporting year, the Group received no complaints relating to our products and services.

Customer Privacy Protection

The protection of customer privacy has always been one of our foremost concerns. The Group strictly complies with Personal Data (Privacy) Ordinance (Cap. 486) and other laws and regulations relevant to privacy matters relating to products and services provided.

All employees are required to follow the Group’s *Privacy Policy* to ensure that the personal data of customers, suppliers, shareholders, job applicants and other stakeholders are received, held, used and processed legally and confidentially. Personal information will only be obtained if necessary. Prior to obtaining personal data from customers, we ensure that they are clearly informed of the purpose and use of data and the class of transferees.

Only authorised personnel are allowed to access and manage confidential information of customers, and they are prohibited from disclosing, selling or discussing any customer information with outside parties, including family members and friends. Employees are also obligated to immediately report any offer of money in exchange for customer information to their supervisors. Resigned employees are also subject to the confidentiality provisions after leaving the Group, thus minimising the risks of data leakage.

Sourcing Materials Responsibly

We believe comprehensive and effective supply chain management is the foundation of ensuring our product and service quality. Recognising the increasing awareness of customers on whether the jewellery products come from a responsible source, we work closely with our major suppliers to ensure they meet our ethical and sustainability standards to minimise the environmental and social risks of the supply chain.

Supplier Assessment Framework

Our procurement policy has set out the Group's requirements for procurement procedures and supplier evaluation for different products. When selecting new suppliers, more than one quotation should be submitted for management approval to ensure an open, fair and just platform for all potential suppliers. As specified in our *Employee Code of Conduct*, all procurements and tendering shall be processed fairly and unbiased to select competent and responsible suppliers or contractors. The procurement and tendering process will be monitored to prevent fraud or other misconduct.

Prior to developing formal business relationships, relevant departments will evaluate potential candidates according to their corresponding operational needs, as well as the business status, operating practices, and product characteristics of the supplier. As a jewellery retailer, the quality of jewellery products procured is of utmost importance to our business operation. Therefore, examinations on samples obtained from suppliers are also carried out before officially engaging with the supplier.

In addition to assessing new suppliers and contractors, the Group also evaluates existing suppliers and contractors annually to ensure their product and service quality are up to standards. On top of the price, we also consider the capability, reputation, craftsmanship and quality, delivery time, as well as ESG performances of suppliers. On-site investigations will also be carried out. Taking these assessment results into account, the Group will consider the suitability of maintaining the business relationship or whether alternative procurement solutions will be necessary.

During the reporting year, we have maintained close collaboration with 103 suppliers in the Greater China region and overseas regions.

Number of suppliers by geographical region



Sustainable Procurement

In an effort to effectively manage the environmental and social risks along the supply chain, the Group has integrated ESG factors into our periodical supplier assessment. Suppliers are required to complete evaluation forms with questions on sustainability standards and business ethics. We will also look into whether the suppliers have an environmental management system, employment policy and business ethics policy in place.

Relevant departments are required to provide copies of the evaluation forms to the ESG Workgroup for review regularly. The information provided by the supplier and its compliance with the Group's ESG Policy will be taken into account as one of the factors in considering whether the supplier or contractor is fit for a continued business association with the Group.

In addition to considering ESG factors when selecting suppliers, we also promote green procurement by encouraging the procurement and use of products with higher environmental efficiency, such as LED lights, and furniture and water bottles made of eco-friendly materials.

Ensuring Sound Business Practices

Anti-corruption

Dedicating to delivering a fair, open and just business environment, the Group forbids corruption or malpractice of any form in our operation, including bribery, money laundering, extortion and fraud. In addition to strictly complying with the Prevention of Bribery Ordinance (Cap. 201) and other laws and regulations relevant to bribery, extortion, fraud and money laundering, the Group has also formulated the *Employee Code of Conduct* and set out requirements for professional behaviour and business ethics in our Staff Handbook.

