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75<sup>TH</sup> ANNIVERSARY  
締造更美時刻

FOR THE YEAR ENDED  
31ST MARCH, 2024

ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE REPORT

STOCK CODE : 280



king fook holdings limited  
景福集團有限公司

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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 outlines the Group’s ESG policies, initiatives, and performance, providing stakeholders with a clear understanding of our progress and strategic direction across various ESG aspects.

### 1.1. Reporting Scope and Boundary

This Report covers the Group’s ESG performances from 1 April 2023 to 31 March 2024 (the “reporting year”), covering the operation of all jewellery stores and offices in Hong Kong and China, unless otherwise specified<sup>1</sup>. There was no significant change in the scope and boundaries of reporting compared to the previous reporting year. For the purpose of reporting environmental data, only operations in Hong Kong are included<sup>2</sup>.

### 1.2. Reporting Standards and Principles

#### 1.2.1. 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 C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEX”).

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<sup>1</sup> Our non-operating subsidiaries are excluded from the reporting boundary as they do not have a direct impact on the Company’s operations or sustainability issues.

<sup>2</sup> This arrangement is based on the consideration that we have only two employees working remotely in the PRC, and compared to the scale of our Hong Kong operations, their contributions to the overall environmental impact are minimal.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 1.2.2. Reporting Principles

To ensure the quality and accuracy of the information disclosed in this Report, the Group has followed the 4 reporting principles set forth in the ESG Guide, which include:

|                     |   |
|---------------------|---|
| <b>Materiality</b>  | The Group conducted a materiality assessment during the reporting year to identify its most significant aspects. The Board of Directors of the Company (the “Board”) confirmed these material aspects. For additional information, please refer to the “Materiality Assessment” section of this Report. |
| <b>Quantitative</b> | Whenever applicable, the Group has documented and disclosed key performance indicators (“KPIs”) in quantitative terms. This Report also provides information on the standards, methodologies, assumptions, and conversion factors used for calculating environmental data.                              |
| <b>Balance</b>      | This Report discloses both positive and negative performances in an impartial manner, ensuring that the content and data remain unbiased.   |
| <b>Consistency</b>  | The approach for preparing this Report remains substantially consistent with the previous year. Any changes in the reporting scope and calculation methodologies are disclosed where applicable.  |

## 1.3. Independent Assurance



**To the Board of Directors of King Fook Holdings Limited**

### *Independent Assurance Report*

King Fook Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) Independent Assurance Report on selected Environment, Social and Governance (“ESG”) Key Performance Indicator (“KPIs”)

We have been engaged to perform a limited assurance engagement (the “engagement”) on the selection of consolidated ESG KPIs listed in Appendix 1 (the “Selected Information”) disclosed in the Group’s ESG Report (the “Report”) for the reporting period from 1 April 2023 to 31 March 2024.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Board of Directors' responsibilities*

The Board of Directors is responsible for the selection of the applicable criteria (hereafter “Applicable Criteria”) and for the preparation and presentation of the Selected Information in accordance with the Applicable Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error.

## *Our independence and quality management*

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## *Our responsibilities*

Our responsibility is to express a conclusion on the Selected Information based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with the Hong Kong Standard on Assurance Engagements (HKSAE) 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Selected Information in the Report is free from material misstatement, whether due to fraud or error.

## *Summary of work performed*

We have undertaken procedures to obtain sufficient evidence based on risk and materiality considerations. The procedures selected depend on the practitioner’s judgment. This includes the assessment of the risks of material misstatements related to Selected Information. The procedures performed in a limited assurance engagement vary in nature and timing and are less in scope than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Although we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

The Greenhouse Gas (“GHG”) quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Our limited assurance procedures included, amongst others, the following work:

- evaluated the suitability in the circumstances of the Company's use of the Applicable Criteria, as the basis for preparing the assured ESG information;
- through inquiries of relevant staff at corporate and selected locations responsible for the preparation of the assured ESG information, obtained an understanding of the Company's control environment, processes and information systems relevant to the preparation of the assured ESG information, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;
- tested a limited number of items to or from supporting records over assured ESG information, as appropriate;
- considered the presentation and disclosure of the assured ESG information;
- performed analytical procedures on selected assured ESG information where appropriate by comparing to the prior period results reported and made inquiries of management to obtain explanations for any significant differences we identified;
- evaluated whether the methodologies adopted by the Company for developing estimates of selected assured ESG information where relevant, are appropriate and had been consistently applied, but did not include testing the data on which the estimates are based or separately developing our estimates against which to evaluate the Company's estimates; and
- performed recalculations of selected assured ESG information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

## *Our conclusion*

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information and the Report have not been prepared, in all material respects, in accordance with the Applicable Criteria.

Yours faithfully,



Baker Tilly Hong Kong Limited  
Certified Public Accountants  
Hong Kong, 14 June 2024

## 2. SUSTAINABILITY AT KING FOOK

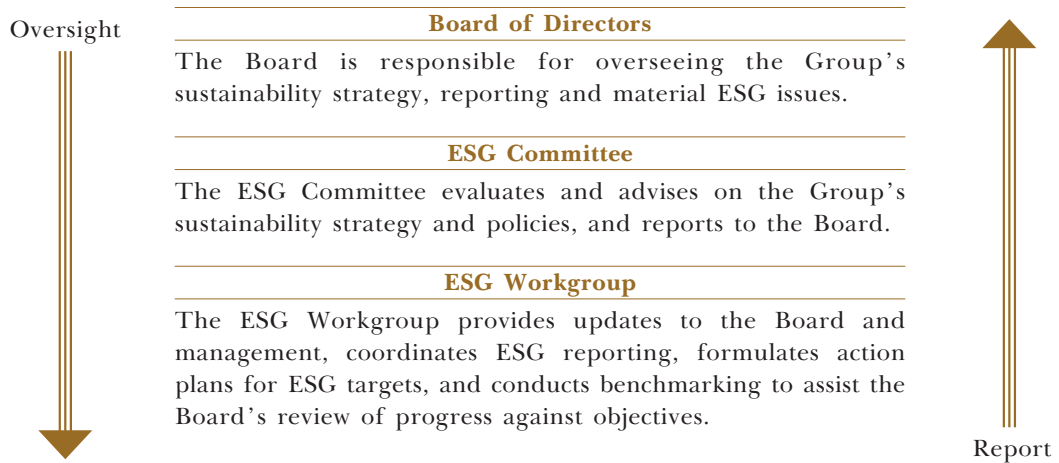
### 2.1. Sustainability Governance

A sound governance structure is the foundation for our sustainability direction and strategies. As such, the Group has implemented a structured governance framework to ensure accountability and facilitate effective decision-making.

As the highest governing body within the Group, the Board is responsible for overseeing our sustainability strategy and reporting, as well as material ESG issues. It is also accountable for assessing and determining the Group's ESG-related risks and opportunities, ensuring that appropriate and effective ESG risk management and internal control systems are in place. During the reporting year, the Board meeting involved discussing and reviewing various issues, including material topics, progress towards environmental targets, independent assurance of the ESG reporting and the ESG annual action plan.

The ESG Committee is chaired by an executive director alongside an independent non-executive director, the Chief Executive Officer and the ESG Workgroup, formed by staff representatives. It convenes at least once a year to evaluate and advise on the effectiveness of the Group's sustainability strategy and policies, and report to the Board.

The ESG Workgroup, a subordinate entity of the ESG Committee, is responsible for providing regular progress updates to the Board and management, coordinating the preparation of annual ESG Reports, formulating action plans for the Group's ESG-related targets. The Workgroup also conducts benchmarking on our ESG-related emissions with industry peers, assisting the Board in reviewing our progress against set objectives.



