



# Environmental, Social and Governance Report

**2019 - 2020**

# MESSAGE FROM MANAGEMENT

Since 1947, Lee Kee Group (“Lee Kee” or “the Group”, which includes Lee Kee Holdings Limited and its subsidiaries) has been a leading metals solutions provider delivering quality, professional and reliable value-added products and services to our customers. We continue to set aspirational goals to meet best practice benchmarks and stakeholder expectations for a responsible business. By aligning our business practices with our sustainability and social responsibility principles, we are committed to sustainability, framing our decisions in terms of environmental, social and human impact for the long-term.

Our people are front and centre of our business and are critical to our success. Apart from our competitive remuneration and benefit packages, we maintain an inclusive, positive, caring and healthy work environment. To safeguard our employees’ health and safety, our Safety Committee oversees our Occupational Health and Safety Policy which includes a two-way staff communication channels to gain insights and feedback to help minimise any potential workplace hazards. As a result of these safety measures, we had zero work-related fatalities during the reporting period.

Managing risks, furthering compliance, engaging our employees, customers, suppliers and industry partners are essential to raise sustainability performance. We continue to identify enhancement areas to mitigate any negative environmental impacts that may arise from our operations. Our “responsible supply chain” requirements allow our customers to have every confidence that our materials are environmentally and ethically sourced. Our staff participated actively in voluntary community activities to promote social integration.

Improving our environmental, social and governance (ESG) performance drives our direction of sustainability development and business strategy. In 2020, we see ample opportunities to further enhance how we do business and engage with our stakeholders to address our common, global challenges. We will continue to improve our sustainability performance and collaborate with our stakeholders to meet evolving expectations of metals and manufacturing industries.

MESSAGE FROM MANAGEMENT
ABOUT THE REPORT
AWARDS, CERTIFICATES, AND MEMBERSHIP
SUSTAINABILITY GOVERNANCE
OUR PEOPLE
OUR ENVIRONMENT
OUR COMMUNITY
OUR VALUE CHAIN
HKEX KPI DATA TABLE
HKEX ESG GUIDE CONTENT INDEX



**CHAN Yuen Shan Clara**  
Vice-Chairman and Chief Executive Officer  
29 June 2020

# ABOUT THE REPORT

## Reporting Scope and Standard

Our ESG Report aims to demonstrate the ways in which we have incorporated sustainable practices and initiatives into our operations. This ESG report has been prepared in accordance with the requirements of the ESG Reporting Guide, Appendix 27 (“ESG Reporting Guide”) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by Hong Kong Exchanges and Clearing Limited (“HKEx”). The scope of this ESG report includes our offices, warehouses, production and laboratory operations in Hong Kong. It provides an overview of Lee Kee Group’s ESG policies and management approach and presents its sustainability initiatives and performance for the period from 1 April 2019 to 31 March 2020 (the “reporting year”).

Information related to our corporate governance and financial performance can be found in our 2019/20 Annual Report.

## Stakeholder Engagement

Listening to our stakeholders is a valuable practice that drives our growth and enables us to make informed decisions effectively. In April 2019, a third-party consultant was commissioned to aid Lee Kee with the process of assessing our stakeholders’ stances on different ESG issues through online surveys. Our stakeholders had the opportunity to rank the materiality level of ESG issues and provide suggestions regarding sustainability for the Group. We welcome your feedback. Please feel free to contact us with any suggestions at: [ir@leekeegroup.com](mailto:ir@leekeegroup.com)

MESSAGE FROM  
MANAGEMENT

ABOUT THE REPORT

AWARDS, CERTIFICATES,  
AND MEMBERSHIP

SUSTAINABILITY  
GOVERNANCE

OUR PEOPLE

OUR ENVIRONMENT

OUR COMMUNITY

OUR VALUE CHAIN

HKEX KPI  
DATA TABLE

HKEX ESG  
GUIDE CONTENT INDEX



Materiality Assessment

Materiality is one of the Reporting Principles listed in the ESG Reporting Guide. A comprehensive Materiality Assessment was conducted to identify material sustainability issues for Lee Kee in April 2019. The outcome was considered valid for 2019/2020. This process is outlined below:

- Peer benchmarking:** In order to identify relevant HKEx Aspects to disclose, peers’ disclosure practices were reviewed to identify industry standards and commonalities.