As stipulated in the *Employee Code of Conduct*, employees are prohibited from soliciting any benefits from customers, suppliers or other persons connected with the Group’s business. Prior to joining the company, employees are required to complete the “Individual Interest Declaration Form”, and report any activity or investments that may have an actual or perceived conflict of interest involving themselves and/or immediate family members. The “Individual Interest Declaration Form” will be passed to the Group’s Chief Executive Officer for review and follow-up actions on a case-by-case basis. Employees shall make annual or periodic declarations as necessary. In addition, the Group has controls in place to identify and screen persons or organisations with whom the Group has business dealings to avoid receiving illegal funds and eliminate the risks of money laundering.

Intending to enhance the anti-corruption awareness within the Group, we collaborate with the Independent Commission Against Corruption (“ICAC”) of Hong Kong to arrange on-site and online training sessions for directions and management-level employees to share knowledge on proper conduct, anti-corruption best practice and prevention of unethical behaviour.

Category	Number of people receiving anti-corruption training during the reporting year	Total number of hours of anti-corruption training received during the reporting year
Directors	8	12
Employees	15	24

Besides implementing preventive measures, the Group has formulated the *Whistle-blowing Policy* to provide channels for all employees, customers, shareholders, investors, suppliers and contractors to report any improper behaviours.



Reporting and Investigation Procedures

 <ul style="list-style-type: none">• Any relevant parties are encouraged to raise concerns about any suspected impropriety under written confidential cover.• Reporter details are not required but are encouraged to facilitate the investigation, and such details are kept in the strictest confidence.	 <ul style="list-style-type: none">• The reported cases will be evaluated by the Audit Committee to determine whether a full investigation is required.• The Audit Committee will provide a written response after receipt of the report, and request additional information in the course of the investigation whenever necessary.	 <ul style="list-style-type: none">• Necessary actions include reporting to regulatory bodies, taking disciplinary actions against the staff concerned, and strengthening controls.
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During the reporting year, there were no cases of bribery, extortion, fraud or money laundering involving the Group's employees, nor were there any cases in which the Group was materially affected by any breach of anti-corruption related laws and regulations.

Protection of Intellectual Property Rights

The Group attaches great importance to the protection of intellectual property rights. On top of safeguarding the Group's intellectual property rights, we abide by relevant laws and regulations such as the Copyright Ordinance (Cap. 528) and the Prevention of Copyright Piracy Ordinance (Cap. 544), and prohibit any infringement with the aim to protect third-party intellectual property rights. Employees are not allowed to use illegal or pirated software.

Responsible Advertising

Dedicating to protecting consumer rights, the Group strictly enforces the Trade Descriptions Ordinance (Cap. 362) and other laws and regulations relevant to the advertising and labelling of products and services. Our advertising content and the production of advertising artwork and labels are prepared in accordance with marketing plans, product needs and promotional priorities. Customers are provided with accurate and complete descriptions of products to ensure customers are making well-informed decisions.

4. OUR EMPLOYEES

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

The Group recognises employees are the engine which sustains its business success. With this in mind, the Group is committed to its people-centric approach to building an inclusive and harmonious workplace which supports professional development and protects the well-being of its staff.

Building an Inclusive Workplace

Committed to the people-centric approach, the Group has developed the *Employment Policies* to provide guidelines on our employment practices in accordance with the Employment Ordinance (Cap. 57), the Sex Discrimination Ordinance (Cap. 480), the Disability Discrimination Ordinance (Cap. 487), and the Family Status Discrimination Ordinance (Cap. 527) and other laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, anti-discrimination and other benefits and welfare. During the reporting year, there were neither reported cases of prosecution for violation of employment laws and regulations as well as employee's rights and interests nor have we received any relevant complaints.

Talent Attraction and Retention

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

We believe that offering a structured and clear promotion ladder is vital for retaining talents and recognising their contributions. On top of regular annual or half-year appraisals, performance appraisals are arranged for senior management and employees at offices and stores following probations and prior promotion or transfer, so as to evaluate their performance, understand their training needs and act as the communication channel between the Group and employees. We will promote employees by evaluating their performance through appraisals, thus recognising their contributions to the Group and ensuring their continuous development in the Group.