To enhance the Board's competencies in ESG, the Board members participated in a training session covering the current landscape of climate-related disclosures, regulatory requirements, best practices, and topics on sustainable finance. The Board also engages in discussions about ESG, with a primary focus on delivering high-quality products and services to our customers while maintaining a hygienic, safe, and comfortable shopping environment. Furthermore, we have arranged ESG training, briefings, and meetings with ESG professional service providers, ensuring that the ESG Workgroup is well-equipped to advance our sustainability agenda.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 2.2. Awards and Partnerships

### *ESCAP Sustainable Business Network*

- Asia-Pacific Green Deal for Business



Committing to the Asia-Pacific Green Deal for Business, to make business an engine for sustainable growth and development **Apr 2023**

### *Environmental Campaign Committee*

- Hong Kong Green Organisation Certificate – Good Level Wastewi\$e Certificate
- Hong Kong Green Organisation Certificate – Good Level Energywi\$e Certificate



Won in the government's Wastewi\$e Certificate – Good Level **Jul 2023**



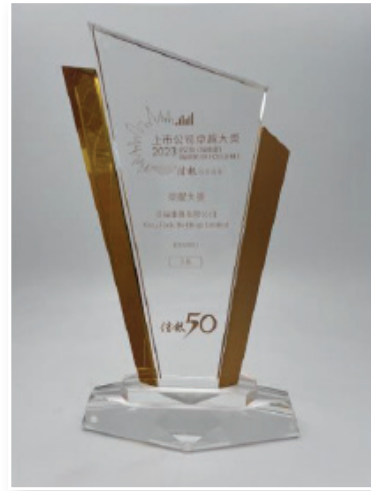
Won in the government's Energywi\$e Certificate – Good Level **Jul 2023**



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Hong Kong Economic Journal

- Listed Company Awards of Excellence 2023



Won in the Listed company awards of excellence for the fifth consecutive year  
Dec 2023

### 2.3. Stakeholder Engagement Approach

The Group recognises the significance of stakeholder engagement in creating long-term values. Through open and effective communication with different stakeholders, we understand better their evolving expectations and the issues that concern them the most.

Our stakeholders include both internal and external parties who could influence the Group while being affected by our operations. We have identified the following stakeholder groups and engage regularly through diverse engagement channels to gather their valuable feedback on our sustainability efforts. This approach not only strengthens our relationships but also fosters trust with our stakeholders.

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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

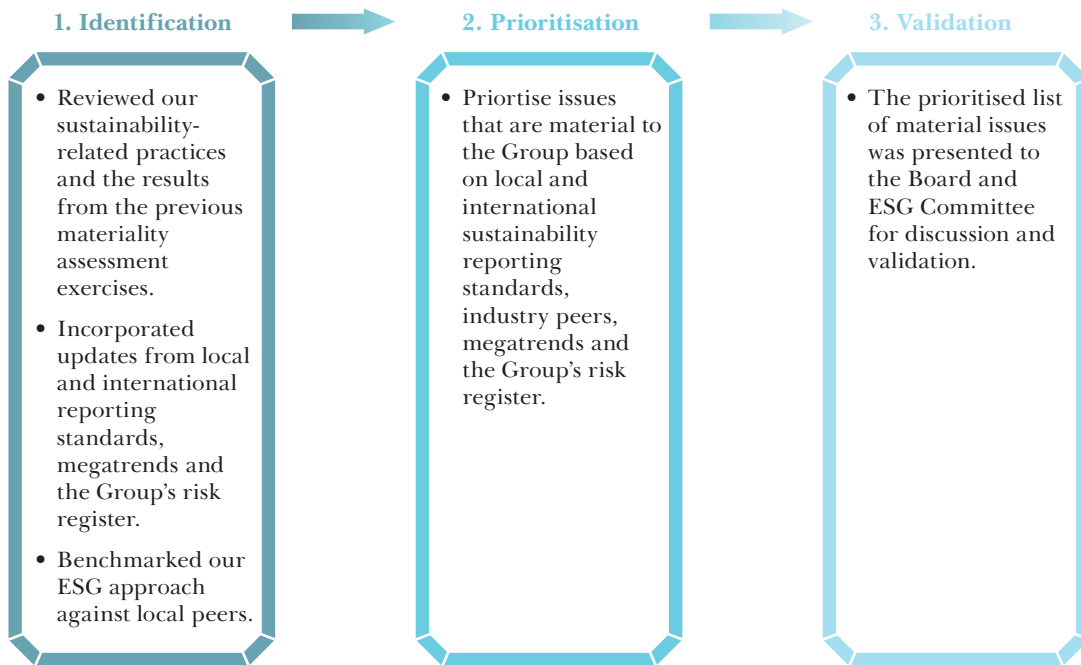
| Stakeholder Groups                                   | Key Interests   | Engagement Channels  |
|--|---|--|
| <b>Customers</b>                                     | <ul style="list-style-type: none"> <li>– Service Pledge &amp; After-sales Service</li> <li>– Market Information</li> <li>– Shopping Experience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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

## 2.4. Materiality Assessment

Materiality assessment is a continuous process that reviews our sustainability approach and prioritises the most relevant sustainability issues raised by our stakeholders. We engaged an independent consultant to support the materiality assessment through the following process:



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Our review suggests that the results of previous materiality assessments remain representative of the main topics raised by our stakeholders.

|  |   |  |  |
|--|---|--|--|
| <b>Material Issues</b>                     | <ul style="list-style-type: none"> <li>– Anti-corruption</li> <li>– Ethical Supply Chain and Transparency</li> <li>– Quality Assurance</li> <li>– Service Quality and Customer Satisfaction</li> <li>– Data Protection and Cybersecurity</li> </ul> | <ul style="list-style-type: none"> <li>– Employment Practices</li> <li>– Occupational Health and Safety</li> <li>– Development and Training</li> </ul> | <ul style="list-style-type: none"> <li>– Managing Environmental Footprint</li> </ul> |
| <b>Corresponding Chapter in the Report</b> | Our Value Chain   | Our People   | Our Environment  |

In addition to the materiality assessment, we conduct regular ESG risk assessments to understand the risks associated with our operations. This proactive approach enables us to find solutions to minimise risks and ensure the ongoing mitigation of potential issues. ESG risks have been integrated into our enterprise risk management process. The Board evaluates and determines ESG risks faced by the Group to ensure they are addressed within our risk management system, with controls implemented and reviewed regularly. Please refer to the Risk Management and Internal Control Report of the Group for details.

We will continue to review our material topics and ESG risks, ensuring that our ESG priorities stay aligned with evolving trends and stakeholder expectations to create long-term value for our stakeholders.

## 3. OUR VALUE CHAIN

Maintaining high operational standards across our value chain is vital to our success. To build trust and foster relationships with customers and business partners, we focus on four areas within our value chain: quality assurance, customer service and satisfaction, responsible sourcing, and ethical business practices. We have policies and procedures in place to ensure we comply with all relevant laws and regulations. By upholding our standards of quality and responsibility, we strive to conduct business in a reliable and sustainable manner.