**Stakeholder engagement:** Our stakeholders were invited to rank the sustainability issues considered relevant to Lee Kee to reflect stakeholder interests and importance to Lee Kee through surveys.

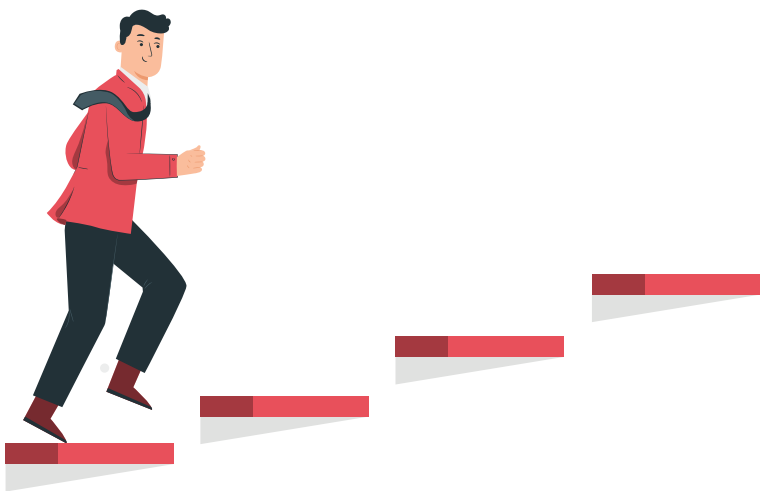
STEP 1  
Identification

STEP 2  
Prioritisation

The material aspects which were identified through peer benchmarking and stakeholder engagement were consolidated, creating a list of relevant material ESG issues to be brought forward for validation.

- Our independent consultant helped to prioritise the findings from the first two steps and our Senior Management then confirmed a list of material ESG issues and the relevant HKEx Aspects and KPIs for disclosure in this report.

STEP 3  
Validation



MESSAGE FROM MANAGEMENT
ABOUT THE REPORT
AWARDS, CERTIFICATES, AND MEMBERSHIP
SUSTAINABILITY GOVERNANCE
OUR PEOPLE
OUR ENVIRONMENT
OUR COMMUNITY
OUR VALUE CHAIN
HKEX KPI DATA TABLE
HKEX ESG GUIDE CONTENT INDEX

## AWARDS, CERTIFICATES, AND MEMBERSHIP

Lee Kee Group's performance has been recognised through the following awards and certificates.

ISSUING ORGANISATION	AWARD / CERTIFICATE
Federation of Hong Kong Industries	BOCHK Corporate Environmental Leadership Awards 2019 - EcoChallenger, 5 Years+ EcoPioneer
The Hong Kong Council of Social Service	Caring Company 10 Years+
Promoting Happiness Index Foundation	Happiness at Work logo - 5 Years+ Happy Company
Environmental Campaign Committee	Hong Kong Green Organisation Certificate
Environmental Campaign Committee	Hong Kong Green Organisation Certification – 'Good Level' of Productwise Certificate - Mastercast Zinc Alloy
Environmental Campaign Committee	Hong Kong Awards for Environmental Excellence 2019 – Manufacturing and Industrial Services – Certificate of Merit
Federation of Hong Kong Industries	Industry Cares – Caring Certificate (Enterprise Group)
SGS United Kingdom Ltd.	ISO 9001:2015 Quality Management Systems Certification
SGS United Kingdom Ltd.	ISO 14001:2015 Environmental Management Systems Certification
SGS Hong Kong Ltd.	ISO 45001:2018 Occupational Health and Safety Management Systems Certification
SGS United Kingdom Ltd.	IATF 16949 :2016 Automotive Quality Management System Certification
Hong Kong Accreditation Service	HOKLAS Accredited Laboratory under ISO/IEC 17025:2017
Hong Kong Q-Mark Council Federation of Hong Kong Industries	Hong Kong Q-Mark Licence – Tin Copper Solder Wire
The Hong Kong General Chamber of Small & Medium Business	Partner Employer Award 2019/20 – Partner Employer Award 5+
Young Entrepreneurs Development Council	Great Entrepreneurial Spirit 2018-2019