To retain talents, we provide employees with attractive remuneration packages and comprehensive fringe benefits. We have set out the remuneration management principles in our remuneration policy to offer competitive remuneration packages based on the position and performance of employees. In order to ensure the salary offered is fair and in line with market standard, we regularly review the salary system by benchmarking against salary survey reports by human resources agencies, industry peers, request from job applicants, and suggestions from salary survey companies. Attractive fringe benefits such as health insurance, discretionary bonus, employee product discounts and training allowances are also provided. Employees with newborn babies or newlyweds will also be rewarded with celebration gifts, vouchers or cash. In commendation of their long-term commitment and contribution to the Group, employees who have been serving for ten years or above will be awarded a "Service Years Award". In addition, employees are also entitled to sick leave, marriage leave, birthday leave, maternity leave and paternity leave on top of statutory holidays.

As a signatory of the Labour Department's Good Employer Charter and an active participant of the Happiness at Work Promotional Scheme, the Group promotes work-life balance by adopting family-friendly policies and staff activities. For instance, 5-day week in the office to allow the employees to spend more time with their families. Overtime compensation will also be provided to applicable employees to ensure that their efforts are reasonably rewarded.

To further protect the rights and interests of employees, we also set out the procedures and conditions for the termination of the employment contract by both parties in our internal guidelines, so as to ensure the departure of employees are handled in accordance with relevant laws and regulations.

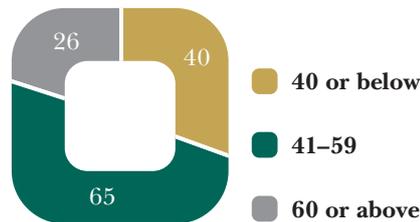


Employee Profile

By gender



By age group



By employee category



By region



Fair and Responsible Employment Practices

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

The Group respects human rights and implements fair labour practices. We adopt a zero-tolerance attitude towards child labour and forced labour, prohibiting the use of child labour or forced labour within our operations and along the supply chain. Strictly abiding by the Employment Ordinance (Cap. 57) and other applicable laws and regulations relating to preventing child and forced labour, job applicants are required to submit their personal information and present proof of identity for vetting during the recruitment process, so as to prevent child labour and forced labour. In order to minimise the risks of violating labour standards, our grievance mechanism is in place for employees to raise concerns to designated personnel regarding suspected cases of non-compliance with labour standards through a confidential channel. All relevant documents, information and interview records will be kept confidential.

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

Promoting Well-being of Employees

Ensuring the health and safety of employees is a matter of most significant concern to the Group. Our internal *Occupational Safety and Health Guidelines* were formulated with reference to relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards, such as the Occupational Safety and Health Ordinance (Cap. 509). Covering general regulations on accident prevention, fire precaution, workplace environment control, workplace hygiene, first aid and manual handling operations, we review the *Occupational Safety and Health Guidelines* on a regular basis to make improvements whenever necessary.

With the aim to achieve zero incidents at the workplace, we have adopted a variety of measures to prevent occupational hazards.

- Provided all necessary information, instruction, training and supervision regarding health and safety, and carried out maintenance on work equipment to ensure operational safety.
- Stipulated corresponding contingency plans in our Business Continuity Planning Policy and Procedures to provide clear guidance for employees when facing emergencies, given the potential safety hazards in retail stores, such as shoplifting, robbery and fire.
- Conducted regular safety inspections of office facilities such as fire-fighting equipment where damaged ones are repaired or replaced immediately to ensure all necessary items are in good condition.

As part of our fringe benefits, we offer health insurance and subsidies for check-ups and dental services to employees. In order to ensure workplace hygiene, regular disinfestations for effective antibacterial and pest control are arranged. In response to the COVID-19 pandemic, appropriate personal protective equipment such as masks, hand sanitisers and alcohol disinfectant wipes are provided to employees.