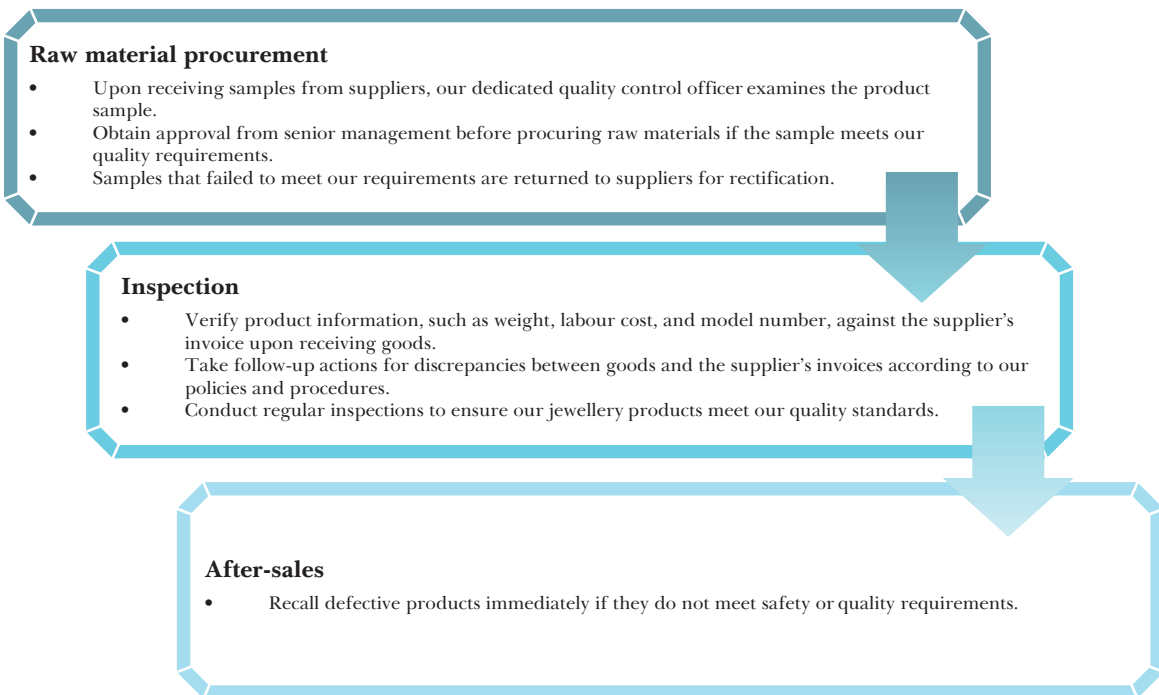
### 3.1. Quality Assurance

We strive to provide customers with genuine, high-quality and safe products, and we have participated in the “No Fakes Pledge” scheme for 20 consecutive years to support efforts against counterfeit goods. To maintain our quality standards, we have Jewellery Coordination Policies and Procedures in place, outlining our quality assurance procedure and defining the roles and responsibilities of relevant staff members to ensure our product quality.



Participated in the “No Fakes Pledge” scheme for 20 consecutive years  
Jul 2023

#### *Quality control measures at major stages:*



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the reporting year, the Group had no products sold or shipped subject to recalls for safety and health reasons and had no instances of non-compliance with laws and regulations relating to health and safety concerning products and services.



## 3.2. Customer Service and Satisfaction

We view customer experiences as essential for cultivating lasting customer relationships, where we focus on enhancing customer experience, addressing customer complaints effectively, and protecting customer privacy. We aim to consistently exceed customer expectations, foster trust, and solidify our reputation as a luxury jewellery brand.

### 3.2.1. Customer Experience

We adopt a customer-first approach to customer service, as outlined in our Product Responsibility Guideline. To ensure employees are aware of our customer service standards, we provide training on customer service and management skills, product knowledge, communication skills, and customer dispute handling. Furthermore, our “Mystery Shopper Programme” is implemented across all stores to assess service quality objectively and identify areas for improvement.

To protect the health and safety of our customers, we have developed the Business Continuity Planning Policies and Procedures, outlining the contingency plans and disaster recovery strategies for potential emergencies, such as shoplifting, robbery, extreme weather, fire, and accidental injury or illness. Our policy emphasises risk assessment and prevention and ensures timely documentation of critical business information and processes. Through staff training and periodic re-evaluation of contingency plans, we aim to minimise operational disruptions and maintain safe and secure retail environments.



### 3.2.2. Customer Complaint Handling

We understand that customer feedback plays a crucial role in our ongoing growth and improvement. We prioritise the needs and satisfaction of our customers and have outlined specific actions and handling approaches for various types of complaints and inquiries in our Product Responsibility Guideline. Multiple complaint channels are available for customers to provide their feedback, including telephone hotlines, email, or in-person communication.

When a complaint or inquiry is received, our customer service officers record the relevant details and forward the information to the appropriate department or store for follow-up actions. We also review complaint cases during regular management meetings to identify opportunities for enhancing our service quality.

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

### 3.2.3. Customer Privacy Protection

The protection of customer privacy is among our top priorities. We strictly adhere to the Personal Data (Privacy) Ordinance (Cap. 486) and other relevant laws and regulations concerning privacy matters related to our products and services.

All employees are required to comply with our IT Policies and Procedures, ensuring the personal data of customers, suppliers, shareholders, job applicants, and other stakeholders is received, held, used, and processed legally and confidentially. We organise cyber security awareness training for all employees who use computer systems as part of their work to remind their roles in keeping customer information secure. We obtain personal information only when necessary, and before acquiring personal data from customers, we clearly inform them of the purpose, use of data, and the class of transferees.



Organize the Cyber security awareness training for all computer usage colleagues, prevent and reduce risks  
Feb-Mar 2024

To safeguard confidential customer information, only authorised personnel are granted access to manage such data. These individuals are prohibited from disclosing, selling, or discussing customer information with outside parties, including family members and friends. Employees

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

must also report any offer of money in exchange for customer information to their supervisors immediately. Confidentiality provisions remain applicable to resigned employees, minimising the risks of data leakage.

To ensure the effective implementation of our privacy policies and monitor data protection, we regularly review employee compliance and address any violations swiftly and appropriately. Anyone who breaches customer privacy obligations is subject to disciplinary action, including termination of employment.

During the reporting period, our employees attended training on artificial intelligence applications and their implications for businesses to enhance their technical skills to address potential risks, recognising their growing prevalence.

### 3.3. Responsible Sourcing

A resilient supply chain is crucial for ensuring business continuity and the reliable delivery of our products and services. We collaborate closely with our major suppliers to guarantee they adhere to our ethical and sustainability standards, minimising the environmental and social risks within the supply chain.

#### 3.3.1. Supplier Assessment Framework

Our Purchasing Department Policies and Procedures outline the Group's procurement requirements and supplier assessment process. We follow a transparent and unbiased approach to selecting new suppliers and ensure a fair platform for all potential suppliers. As specified in our Employee Code of Conduct, we process all procurements and tendering fairly and select competent and responsible suppliers or contractors while diligently monitoring the process to prevent fraud or misconduct.

#### Onboarding Supplier Evaluation

- Evaluate potential suppliers based on operational needs, business status, operating practices and product characteristics.
- Conduct examinations on samples obtained from suppliers.



#### Regular Assessment of Existing Suppliers

- Conduct annual evaluations of existing suppliers to ensure their product and service quality meet our standards, considering factors such as capability, reputation, craftsmanship, quality, delivery time, and ESG performance.
- Carry out on-site investigations to supplement our assessments.
- Based on assessment results, determine the suitability of continuing the business relationship and explore alternative suppliers if necessary.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

If a supplier consistently fails to meet the Group's standards or is involved in business fraud, we communicate our concerns with the supplier, investigate the matter, and develop a corrective action plan if necessary. We closely monitor their progress and may choose to terminate or suspend the business relationship if they fail to address the issues or are unwilling to cooperate.

### *3.3.2. Sustainable Procurement*

We are committed to sourcing products from suppliers that adhere to responsible mining practices and uphold ethical labour standards. To effectively manage environmental and social risks within our supply chain, we have integrated ESG factors into our periodic supplier assessments. We require suppliers to complete evaluation forms that include questions regarding sustainability standards and business ethics, environmental management systems, employment policies.

Relevant departments are required to submit copies of these evaluation forms to the ESG Workgroup for regular review. The information provided by the supplier, along with their compliance with our ESG Policies and Procedures, is considered a critical factor when determining the suitability of maintaining a business relationship with the Group.

## **3.4. Ethical Business Practices**

We are committed to maintaining the highest standards of business practices, which include fostering a culture of integrity and responsibility. In all we do, we ensure that our operations are transparent, accountable, and aligned with the best interests of our customers, stakeholders, and the wider community.

### *3.4.1. Business Integrity*

The Group strictly forbids corruption or malpractice of any form in our operations, including bribery, money laundering, extortion, and fraud. We adhere to all relevant laws and regulations, such as the Prevention of Bribery Ordinance (Cap. 201), and have established the Employee Code of Conduct and Staff Handbook to outline professional behaviour and business ethics requirements.

Our Employee Code of Conduct prohibits employees from soliciting benefits from customers, suppliers, or other parties connected to the Group's business. Employees must complete the "Individual Interest Declaration Form" upon joining the company and make annual or periodic declarations as necessary. The Group's Chief Executive Officer reviews these forms and takes follow-up actions on a case-by-case basis. To ensure awareness of the compliance requirements, we provide Independent Commission Against Corruption ("ICAC") Integrity Training for directors and Anti-money Laundering and Counter-Financing training for all employees this year.




# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



ICAC Integrity Training for Directors of King Fook Holdings  
Oct 2023

We have also implemented the Whistle-blowing Policy to provide multiple channels for all relevant parties to report any improper behaviours.