MESSAGE FROM  
MANAGEMENT

ABOUT THE REPORT

AWARDS, CERTIFICATES,  
AND MEMBERSHIP

SUSTAINABILITY  
GOVERNANCE

OUR PEOPLE

OUR ENVIRONMENT

OUR COMMUNITY

OUR VALUE CHAIN

HKEX KPI  
DATA TABLE

HKEX ESG  
GUIDE CONTENT INDEX



## AWARDS, CERTIFICATES, AND MEMBERSHIP

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

ORGANISATION
Business Environment Council
The Chinese General Chamber of Commerce
The Chamber of Hong Kong Listed Companies
The Chinese Manufacturers' Association of Hong Kong
The Federation of Hong Kong Industries (Groups 2, 4, 7, 20, 26, 27)
Hong Kong Association for Testing, Inspection and Certification
Hong Kong Aviation Industry Association
Hong Kong Auto Parts Industry Association
Hong Kong Chinese Importers' & Exporters' Association
Hong Kong Electrical Appliance Industries Association
Hong Kong Electro-Plating Merchants Association
Hong Kong Foundry Association
Hong Kong General Building Contractors Association
Hong Kong Institution of Certified Auditors
Hong Kong Medical and Healthcare Device Industries Association
Hong Kong Metal Merchants Association
Hong Kong Plumbing & Sanitary Ware Trade Association
Hong Kong Surface Finishing Society
Hong Kong Watch Manufacturers Association
The Hong Kong General Chamber of Commerce
The Hong Kong Metals Manufacturers Association
The N.T. North District Manufacturers' Association of Hong Kong
The Toys Manufacturers' Association of Hong Kong
Hong Kong O2O E-commerce Federation