The COVID-19 epidemic situation in Hong Kong remains volatile during the reporting year. In order to safeguard the health of frontline employees, we have developed the Emergency Response Guidelines to provide guidance on how to handle abnormal situations. We maintain close communication with the government and medical authorities to ensure timely access to information, and regularly update and test the contingency plans, thus ensuring the effectiveness of our anti-epidemic measures.

- Rapid test kits and free medical examinations before vaccinations were provided, in addition to surgical masks and disinfection supplies.
- Vaccination leaves are offered to employees to encourage COVID-19 vaccination among our staff and provide adequate time for rest.
- Flexible working options were provided, ensuring that employees made work arrangements that took childcare and eldercare responsibilities into account as well as underlying health conditions or the use of public transportation. This flexibility continued to be a core offering for our employees as we encountered the various phases of return to work.
- Full-paid sick leaves are also provided to infected colleagues, allowing them adequate time to rest and recover.

During the reporting year, there were 2 work-related injuries with 39 lost days due to work injury. There were no accidents in which we suffered any death due to work, nor were there any cases in which we were materially affected by non-compliance with laws and regulations relating to occupational health and safety.

Cultivating Our Employees

Recognising the development and growth and employees as an indispensable part of the continuous development of our business, we continuously invest resources to provide employees with extensive training and development opportunities and nurture their career advancement.

With the aim to facilitate our employees' professional development, the Group has established a comprehensive training system to provide an array of in-house and external training.

In-house training	Orientation	– For new joiners, focusing on aspects such as company background, product knowledge, customer service and store operation
	On job training	– Specifically offered to new joiners or employees who are promoted or transferred
	Routine training	– Regular courses on product knowledge and other topics
	Special training	– Training arranged according to actual needs, such as the use of computer software, updates on company policy, the introduction of new brands or products and management skills
External training	Short course	– Such as seminars and workshops
	Long course	– Courses for certificate, diploma, and professional examination

To ensure the training effectiveness, employees are required to submit reflection reports together with course notes to department heads for review upon completion of training courses funded by the Group. Department heads will also evaluate the effectiveness by observing the employee's daily performance to assess whether the learning has been put into practice.

During the reporting year, training courses on risk management, ESG and anti-corruption were organised for directors and employees of the management level. We also arranged external management courses for the management. For front-line staff, training on topics including customer service, product knowledge, communication skills, customer management skills, sales techniques, customer dispute handling skills and the use of the customer management system were arranged, so as to equip our employees with adequate skillsets for operating professionally. In addition, the Diamond Diploma course was offered free of charge to front-line staff, enabling each jewellery store to have a professionally qualified colleague to provide service.

5. OUR ENVIRONMENT

Recognising our responsibility to safeguard the environment and minimise any potential impacts arising from our operation, we have made continuous efforts to enhance our environmental performance and promote the concept of sustainability in our operation. We seek to identify and manage our impact on the environment and natural resources, and have formulated the environmental protection policy in our internal policy and procedures to guide the implementation of environmental initiatives on resource stewardship, emission reduction and cultivation of environmental awareness amongst staff.

The Group abides by the Waste Disposal Ordinance (Cap. 354) and other applicable laws and regulations relating to air and greenhouse gas (“GHG”) emissions, discharges into water and land, and generation of hazardous and non-hazardous waste in the production, handling and disposal of materials. During the reporting year, there were no reported cases of prosecution for violation of laws and regulations related to environmental protection.

Managing Our Carbon Footprint

In view of the unprecedented challenge brought by climate change, we have stepped up efforts to reduce the carbon footprint of the Group’s business operation. We have set 5-year targets for GHG intensity and energy intensity reduction using 2017/18 as the baseline. The Group will continue to monitor the progress of our targets annually and enhance our action plans to contribute to a low-carbon economy.