## Reporting and Investigation Procedures

|   |  |  |
|---|--|--|
|  <ul style="list-style-type: none"> <li>Any relevant parties are encouraged to raise concerns about any suspected impropriety under written confidential cover.</li> <li>Reporter details are not required but are encouraged to facilitate the investigation, and such details are kept in the strictest confidence.</li> </ul> |  <ul style="list-style-type: none"> <li>The reported cases will be evaluated by the Audit Committee to determine whether a full investigation is required.</li> <li>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.</li> </ul> |  <ul style="list-style-type: none"> <li>Necessary actions include reporting to regulatory bodies, taking disciplinary actions against the staff concerned, and strengthening controls.</li> </ul> |
|---|--|--|

In the event of a false report on an anti-corruption case, we handle the situation with discretion and care. We conduct a thorough investigation to determine the motive behind the false report and evaluate the potential impact on individuals and the organisation. If deemed necessary, disciplinary actions may be taken against the individual responsible for the false report, while also ensuring that our policies remain robust and effective.

During the reporting year, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees.

### *3.4.2. Protection of Intellectual Property Rights*

We understand the importance of protecting intellectual property rights. Not only do we safeguard our own intellectual property, but we also strictly adhere to relevant laws and regulations, such as the Copyright Ordinance (Cap. 528) and the Prevention of Copyright Piracy Ordinance (Cap. 544), to protect the intellectual property rights of third parties. Any use of illegal or pirated software is strictly prohibited to ensure that our operations are in full compliance with intellectual property laws.

### *3.4.3. Responsible Advertising*

We strive to maintain advertising practices that are transparent, ethical and respectful of consumer rights. We also strictly adhere to the Trade Descriptions Ordinance (Cap. 362) and other relevant laws and regulations relating to the advertising and labelling of products and services. Our advertising content and the creation of promotional materials, such as artwork and labels, are developed in line with marketing plans, product requirements, and promotional priorities. We provide customers with accurate and comprehensive product descriptions, enabling them to make well-informed purchasing decisions.

During the reporting period, there were no instances of non-compliance with laws and regulations relating to advertising and labelling concerning products and services.

## 4. OUR PEOPLE

The sustained success of our business is fundamentally dependent on our dedicated workforce. We place our people at the forefront, recognising and supporting our employees through genuine care and respect, competitive compensation packages, robust career development opportunities, and a steadfast commitment to their health and safety.

### 4.1. Talent Management

We have developed comprehensive HR & Admin policies that provide guidelines on our employment practices. These policies comply with the Employment Ordinance (Cap. 57), the Sex Discrimination Ordinance (Cap. 480), the Disability Discrimination Ordinance (Cap. 487), the Family Status Discrimination Ordinance (Cap. 527), and other relevant laws and regulations concerning compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, anti-discrimination, and other benefits and welfare. During the reporting year, there was no instances of non-compliance with laws and regulations relating to employment laws and regulations or infringement of employee rights and interests, nor did we receive any related complaints.

#### 4.1.1. Talent Attraction and Retention

We recruit talents through different channels depending on factors such as the position's nature, importance, and urgency. Recruitment is conducted in accordance with our internal procedures and screening criteria, ensuring transparency and fairness throughout the process.

The Group considers it crucial to offer a structured and clear promotional ladder that enables talent retention and recognises contributions. In addition to regular annual or biannual appraisals, we arrange performance assessments for employees following probation periods and before promotions or transfers. These evaluations provide insights into training needs and serve as a communication channel between the Group and its employees. Promotions are granted based on performance appraisals, ensuring continuous growth opportunities within the Group.

Employees are provided with competitive remuneration packages and comprehensive fringe benefits to foster talent retention. Our HR & Admin Policies and Procedures outline management principles that guide remuneration decisions at different levels. The salary system is regularly reviewed by benchmarking against salary survey reports, industry peers, job applicants' requests, and suggestions from salary survey companies. Employees are entitled to sick leave, marriage leave, birthday leave, maternity leave, paternity leave, and statutory holidays.

Additionally, employees enjoy attractive fringe benefits such as discretionary bonuses, employee product discounts, and training allowances. Those experiencing significant life events such as childbirth or marriage receive celebration gifts, vouchers, or cash. We offer health insurance and subsidies for check-ups, and a Flu Vaccine subsidy scheme as part of our benefits package. During the reporting year, we have further improved employee benefits by implementing full-pay sick leave and adding dental care.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group is a signatory of the Labour Department's Good Employer Charter and an active participant in the Happiness at Work Promotional Scheme. It promotes work-life balance by adopting family-friendly policies and organising staff activities. Our HR & Admin Policies and Procedures stipulate working hour requirements and eligible employees are also entitled to overtime compensation allowances.



Two-time recipient of the Good Employer Charter (2018 and 2020), with all qualifications met for the 2024 application

To further protect employee rights and interests, we outline procedures and conditions for the termination of employment contracts by both parties in our internal guidelines, ensuring that employee departures are handled in accordance with relevant laws and regulations.

We understand the importance of recognising our employees' hard work and dedication. To celebrate their achievements, we organised an annual dinner during the reporting year and gave out long-service medals to those who have shown exceptional commitment to the Group. As part of the Group's 75th Anniversary Diamond Jubilee, each staff member received a red packet worth HKD2,000. These events not only provide a chance to show our appreciation but also help build a strong sense of community and belonging within the company.



Annual dinner and distribution of long service medal  
Nov 2023



In addition to celebrating successes, we aim to create a welcoming and comfortable work environment. Our office features a coffee and tea corner located in the conference rooms. This amenity serves our visitors and provides a pleasant meeting space. It is a great way to boost the morale of our co-workers and create a sense of community among them.

### *4.1.2. Fair and Responsible Employment Practices*

The Group respects human rights and implements fair labour practices to foster a fair, diverse, and inclusive workplace. As an equal opportunity employer, we respect the rights of every employee and strive to ensure that all employees can work in an environment free from discrimination and harassment. Our HR & Admin Policies and Procedures apply to job advertisements, recruitment processes, terms and conditions of employment, performance appraisal, promotions, transfers, training, dismissal, grievance handling, and general conduct. These policies protect all employees and job applicants regardless of their race, gender, disability, family status, or marital status.

We adopt a zero-tolerance policy towards child labour and forced labour, prohibiting their use within our operations. We strictly abide by the Employment Ordinance (Cap. 57) and other relevant laws and regulations to prevent child and forced labour. To prevent child labour, job applicants are required to submit their personal information and present proof of identity for verification during the recruitment process.

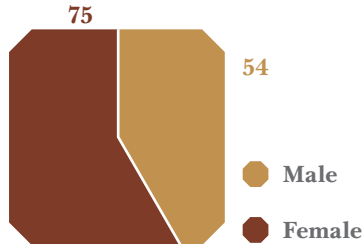
We have established a grievance mechanism for employees to raise concerns to designated personnel regarding suspected cases of non-compliance with labour standards through a confidential channel. Once a complaint is received, a thorough investigation will be conducted to assess the validity of the concern. If a violation is confirmed, appropriate actions will be taken, such as disciplinary measures, corrective actions, or process improvements, depending on the severity and nature of the non-compliance. Throughout the process, all relevant documents, information, and interview records will be kept confidential to protect the privacy of the involved parties and ensure a fair and unbiased investigation.

During the reporting year, there was no instances of non-compliance with laws and regulations relating to relating to labour practices on child and forced labour.