MESSAGE FROM  
MANAGEMENT

ABOUT THE REPORT

AWARDS, CERTIFICATES,  
AND MEMBERSHIP

SUSTAINABILITY  
GOVERNANCE

OUR PEOPLE

OUR ENVIRONMENT

OUR COMMUNITY

OUR VALUE CHAIN

HKEX KPI  
DATA TABLE

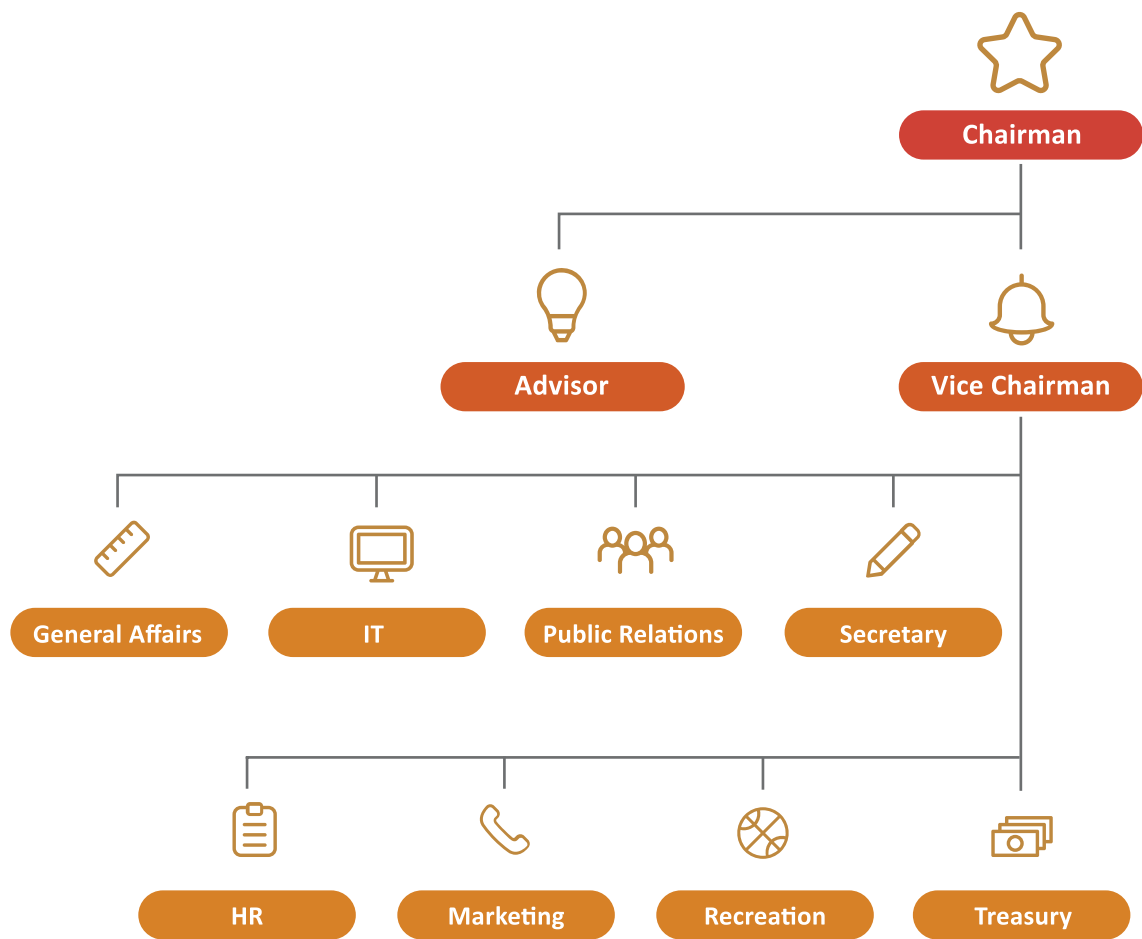
HKEX ESG  
GUIDE CONTENT INDEX

# SUSTAINABILITY GOVERNANCE

An effective governance structure enables us to address sustainability issues and manage ESG-related risks in a systematic manner. Lee Kee’s senior management provides strategic oversight of the sustainability direction of the Group. To effectively manage our ESG-related risks, internal reviews such as the Environmental Aspects Assessment and the Safety Risk Assessment are conducted regularly to ensure appropriate internal control systems are in place. With our commitment to supporting sustainable business development, we will continue to contribute to the environment and the community. Further information about our risk management and internal controls can be found in the Corporate Governance Report in the Company’s Annual Report 2019/2020.

## Our CSR Committee

To address sustainability issues effectively at the operational level, the Lee Kee CSR Committee works to develop the CSR strategy of the Group which outlines our CSR goals and commitments in line with business objectives. Chaired by the Group’s Executive Director and Chief Operating Officer, the CSR Committee is comprised of representatives from our key functional units, who are responsible for the management of CSR programmes to ensure that any concerns from the community are well addressed.



MESSAGE FROM  
MANAGEMENT

ABOUT THE REPORT

AWARDS, CERTIFICATES,  
AND MEMBERSHIP

SUSTAINABILITY  
GOVERNANCE

OUR PEOPLE

OUR ENVIRONMENT

OUR COMMUNITY

OUR VALUE CHAIN

HKEX KPI  
DATA TABLE

HKEX ESG  
GUIDE CONTENT INDEX

# OUR PEOPLE

We take a people-oriented approach when it comes to human capital development. To make Lee Kee an ideal workplace for employees, we advocate a company culture where our core values of integrity and fairness uphold the Group’s high standards of business ethics. We are dedicated to offering a supportive, safe and harmonious working environment for our staff to fulfil their professional and personal aspirations.