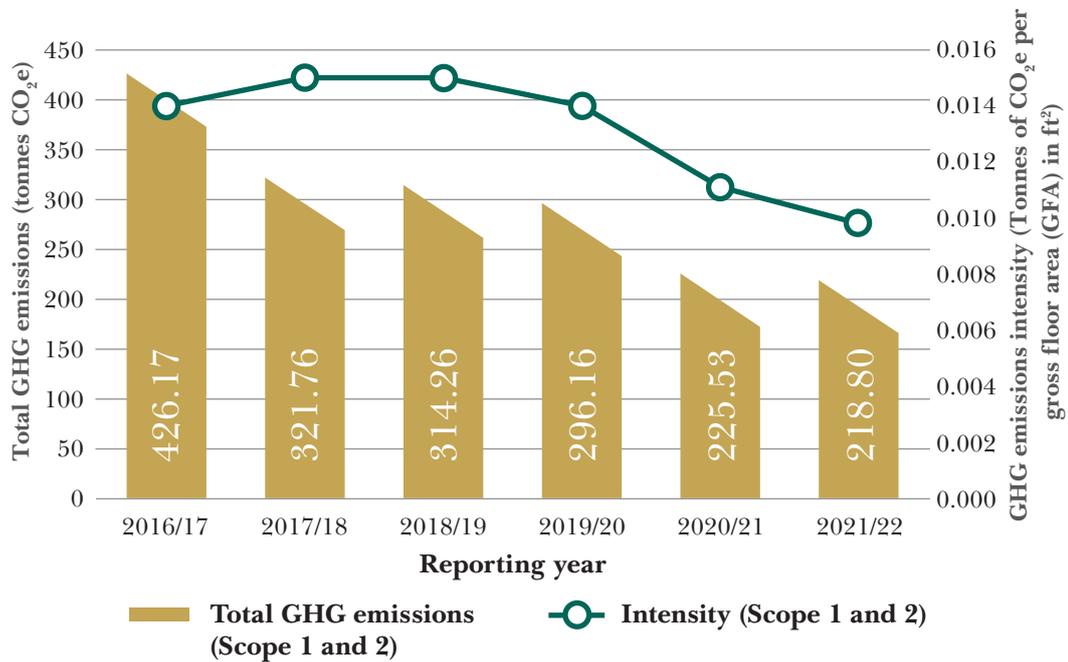
Reduce GHG intensity by 10% by 2024/25
using 2017/18 as the base year



Reduce energy intensity by 10% by 2024/25
using 2017/18 as the base year

In the reporting year, energy consumption through electricity (Scope 2 emissions) is the source of more than 98% of total GHG emissions within our operations. And our total GHG emissions were reduced by 3% as compared with the previous reporting year. Due to the operation suspension amid the pandemic during this and the previous reporting years, the GHG emissions during these 2 reporting years were substantially lower, especially during the peak of the number of confirmed cases, the store’s operating hours were shortened and employees were arranged to work from home. We will review the progress of our GHG intensity and energy intensity reduction targets in the next reporting year for a more comprehensive planning of our future carbon reduction initiatives.

GHG emissions in total and intensity



Note: The 2020/21 figures have been restated to integrate a more accurate dataset, including updated conversion factor and emission factors.

Energy Efficiency

Mainly engaging in the retail business, the use of electricity by the lighting and air-conditioning systems in stores and offices is the major source of GHG emissions, contributing to over 98% of our carbon footprint. As such, we regularly monitor the energy consumption data and have adopted a number of measures to optimise energy efficiency.

Energy saving measures

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

In addition to electricity-saving, the Group also attaches importance to the use of fuel for business travel. We encourage employees to avoid unnecessary trips and have introduced video conference system to replace business travel as much as possible.

During the reporting year, our energy intensity decreased by 8% as compared to the previous year largely due to reduced operating hours of some of our stores in the midst of the COVID-19 pandemic.

Climate Change

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

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

Safeguarding Our Natural Resources

Our operation relies on precious natural resources. In an effort to promote sustainable development and effective use of resources, we regularly review the environmental impact arising from daily operations and business activities to identify areas of significant impact, and develop policies and measures to manage and minimise our impact on the environment and natural resources through comprehensive waste management and resource conservation.