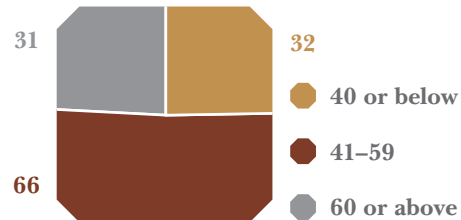
# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Employee Profile

### By gender



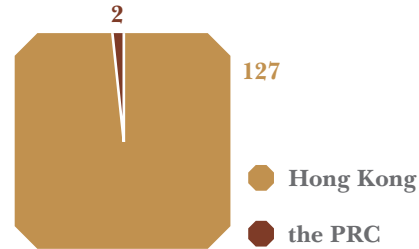
### By age group



### By employee category



### By geographical region



## 4.2. Enhancing Employee Wellbeing

Recognising the importance of employees' health and safety, we have developed internal Occupational Safety and Health Guidelines within our HR & Admin Policies & Procedures, with reference to relevant laws and regulations, including the Occupational Safety and Health Ordinance (Cap. 509). These guidelines cover accident prevention, fire precautions, workplace environment control, workplace hygiene, first aid, and manual handling operations. We regularly review and update these guidelines to ensure continuous improvement. During the reporting year, we promptly updated our Code of Practice in response to notifications received from the Observatory regarding typhoons and rainstorms. For the second consecutive year, we have also received the World Green Organisation's Green Office Awards label and Eco-Healthy Workplace label, demonstrating our achievements in green workplace practices and our ongoing commitment to fostering a sustainable and eco-friendly working environment for our employees.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Participated in The World Green Organisation – Green Office and Eco-Healthy Workplace Awards Labelling Scheme (GOALS) for the second consecutive year  
**Jan 2024**

We strive to maintain a safe working environment, and have implemented various measures to prevent occupational hazards:

- Provide necessary information, instruction, training, and supervision regarding health and safety, and maintain work equipment to ensure operational safety.
- Office facilities undergo regular safety inspections, with damaged fire-fighting equipment promptly repaired or replaced to maintain the good condition of essential items.
- Potential safety hazards in retail stores, such as shoplifting, robbery, and fire, are addressed by establishing clear contingency plans in our Business Continuity Planning Policies & Procedures.
- Regular disinfestations are arranged to uphold workplace hygiene and effectively control bacteria and pests.

During the reporting year, there were no work-related fatal cases and injuries at the stores, nor were there any instances of non-compliance with laws and regulations relating to occupational health and safety.

## 4.3. Training and Development

Acknowledging the pivotal role that our employees' development and growth play in driving our business forward, we remain dedicated to investing in their professional advancement. We prioritise extensive training and development opportunities, fostering an environment that nurtures their career progression.

We have established a comprehensive framework for training and development, detailed in our HR & Admin Policies & Procedures. These guidelines underscore our commitment to promoting the progress of our workforce. For instance, during the reporting year, we organised a Cybersecurity Awareness Training programme for all staff members using computer systems, aimed at preventing and mitigating risks associated with cybersecurity and ensuring a secure computing environment for the Group. Additionally, our staff participated in a workshop on Artificial Intelligence for Business Application, organised by the Hong Kong Institute of Vocational Education, to further their professional development.



Participated in the professional course of Artificial intelligence business applications  
Nov 2023

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Our training and development policy, as stated in our HR & Admin Policies & Procedures, outlines a well-structured system that combines both in-house and external training opportunities. This comprehensive approach is designed to cater to the diverse needs and skill sets of our employees, ensuring their continuous growth and development. Our multifaceted strategy guarantees that our employees benefit from a broad spectrum of learning experiences, encompassing the following areas:

|  |                         |   |
|--|-------------------------|---|
| <b>In-House<br/>Training<br/>Programs</b>      | Orientation             | Tailored for new joiners, encompassing crucial subjects such as company background, product knowledge, customer service, and store operations.  |
|  | Routine Training        | Regular courses to keep employees well-informed on product knowledge and other essential topics.  |
|  | On-the-Job<br>Training  | Designed to facilitate a seamless transition into new roles for both new employees and those who have been promoted or transferred.   |
|  | Specialised<br>Training | Customised training sessions that address specific needs, including computer software usage, company policy updates, new brand or product introductions, and management skills development. |
| <b>External<br/>Training<br/>Opportunities</b> | Short Courses           | Seminars and workshops that cover a diverse range of relevant topics.   |
|  | Long Courses            | Comprehensive courses that lead to certificates, diplomas, and professional qualifications.   |

For training courses funded by the Group, we require employees who have completed the courses to submit reflection reports and course notes to their department heads for review in order to maintain the effectiveness of our initiatives. Moreover, department heads will evaluate the training's impact by observing the employee's daily performance, assessing whether the acquired knowledge has been put into practice.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aligned with our commitment to sustainability, we organised different internal training for our Directors, management and employees. For example, we provided directors with a training session covering various topics including anti-corruption and ESG in January 2024. The training program, facilitated by a third-party consultant, was designed to elevate the expertise of our Directors within their respective roles and cultivate a profound understanding of ESG practices. We have also supported staff in completing an Executive Diploma in Sustainable Development Planning training course organised by the Hong Kong Institute of Education for Sustainable Development in March 2024, further strengthening our dedication to ESG practices. To ensure each of our jewellery stores has a professionally qualified staff member capable of delivering exceptional service, we offer the Diamond Diploma course to our front-line staff without any charges.



Executive Diploma in Sustainable Development Planning training course for ESG members

## 5. OUR ENVIRONMENT

The Group recognises its responsibility to safeguard the environment and minimise any potential impacts arising from our operations. We consistently strive to improve our environmental performance and foster a culture of sustainability throughout our organisation. Our Environmental Protection Policy, as outlined in our ESG policies & procedures, guides the implementation of environmental initiatives focused on resource stewardship, emissions reduction, and the cultivation of environmental awareness among our staff. In compliance with 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 the generation of hazardous and non-hazardous waste, we actively and consistently oversee our impact on the environment and the utilisation of natural resources. During the reporting year, there was no instances of non-compliance with laws and regulations relating to environmental protection laws and regulations.

### 5.1. Managing Our Carbon Footprint

#### 5.1.1. Climate Change and Air Emissions

With the urgent need to address climate change, we strive to reduce the carbon footprint of the Group’s business operations. We have set five-year targets for GHG intensity and energy intensity reduction, using 2017/18 as the baseline.

GHG Intensity target  
**Reduce** GHG intensity **by 20%** by 2024/25  
using 2017/18 as the base year



**20%**

Energy Intensity target  
**Reduce** energy intensity **by 20%** by 2024/25  
using 2017/18 as the base year



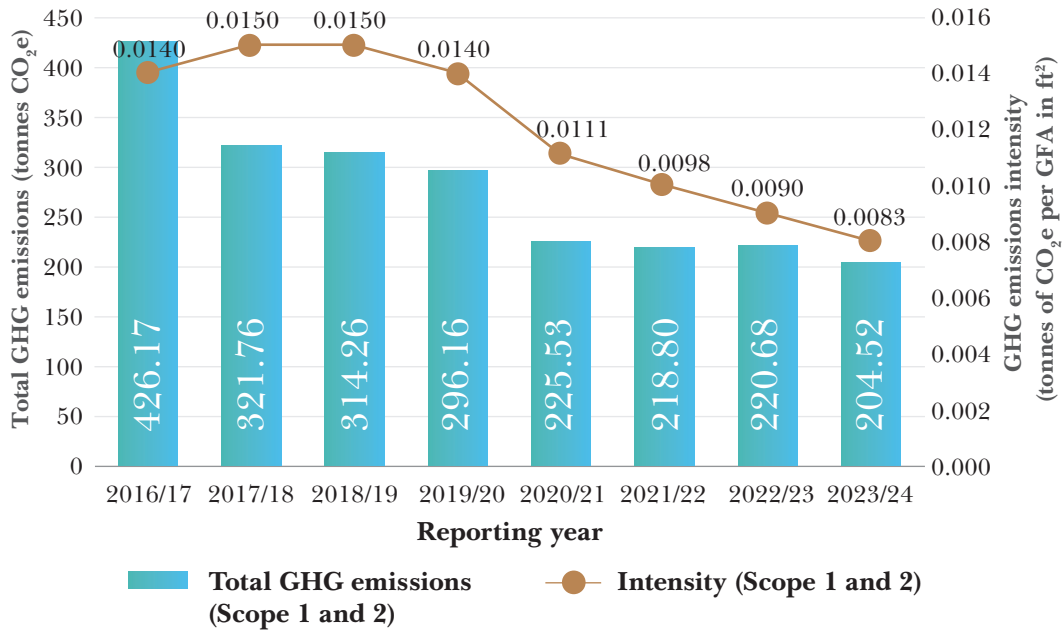
**20%**

During the reporting year, our GHG intensity decreased by 49.3% compared to 2017/18, with Scope 2 emissions from the electricity consumption of our operations accounting for over 97% of the Scope 1 and 2 emissions.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Scope 1 & 2 GHG emissions in total and intensity



Some of our stores were either opened or closed during the reporting year, which may overstate our progress against the set target. We remain focused on continually improving the efficiency of our operations by implementing energy-saving measures across all our operations, including both existing stores and any future expansions. We will continue to assess our strategies and will set new targets to ensure that we consistently advance towards our goal of mitigating the environmental impact of our operations.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group acknowledges the potential impact of climate change on our business operations and recognises the importance of effectively managing relevant risks. Climate change could disrupt our operations and cause physical damage to our stores, leading to financial losses. We have conducted an assessment of the potential impact of extreme weather events on our retail stores at the Group-level. To address the risks and opportunities posed by climate change, we have established a Contingency Plan Committee and implemented appropriate contingency plans to ensure the safety of our employees and customers. We are also aware of climate transition risks and have set carbon emissions and energy reduction targets, as well as initiatives to enhance the resilience of our supply chain.