## Working Conditions

We cherish our employees and strive to create a fair, healthy and safe work environment. The “Non-discrimination and Equal Employment Opportunity” section in our Code of Conduct supports the integrity and effectiveness of our company. An unbiased screening process ensures that recruitment decisions are not influenced by the nationality, race, religion, gender, age or family status of potential employees while maintaining respect for the rights and confidentiality of applicants. Lee Kee provides employees with attractive remuneration packages based on individual responsibility and performance. We ensure the development and implementation of our employment benefits and compensation serve the purposes of attracting, retaining and motivating employees and adhere to three guiding principles: Fairness and Consistency, Pay for Performance, and Market Competitiveness. Our employee handbook was developed in accordance with applicable laws and regulations<sup>1</sup> in relation to labour standards. It stipulates the Group’s policies and procedures, including those related to benefits, compensation and professional behaviour.

During the year, there were no non-compliance cases relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, child and forced labour and other benefits and welfare.



<sup>1</sup> The laws and regulations that are the most relevant to the Group include, but are not limited to, the Employment Ordinance (Cap. 57), Minimum Wage Ordinance (Cap. 608), Mandatory Provident Fund Schemes Ordinance (Cap. 485), Personal Data (Privacy) Ordinance (Cap. 486), Sex Discrimination Ordinance (Cap. 480), Disability Discrimination Ordinance (Cap. 487), Family Status Discrimination Ordinance (Cap. 527), Race Discrimination Ordinance (Cap. 602), and Inland Revenue Ordinance (Cap. 112).

MESSAGE FROM  
MANAGEMENT

ABOUT THE REPORT

AWARDS, CERTIFICATES,  
AND MEMBERSHIP

SUSTAINABILITY  
GOVERNANCE

OUR PEOPLE

OUR ENVIRONMENT

OUR COMMUNITY

OUR VALUE CHAIN

HKEX KPI  
DATA TABLE

HKEX ESG  
GUIDE CONTENT INDEX



Training and Development

As part of our General Training and Development Policy, Lee Kee encourages employee training and development opportunities in order to further improve job performance and enhance career development.

Six key guidelines, which are clearly stated in the Employee Handbook, steer Lee Kee’s approach to training and development.

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

To suit the different needs of our employees across business units, we identify and arrange tailor-made training sessions on a range of topics. These training opportunities are both internal and external, while encouraging learning and sharing among Lee Kee employees. Education subsidies for external training courses are available for employees who wish to pursue further studies or education programmes relevant to their job duties. Additionally, our staff are encouraged to express their thoughts and provide feedback to help improve our training programme by completing our Staff Training Feedback Questionnaire at the end of an internal training course.

MESSAGE FROM  
MANAGEMENT

ABOUT THE REPORT

AWARDS, CERTIFICATES,  
AND MEMBERSHIP

SUSTAINABILITY  
GOVERNANCE

OUR PEOPLE

OUR ENVIRONMENT

OUR COMMUNITY

OUR VALUE CHAIN

HKEX KPI  
DATA TABLE

HKEX ESG  
GUIDE CONTENT INDEX

TOTAL TRAINING HOURS  
RECEIVED BY EMPLOYEES



511 HOURS



Occupational Health and Safety

Ensuring the health and safety of our employees is our first and foremost task. We deploy proactive and preventive measures in order to minimise occupational risks. An Occupational Health and Safety Policy was formulated in accordance with the relevant laws and regulations<sup>2</sup> and a Safety Committee was established to ensure a safe workplace for employees. We have implemented the ISO 45001:2018 Safety Management System to mitigate and control occupational health and safety hazards in our operations. Our Safety Committee holds meetings on a monthly basis to discuss different safety-related topics while a review of major laws and regulations relevant to occupational health and safety is conducted by safety committee members once every six months.