Waste Management

The Group recognises our obligation to properly manage the waste generated and contributes to the alleviation of the burden on landfills in Hong Kong. Due to the nature of our business operations, most of the waste generated by our operations is non-hazardous waste, coupled with a small amount of construction waste generated from the renovation of retail stores. The handling and disposal of waste strictly comply with applicable laws and regulations, including but not limited to the Waste Disposal Ordinance (Cap. 354).

Following the principles of reuse, reduce and recycle, we strive to minimise solid waste generation at offices and stores. Single-use plastic bags have been removed from our operation by replacing them with reusable and paper alternatives. For the plastic bags and boxes used to protect the products from damage during transit and storage, they will be reused until damaged before disposal. At office premises, we have placed recycling bins for employees to recycle various types of waste, such as paper and printer toners for reuse and proper handling.

Resources Conservation

Striving to become a good steward of the environment and natural resources, we have adopted multiple green operation practices to conserve resources throughout our business operations.

Although the Group does not operate in water-stressed regions and faces no issues with sourcing water, we are highly committed to advocating water conservation during daily operations. We have upgraded the water appliances with electronic induction water outlet switches in all office buildings to reduce the wastage of water. Water-saving signages are displayed in offices to promote water efficiency. Inspections on water pipes and taps are arranged regularly to avoid unnecessary water wastage.



We adopt a paperless culture to promote material conservation.

Employees are encouraged to adopt double-sided printing and reuse paper whenever possible. We have also introduced the receipt of faxes via email to reduce unnecessary paper printing. In terms of the use of paper for promotion purposes, we have been enhancing the use of social media and other electronic media for promotion, so as to reduce the production of promotional leaflets in paper form.

As our business focuses on retailing jewellery products, packaging materials are used for product packaging. We make environmentally friendly our primary principle when selecting materials for shopping bags and gift boxes, and prioritise the use of durable and recyclable materials, such as recycled paper. Regular reviews of the number of packaging materials used in finished products will also be carried out to evaluate whether excessive packaging materials are being used.

In addition, we actively promote environmental awareness among our employees through education campaigns and training programmes. We organise talks on environmental protection issues from time to time and encourage employees to participate in green activities. Internal guidelines are displayed throughout the stores to remind employees of responsible consumption behaviours. At office premises, posters and signs are put up to educate employees on ways to conserve natural resources and protect the environment.

6. OUR COMMUNITY

Supporting the Community

Committed to creating positive social impact and contributing to the sustainable development of the society, we continue to carry out community investment activities through volunteering, in-kind donations and collaboration with a wide range of external organisations.

In an effort to encourage our employees to actively participate in volunteering activities, we have launched the “Community Investment Participation” programme to award employees with an additional day off for volunteering 30 hours or more or donating blood twice a year.

During the reporting year, the Group donated a total of HK\$12,200 to contribute to social investment. We participated in the Food Angel volunteer programme to make donations and support projects on food rescue, food waste reduction, and education on the young generation to value resources and protect the environment. Additionally, we took part in the “Green Low Carbon Day” organised by The Community Chest to raise funds for environment-related projects supported by The Community Chest and encourage participants to practice low-carbon living.

PERFORMANCE DATA SUMMARY

Environmental data ^{1,2}	Unit	2021/22	2020/21 ³
Air emissions⁴			
Nitrogen oxides (NO _x)	Gram	506.47	58.34
Sulfur oxides (SO _x)	Gram	14.58	3.05
Particulate matters (PM)	Gram	37.29	4.30
GHG emissions			
Total GHG emissions	Tonnes CO ₂ e	218.80	225.53
Scope 1 emissions	Tonnes CO ₂ e	2.64	0.55
Fuel ⁵	Tonnes CO ₂ e	2.64	0.55
Fire extinguishers ⁶	Tonnes CO ₂ e	0.0026	0.0026
Scope 2 emissions	Tonnes CO ₂ e	216.16	224.98
Purchased electricity ⁷	Tonnes CO ₂ e	216.16	224.98
Scope 3 emissions⁸	Tonnes CO ₂ e	0 ⁹	0
GHG intensity (Scope 1+2)	Tonnes CO ₂ e/Gross Floor Area (“GFA”) in square feet	0.010	0.011
	Tonnes CO ₂ e/full-time employee (“FTE”)	1.67	1.76
Energy use			
Total energy consumption	kWh	327,975.09	324,260.54
Direct energy consumption – fuel	kWh	9,612.09	2,011.54
Indirect energy consumption – purchased electricity	kWh	318,363.00	322,249.00
Energy intensity	kWh/GFA	14.69	15.96