The Group will continuously review and enhance its climate change-related policies, indicators, and targets, as well as improve its risk management plans to address climate-related risks and impacts. We are working to further incorporate climate resilience and adaptation considerations in our business by adopting relevant industry practices in our operations, products, and services. This approach ensures that we can effectively adapt to, mitigate, and withstand the impacts of climate change, fostering long-term sustainability and enabling continued growth.

## 5.1.2. Energy Efficiency

Most of our energy consumption is in the form of electricity used for lighting and air-conditioning in our stores and offices. To optimise energy efficiency, we regularly monitor energy consumption data and have implemented several energy-saving measures. During the reporting year, our energy intensity decreased by 35.3% compared to 2017/18.

|                         |  |
|-------------------------|--|
| <b>Lighting</b>         | <ul style="list-style-type: none"><li>• Prioritising energy efficiency alternatives when replacing lighting equipment or other electrical appliances.</li><li>• Equipping all stores with lighting management systems and LED lighting.</li><li>• Installing automatic light switches on outdoor signboards of retail stores to switch off external lighting during non-business hours.</li><li>• Participating in the Environmental Bureau's Charter on External Lighting since April 2016, with the aim to reduce light nuisance and energy wastage.</li></ul> |
| <b>Air-conditioning</b> | <ul style="list-style-type: none"><li>• Requiring employees to keep doors and windows closed when air-conditioners are switched on.</li><li>• Conducting regular maintenance including cleaning or replacing air filters.</li><li>• Turning off air-conditioning in unoccupied areas.</li><li>• Adopting air-conditioning zoning and maintain indoor air temperature between 24°C and 26°C.</li><li>• Installing timers for air purifiers to enhance energy management during the reporting year.</li></ul>  |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

We have conducted an energy audit in collaboration with HK Electric Smart Power across all our King Fook jewellery shops on Hong Kong Island. This initiative has enabled us to pinpoint areas with significant potential for energy savings and has provided valuable insights into enhancing our energy efficiency practices. Our commitment to energy efficiency was recognised with the awarding of the government's Energywi\$e Certificate at the Good Level in July 2023.



Won in the government's Energywi\$e Certificate — Good Level  
Jul 2023

## 5.2. Responsible Use of Resources

At the core of our operations lies a reliance on valuable natural resources, and advocating for sustainable development and the responsible utilisation of these resources is our utmost priority. We consistently evaluate the environmental impacts stemming from our daily operations and business activities, identifying areas of significant impact. Through the formulation of policies and the implementation of measures, we actively manage and mitigate our environmental footprint and usage of natural resources.

### 5.2.1. Waste Management

The Group recognises our responsibility to properly manage the waste generated in our daily operations. Due to the nature of our business operations, most of the waste generated is non-hazardous, coupled with a small amount of construction waste from retail store renovations. We 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 have implemented measures to minimise solid waste generation in our offices and stores. As part of this effort, we have phased out single-use plastic bags and introduced reusable alternatives. To maximise the lifespan of plastic bags and boxes used for product protection during transit and storage, we reuse them until they are damaged beyond repair before disposing of them.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Within our office premises, we have increased the number of recycling bins and established guidelines to facilitate the recycling of various types of waste, including paper, printer toners, old envelopes, and document bags. This enables proper handling and promotes the reuse of these materials wherever possible. Additionally, we repair and reuse old laptops to extend their lifespan and reduce electronic waste. At the beginning of the reporting year, we started replacing disposable batteries with rechargeable ones, further aligning our practices with sustainability objectives. We also send expired fire extinguishers to verified recyclers for proper handling and environmentally-sound disposal. Our dedication to waste management and resource conservation was recognised in July 2023 when we received the government's Wastewi\$e Certificate at the Good Level.



Increase office recycling bins & set up guideline  
Jun 2023



Replace disposable batteries with rechargeable batteries  
Apr 2023

## 5.2.2. Resource Conservation

As responsible stewards of the environment and natural resources, we have adopted various green practices to conserve resources throughout our business. Although we operate in areas with ample water supply, we continue to prioritise water conservation. We have installed electronic induction water switches in all office buildings to reduce wastage, placed water-saving signs, and conduct regular checks on water pipes and taps to prevent leaks.

We are committed to reducing paper use within our organisation. We encourage employees to print on both sides of the paper and reuse it when possible. We also promote electronic methods for receiving faxes and promotional materials, minimising our dependence on paper. Additionally, we have introduced systems like computer work records, electronic payslips, and an electronic leave application system to cut down on paper consumption further. Plans are underway to transition all paper records to these electronic alternatives, underscoring our efforts to reduce paper usage and advance our sustainability objectives.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For our retail jewellery products, we choose environmentally friendly packaging materials, such as recycled paper, and encourage the use of brocade bags over traditional boxes to lessen our environmental footprint. We also regularly assess our use of packaging materials to ensure it is not excessive. To further manage our environmental impact, we purchase paper products, including A4 and toilet paper, that are either made from recycled content or certified by the Forest Stewardship Council (“FSC”).

We also promote environmental awareness among employees through education campaigns, training programs, and participation in green activities. Internal guidelines, posters, and signs throughout stores and office premises remind employees of responsible consumption behaviours and ways to conserve natural resources and protect the environment. In particular, we participated in the Lai See Reuse and Recycle Program organised by Greeners Action during the Lunar New Year and the mooncake box recycling initiative for the Mid-Autumn Festival, reminding employees to protect the environment while enjoying the festive tradition.



Lai See Reuse and Recycle  
Feb 2024

Mooncake Boxes Recycling  
Aug 2023

## 6. OUR COMMUNITY

### 6.1. Caring for the Community

With a strong dedication to making a positive social impact and fostering sustainable development, we remain steadfast in our commitment to community investment. Through volunteering efforts, in-kind donations, and strategic collaborations with external organisations, we actively engage in various community initiatives. By focusing on diverse themes, we strive to create a tangible and meaningful difference in the lives of those we have the privilege to serve.

We have launched the Community Investment Participation programme to encourage our employees to actively participate in volunteering. The programme awards employees with an additional day off for volunteering 30 hours or more, or donating blood twice a year. During the reporting year, our employees collectively donated blood 7 times and we have donated a total of \$329,000 for various charity initiatives. We will continue to support and promote these programmes, enabling our employees to empower and uplift the communities we serve.

Listed below are some community initiatives we participated in during the reporting period:

- Participated in the Community Chest of Hong Kong Dress Casual Day charity event for the second consecutive year



Participated in the Community Chest of Hong Kong Dress Casual Day charity event for the second consecutive year  
Oct 2023

- Participated in Food Angel's volunteering activities and donated to their fund raiser



Participated in Food Angel volunteer activities  
Aug 2023



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- Participated in the Hong Kong Green Low Carbon Day of The Community Chest for the fifth consecutive year



Participated in The Community Chest of Hong Kong Green Low Carbon Day charity event for the fifth consecutive year  
Jun 2023

- Second-hand office equipment donations (including furniture and electrical appliances) to Chu Kong Second Hand Furniture Company Limited



- Computer donation to Caritas Hong Kong



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- Donated to the Ocean Park Conservation Foundation Hong Kong to conserve Asian wildlife effectively



- Joined and supported Earth Hour in March 2024 by signing and sharing our pledge



Join & support Earth Hour, sign and share our pledge  
Mar 2024



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 7. APPENDIX

### 7.1. Performance Data Summary

| Operational data  | Unit  | 2023/24                   | 2022/23       |
|---|---|---------------------------|---------------|
| Gross floor area <sup>3</sup>   | square feet   | 26,753                    | 24,420        |
| Environmental data <sup>4,5</sup>   | Unit  | 2023/24                   | 2022/23       |
| <b>Air emissions<sup>6,7</sup></b>  |   |                           |               |
| Nitrogen oxides (NO <sub>x</sub> )  | gram  | 1,373.06                  | 690.45        |
| Sulfur oxides (SO <sub>x</sub> )  | gram  | 32.75                     | 19.64         |
| Particulate matter (PM)   | gram  | 101.10                    | 50.84         |
| <b>GHG emissions</b>  |   |                           |               |
| <b>Scope 1 &amp; 2 GHG emissions</b>                                      | <b>tonnes CO<sub>2</sub>e</b>                       | <b>204.52</b>             | <b>220.68</b> |
| <b>Scope 1 emissions</b>  | <b>tonnes CO<sub>2</sub>e</b>                       | <b>5.95</b>               | <b>3.57</b>   |
| Fuel <sup>8</sup>   | tonnes CO <sub>2</sub> e                            | 5.95                      | 3.56          |
| Fire extinguishers <sup>9</sup>   | tonnes CO <sub>2</sub> e                            | 0.0022                    | 0.0026        |
| <b>Scope 2 emissions<sup>10</sup></b>                                     | <b>tonnes CO<sub>2</sub>e</b>                       | <b>198.57</b>             | <b>217.11</b> |
| <b>Scope 3 emissions associated with business air travel<sup>11</sup></b> | <b>tonnes CO<sub>2</sub>e</b>                       | <b>22.71<sup>12</sup></b> | <b>8.21</b>   |
| <b>GHG intensity (Scope 1+2)</b>  | tonnes CO <sub>2</sub> e/GFA in square feet         | 0.0076                    | 0.0090        |
|   | tonnes CO <sub>2</sub> e/full-time employee (“FTE”) | 1.62                      | 1.75          |

<sup>3</sup> The gross floor area includes our jewellery stores operated by the Group and offices located in Hong Kong only.

<sup>4</sup> 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.

<sup>5</sup> The scope of environmental data only includes our operation of jewellery stores and offices in Hong Kong.

<sup>6</sup> Nitrogen oxides (NO<sub>x</sub>), Sulphur oxides (SO<sub>x</sub>) 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.

<sup>7</sup> The air emissions increase in 2023/24 due to a rise in the use of the company’s vehicle fleet, which was driven by increased business needs.

<sup>8</sup> 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. Global warming potential values used for the calculation are from IPCC Sixth Assessment Report (AR6). (CH<sub>4</sub>: 27.9; N<sub>2</sub>O: 273)

<sup>9</sup> Refers to fugitive emissions from fire expression system – CO<sub>2</sub> 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”.

<sup>10</sup> Refers to indirect GHG emissions from electricity purchased consumed by the Group, which are calculated based on the latest available emissions factors provided by the power companies. (Hong Kong Electric: 0.66 kg CO<sub>2</sub>e/kWh, CLP: 0.39 kg CO<sub>2</sub>e/kWh)

<sup>11</sup> Refers to other indirect GHG emissions associated with business air travel. The emissions data was calculated by International Civil Aviation Organization Carbon Emissions Calculator.

<sup>12</sup> The scope 3 emissions increase in 2023/24 due to more business air travel to cater to business needs.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Environmental data <sup>4,5</sup>                   | Unit                              | 2023/24            | 2022/23           |
|---|-----------------------------------|--------------------|-------------------|
| <b>Energy use</b>                                   |                                   |                    |                   |
| <b>Total energy consumption</b>                     | <b>kWh</b>                        | <b>336,190.04</b>  | <b>345,732.73</b> |
| Direct energy consumption – fuel <sup>13</sup>      | kWh                               | 21,593.04          | 12,945.73         |
| Indirect energy consumption – purchased electricity | kWh                               | 314,597.00         | 332,787.00        |
| <b>Energy intensity</b>                             | <b>kWh/GFA<br/>in square feet</b> | <b>12.57</b>       | <b>14.16</b>      |
|   | <b>kWh/FTE</b>                    | <b>2,668.17</b>    | <b>2,743.91</b>   |
| <b>Waste generation</b>                             |                                   |                    |                   |
| Paper waste disposed <sup>14</sup>                  | tonnes                            | -3.57              | -8.89             |
| Paper consumption                                   | tonnes                            | 1.70               | 1.70              |
| Paper waste recycled                                | tonnes                            | 5.27 <sup>15</sup> | 10.59             |
| Construction waste disposed                         | tonnes                            | 15                 | 0                 |
| Paper disposal intensity                            | kg/FTE                            | -28.29             | -73.48            |
| Paper consumption intensity                         | kg/FTE                            | 13.49              | 10.54             |
| Paper waste recycling intensity                     | kg/FTE                            | 41.79              | 84.02             |
| Construction waste intensity                        | kg/FTE                            | 119.84             | 0.00              |
| <b>Packaging materials</b>                          |                                   |                    |                   |
| Total consumption                                   | tonnes                            | 4.05               | 5.70              |
| Intensity   | gram/piece                        | 398.68             | 579.68            |

<sup>13</sup> The conversion factors were adopted from “Energy Statistics Manual” issued by the Internal Energy Agency.

<sup>14</sup> Paper waste disposed = paper consumption – paper waste recycled.

<sup>15</sup> The amount of paper waste recycled was larger than the paper consumption due to the disposal of the expired confidential documents during the reporting year.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Social data                                     | Unit                 | 2023/24       | 2022/23       |
|---|----------------------|---------------|---------------|
| <b>Total workforce<sup>16</sup></b>             | <b>no. of people</b> | <b>129</b>    | <b>126</b>    |
| By gender                                       |                      |               |               |
| Male  | no. of people        | 54            | 54            |
| Female  | no. of people        | 75            | 72            |
| By age group                                    |                      |               |               |
| 40 or below                                     | no. of people        | 32            | 34            |
| 41-59   | no. of people        | 66            | 64            |
| 60 or above                                     | no. of people        | 31            | 28            |
| By employee category                            |                      |               |               |
| General employees                               | no. of people        | 107           | 105           |
| Manager level                                   | no. of people        | 22            | 21            |
| By employment type                              |                      |               |               |
| Full-time                                       | no. of people        | 126           | 126           |
| Part-time                                       | no. of people        | 3             | 0             |
| By geographical region                          |                      |               |               |
| Hong Kong                                       | no. of people        | 127           | 124           |
| Mainland China                                  | no. of people        | 2             | 2             |
| <b>Turnover rate<sup>17</sup></b>               | <b>%</b>             | <b>21.71%</b> | <b>16.67%</b> |
| By gender                                       |                      |               |               |
| Male  | %                    | 11.11%        | 11.11%        |
| Female  | %                    | 29.33%        | 20.83%        |
| By age group                                    |                      |               |               |
| 40 or below                                     | %                    | 40.63%        | 35.29%        |
| 41-59   | %                    | 18.18%        | 7.81%         |
| 60 or above                                     | %                    | 9.68%         | 14.29%        |
| By geographical region                          |                      |               |               |
| Hong Kong                                       | %                    | 22.05%        | 16.94%        |
| Mainland China                                  | %                    | 0.00%         | 0.00%         |
| <b>Health and safety</b>                        |                      |               |               |
| Number of work-related fatalities <sup>18</sup> | no. of people        | 0             | 0             |
| Percentage of work-related fatalities           | %                    | 0             | 0             |
| Number of lost days due to work injury          | days                 | 0             | 13            |

<sup>16</sup> For total workforce, the data is reported based on the number of employees at the end of the reporting year.

<sup>17</sup> Turnover rate (per category) = Number of employees in the specified category leaving employment during the reporting year/number of employees in the specified category at the end of the reporting year x 100%.