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 scope of environmental data only includes our operation of jewellery stores and offices in Hong Kong.

³ The 2020/21 figures relating to GHG emissions, energy consumption, paper disposal intensity and packaging material consumption have been restated to integrate a more accurate dataset, including updated conversion factor and emission factors.

⁴ Nitrogen oxides (NO_x), Sulphur oxides (SO_x) and Particulate matter (PM) emissions were generated vehicular emissions from the Group’s fleet of vehicles. The emission factors were adopted from “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” published by HKEX.

⁵ Refers to direct GHG emissions from fuel combustion. The emissions data was calculated based on emission factors adopted from “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” published by HKEX.

⁶ Refers to fugitive emissions from fire expression system – portable extinguishers (Scope 1), which are calculated using the latest available emission factor in line with the “2006 IPCC Guideline for National Greenhouse Gas Inventories”.

⁷ Emissions associated with electricity purchased are calculated based on the latest available emissions factors provided by the power companies.

⁸ Refers other indirect GHG emissions associated with business air travel. The emissions data was calculated based on emission factors adopted from the International Civil Aviation Organization.

⁹ There was no business travel during the reporting year.

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Environmental data ^{1,2}	Unit	2021/22	2020/21 ³
Waste generation			
Paper waste disposed ¹⁰	Tonnes	-1.47	0.86
Paper consumption	Tonnes	1.97	2.04
Paper waste recycled	Tonnes	3.43 ¹¹	1.18
Construction waste disposed	Tonnes	0	2
Paper disposal intensity	Gram/FTE	-11.19	6.72
Paper consumption intensity	Gram/FTE	15.02	15.96
Paper waste recycling intensity	Gram/FTE	26.21	9.24
Construction waste intensity	Gram/FTE	0.00	15.63
Packaging materials			
Total consumption	Tonnes	5.49	3.93
Intensity	Gram/piece	609	592
Social data			
Social data	Unit	2021/22	2020/21 ¹²
Total workforce	No. of people	131	128
By gender			
Male	No. of people	55	57
Female	No. of people	76	71
By age group			
40 or below	No. of people	40	43
41-59	No. of people	65	60
60 or above	No. of people	26	25
By employee category			
General employees	No. of people	109	106
Manager level	No. of people	22	22
By employment type			
Full-time	No. of people	131	128
Part-time	No. of people	0	0
By geographical region			
Hong Kong	No. of people	129	126
Mainland China	No. of people	2	2
Turnover rate	%	12.21%	10.16%
By gender			
Male	%	10.91%	7.02%
Female	%	13.16%	12.68%
By age group			
40 or below	%	22.50%	18.60%
41-59	%	7.69%	5.00%
60 or above	%	7.69%	8.00%
By geographical region			
Hong Kong	%	12.40%	10.32%
Mainland China	%	0.00%	0.00%

¹⁰ Paper waste generated = paper consumption – paper waste recycled.

¹¹ The amount of paper waste recycled was larger than the paper consumption. It was due to the disposal of the expired confidential documents during the year.

¹² The 2020/21 figures relating to total workforce, turnover and employee training have been restated in line with the disclosure requirement of the ESG Guide.