<sup>18</sup> There was no work-related fatality in the past three years including the reporting year.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Social data  | Unit          | 2023/24       | 2022/23       |
|--|---------------|---------------|---------------|
| <b>Development and training</b>  |               |               |               |
| <b>Percentage of trained employees<sup>19</sup></b>  | %             | <b>96.90%</b> | <b>88.10%</b> |
| By gender  |               |               |               |
| Male   | %             | 92.59%        | 81.48%        |
| Female   | %             | 100.00%       | 93.06%        |
| By employee category   |               |               |               |
| General employees  | %             | 99.07%        | 88.57%        |
| Manager level  | %             | 86.36%        | 85.71%        |
| <b>Average training hours completed per employee<sup>20</sup></b>                                      | <b>hours</b>  | <b>23.59</b>  | <b>15.74</b>  |
| By gender  |               |               |               |
| Male   | hours         | 20.41         | 20.13         |
| Female   | hours         | 25.88         | 12.45         |
| By employee category   |               |               |               |
| General employees  | hours         | 26.19         | 15.72         |
| Manager level or above   | hours         | 10.93         | 15.82         |
| <b>Number of suppliers</b>   |               |               |               |
| By geographical regions  |               |               |               |
| Greater China region   | number        | 80            | 92            |
| Overseas region  | number        | 12            | 8             |
| <b>Total</b>   | <b>number</b> | <b>92</b>     | <b>100</b>    |
| <b>Product responsibility</b>  |               |               |               |
| Number of products and service-related complaints received   | case          | 0             | 0             |
| <b>Anti-corruption</b>   |               |               |               |
| Number of concluded legal cases regarding corrupt practices brought against the Group or its employees | case          | 0             | 0             |
| Number of people receiving anti-corruption training  |               |               |               |
| Directors  | no. of people | 9             | 9             |
| Employees  | no. of people | 4             | 3             |
| Total number of hours of anti-corruption training received   |               |               |               |
| Directors  | hours         | 9             | 9             |
| Employees  | hours         | 4             | 3             |

<sup>19</sup> Percentage of trained employees (per category) = Number of employees in the specified category who took part in training during the reporting year/number of employees in the specified category at the end of the reporting year x 100%.

<sup>20</sup> Average training hours completed per employee (per category) = Total number of training hours for employees in the specified category during the reporting year/number of employees in the specified category at the end of the reporting year x 100%.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 7.2. HKEX ESG Guide Content Index

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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Subject Areas, Aspects, General Disclosures and KPIs |   | Sections/Remarks  |
|--|---|---|
| <b>A. Environmental</b>                              |   |   |
| <b>Aspect A1: Emissions</b>                          |   |   |
| General Disclosure                                   | Information on:<br>a) the policies; and<br>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   |
| KPI A1.1   | The types of emissions and respective emissions data.   | Performance Data Summary  |
| KPI A1.2   | Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).   | Managing Our Carbon Footprint<br>Performance Data Summary   |
| KPI 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.   |
| KPI 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  |
| KPI A1.5   | Description of emission target(s) set and steps taken to achieve them.  | Managing Our Carbon Footprint   |
| KPI A1.6   | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.  | Responsible Use of Resources<br>Due to the business nature of the Group, this KPI is considered not material, and hence no waste reduction target is set. |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Subject Areas, Aspects, General Disclosures and KPIs    |  | Sections/Remarks  |
|---|--|---|
| <b>Aspect A2: Use of resources</b>                      |  |   |
| General Disclosure                                      | Policies on the efficient use of resources, including energy, water and other raw materials.   | Our Environment   |
| KPI A2.1  | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). | Performance Data Summary  |
| KPI 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. |
| KPI A2.3  | Description of energy use efficiency target(s) set and steps taken to achieve them.  | Managing Our Carbon Footprint   |
| KPI A2.4  | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.                       | Responsible Use of Resources<br>Due to the business nature of the Group, this KPI is considered not material, and hence no water efficiency target is set.  |
| KPI A2.5  | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.   | Performance Data Summary  |
| <b>Aspect A3: The Environment and Natural Resources</b> |  |   |
| General Disclosure                                      | Policies on minimising the issuer's significant impacts on the environment and natural resources.  | Our Environment   |
| KPI A3.1  | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.  | Our Environment   |
| <b>Aspect A4: Climate Change</b>                        |  |   |
| General Disclosure                                      | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.                               | Managing Our Carbon Footprint   |
| KPI A4.1  | Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.                   | Managing Our Carbon Footprint   |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Subject Areas, Aspects, General Disclosures and KPIs |   | Sections/Remarks   |
|--|---|--|
| <b>B. Social</b>                                     |   |  |
| <b>Employment and Labour Practices</b>               |   |  |
| <b>Aspect B1: Employment</b>                         |   |  |
| General Disclosure                                   | Information on:<br>(a) the policies; and<br>(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. | Our People   |
| KPI B1.1   | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.  | Talent Attraction and Retention Performance Data Summary |
| KPI B1.2   | Employee turnover rate by gender, age group and geographical region.  | Performance Data Summary                                 |
| <b>Aspect B2: Health and Safety</b>                  |   |  |
| General Disclosure                                   | Information on:<br>(a) the policies; and<br>(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.   | Enhancing Employee Wellbeing                             |
| KPI B2.1   | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.   | Performance Data Summary                                 |
| KPI B2.2   | Lost days due to work injury.   | Enhancing Employee Wellbeing Performance Data Summary    |
| KPI B2.3   | Description of occupational health and safety measures adopted, how they are implemented and monitored.   | Enhancing Employee Wellbeing                             |
| <b>Aspect B3: Development and Training</b>           |   |  |
| General Disclosure                                   | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.   | Training and Development                                 |
| KPI B3.1   | The percentage of employees trained by gender and employee category (e.g. senior management, middle management).  | Performance Data Summary                                 |
| KPI B3.2   | The average training hours completed per employee by gender and employee category.  | Performance Data Summary                                 |



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Subject Areas, Aspects, General Disclosures and KPIs |  | Sections/Remarks  |
|--|--|---|
| <b>Aspect B4: Labour Standards</b>                   |  |   |
| General Disclosure                                   | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. | Our People  |
| KPI B4.1   | Description of measures to review employment practices to avoid child and forced labour.   | Fair and Responsible Employment Practices   |
| KPI B4.2   | Description of steps taken to eliminate such practices when discovered.  | As the Group mainly operates in Hong Kong, a jurisdiction with strong labour regulations and enforcement mechanisms that protect against forced labour practices, forced labour is considered not material. |
| <b>Operating Practices</b>                           |  |   |
| <b>Aspect B5: Supply Chain Management</b>            |  |   |
| General Disclosure                                   | Policies on managing environmental and social risks of the supply chain.   | Responsible Sourcing  |
| KPI B5.1   | Number of suppliers by geographical region.  | Performance Data Summary  |
| KPI B5.2   | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.                        | Responsible Sourcing  |
| KPI B5.3   | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.   | Responsible Sourcing  |
| KPI B5.4   | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.                            | Responsible Sourcing  |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Subject Areas, Aspects, General Disclosures and KPIs |   | Sections/Remarks  |
|--|---|---|
| <b>Aspect B6: Product Responsibility</b>             |   |   |
| General Disclosure                                   | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations on health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | Our Value Chain   |
| KPI B6.1   | Percentage of total products sold or shipped subject to recalls for safety and health reasons.  | Quality assurance                                       |
| KPI B6.2   | Number of products and service-related complaints received and how they are dealt with.   | Customer Complaint Handling<br>Performance Data Summary |
| KPI B6.3   | Description of practices relating to observing and protecting intellectual property rights.   | Protection of Intellectual Property Rights              |
| KPI B6.4   | Description of quality assurance process and recall procedures.   | Quality Assurance                                       |
| KPI B6.5   | Description of consumer data protection and privacy policies, how they are implemented and monitored.   | Customer Privacy Protection                             |
| <b>Aspect B7: Anti-corruption</b>                    |   |   |
| General Disclosure                                   | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.                            | Business Integrity                                      |
| KPI B7.1   | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.  | Business Integrity<br>Performance Data Summary          |
| KPI B7.2   | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.  | Business Integrity                                      |
| KPI B7.3   | Description of anti-corruption training provided to directors and staff.  | Business Integrity<br>Performance Data Summary          |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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