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Social data	Unit	2021/22	2020/21 ¹²
Health and safety			
Number of work-related fatalities ¹³	No. of people	0	0
Percentage of work-related fatalities	%	0	0
Number of lost days due to work injury	Days	39	8
Development and training			
Percentage of trained employees	%	74.05%	89.84%
By gender			
Male	%	69.09%	92.98%
Female	%	77.63%	87.32%
By employee category			
General employees	%	72.48%	90.57%
Manager level	%	81.82%	86.36%
Average training hours completed per employee	Hours	8.89	9.84
By gender			
Male	Hours	8.10	10.21
Female	Hours	9.47	9.55
By employee category			
General employees	Hours	8.12	8.44
Manager level or above	Hours	12.69	16.58
Number of suppliers¹⁴			
By geographical regions			
Greater China region	Number	94	—
Overseas region	Number	9	—
Total	Number	103	—
Product responsibility			
Number of products and service-related complaints received	Case	0	0
Anti-corruption¹⁴			
Number of people receiving anti-corruption training			
Directors	No. of people	8	—
Employees	No. of people	15	—
Total number of hours of anti-corruption training received			
Directors	Hours	12	—
Employees	Hours	24	—

¹³ There were no work-related fatalities in the past 3 years including the reporting year.

¹⁴ Newly reported item. Only 2021/22 figures are reported in this Report.

HKEX ESG GUIDE CONTENT INDEX

Aspect	KPI	Disclosure	Section/Remarks
A. Environment			
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.	Our Environment
	A1.1	The types of emissions and respective emissions data.	Performance Data Summary
	A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Managing Our Carbon Footprint Performance Data Summary
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Due to the business nature of the Group, this KPI is considered not material.
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
	A1.5	Description of emission target(s) set and steps taken to achieve them.	Managing Our Carbon Footprint
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Safeguarding Our Natural Resources Due to the business nature of the Group, this KPI is considered not material, and hence no waste reduction target is set.

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Aspect	KPI	Disclosure	Section/Remarks
A2 Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Our Environment
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Due to the nature of the retail industry, the Group mainly operates its business in leased offices and shops where water supply is managed by their respective landlords, thus water consumption data is not available.
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Managing Our Carbon Footprint
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Safeguarding Our Natural Resources Due to the business nature of the Group, this KPI is considered not material, and hence no water efficiency target is set.
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Safeguarding Our Natural Resources
A3 The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Managing Our Carbon Footprint Safeguarding Our Natural Resources
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Managing Our Carbon Footprint Safeguarding Our Natural Resources
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.	Managing Our Carbon Footprint
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Managing Our Carbon Footprint

Aspect	KPI	Disclosure	Section/Remarks
B. Social			
Employment and Labour Practices			
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	Building an Inclusive Workplace
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Performance Data Summary
	B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Data Summary
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.	Promoting Well-being of Employees
	B2.1	Number and rate of work-related fatalities occurred in each of the past 3 years including the reporting year.	Performance Data Summary
	B2.2	Lost days due to work injury.	Performance Data Summary
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Promoting Well-being of Employees
B3 Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Cultivating Our Employees
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Data Summary
	B3.2	The average training hours completed per employee by gender and employee category.	Performance Data Summary
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.	Building an Inclusive Workplace
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Building an Inclusive Workplace
	B4.2	Description of steps taken to eliminate such practices when discovered.	Building an Inclusive Workplace

Aspect	KPI	Disclosure	Section/Remarks
Operating Practices			
B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Sourcing Materials Responsibly
	B5.1	Number of suppliers by geographical region.	Performance Data Summary
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Sourcing Materials Responsibly
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Sourcing Materials Responsibly
B6 Product Responsibility	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Sourcing Materials Responsibly
	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.	Assuring Product Quality Delivering High Quality Services Ensuring Sound Business Practices
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Assuring Product Quality
	B6.2	Number of products and service related complaints received and how they are dealt with.	Delivering High Quality Services
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Ensuring Sound Business Practices
	B6.4	Description of quality assurance process and recall procedures.	Assuring Product Quality
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Delivering High Quality Services	

Aspect	KPI	Disclosure	Section/Remarks
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.	Anti-corruption
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption
	B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Community			
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.	Supporting the Community
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Supporting the Community
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Supporting the Community