On an operational level, we ensure workplace safety through a variety of initiatives. Inflammable substances are stored in closed containers which are kept in a storeroom approved for purpose by the Director of Fire Services. The Lee Kee Safety Team also carries out numerous inspections on a regular basis to identify and prevent any potential hazards in the workplace, while existing hazard mitigation tools, such as emergency light and exit signs, fire extinguishers, machine guards, and emergency stop switches, are checked on a regular basis to ensure effectiveness. We also provide personal protective equipment, such as safety helmets, safety shoes, gloves, reflective vests, and ear protectors, and require all workers to wear such equipment in designated areas. Moreover, Lee Kee conducts noise assessments for heavy machinery from first action level to a peak action level or above to protect employees from exposure to excessive noise levels. We fully comply with the Environmental Protection Department's chemical waste control scheme, following strict procedures to ensure the proper and safe handling of chemical waste.

As a result of our comprehensive occupational health and safety management approach, there have been no work-related fatalities in this reporting period. During the year, there were no non-compliance cases relating to the provision of a safe working environment and the protection of employees from occupational hazards.



MESSAGE FROM  
MANAGEMENT

ABOUT THE REPORT

AWARDS, CERTIFICATES,  
AND MEMBERSHIP

SUSTAINABILITY  
GOVERNANCE

OUR PEOPLE

OUR ENVIRONMENT

OUR COMMUNITY

OUR VALUE CHAIN

HKEX KPI  
DATA TABLE

HKEX ESG  
GUIDE CONTENT INDEX

<sup>2</sup> The laws and regulations that are the most relevant to the Group include, but are not limited to, Occupational Safety and Health Ordinance (Cap. 509), Boilers and Pressure Vessels Ordinance (Cap. 56), Factories and Industrial Undertakings Ordinance (Cap. 59), and Dangerous Goods Ordinance (Cap. 295).

# OUR PEOPLE

## Caring Workplace

We prioritise a caring, positive and harmonious workplace through a number of caring initiatives. We offer a five-day work week for office-based employees, while flexible work hour arrangements are available to our operative employees. In order to understand our employees' needs and to respond accordingly, we established open communication channels between employees and management. For instance, we welcome our employees direct communications with our CEO through the CEO mailbox on our intranet. To accommodate the diverse interests of our staff and enhance communications between departments, we regularly arrange staff recreational and team bonding activities such as company barbeque, festival celebrations activities, happy Friday, yoga classes, and parties for employees.

### Highlights of Staff Activities in 2019/2020



#### Promoting a Healthy Workplace

We believe that promoting physical activities can provide many mental and physical benefits to employees. Before the COVID-19 outbreak, we hired a yoga instructor to teach yoga classes on a weekly basis. This helps employees alleviate common pains arising from desk jobs, reduce fatigue, improve productivity and promote team spirit.



Christmas Party



Happy Friday



Lee Kee Day 2019

## Future Plans

Looking ahead, we will continue to promote staff well-being, provide our staff with ways to broaden their career paths and support our employees to reach their full potential. We aim to accommodate the needs of our staff by exploring more open communication channels between staff and management. We will maintain our occupational health and safety standards and identify future enhancement areas. Through our efforts, we work to build a strong and competent team where our employees feel supported and motivated at work.

MESSAGE FROM  
MANAGEMENT

ABOUT THE REPORT

AWARDS, CERTIFICATES,  
AND MEMBERSHIP

SUSTAINABILITY  
GOVERNANCE

OUR PEOPLE

OUR ENVIRONMENT

OUR COMMUNITY

OUR VALUE CHAIN

HKEX KPI  
DATA TABLE

HKEX ESG  
GUIDE CONTENT INDEX

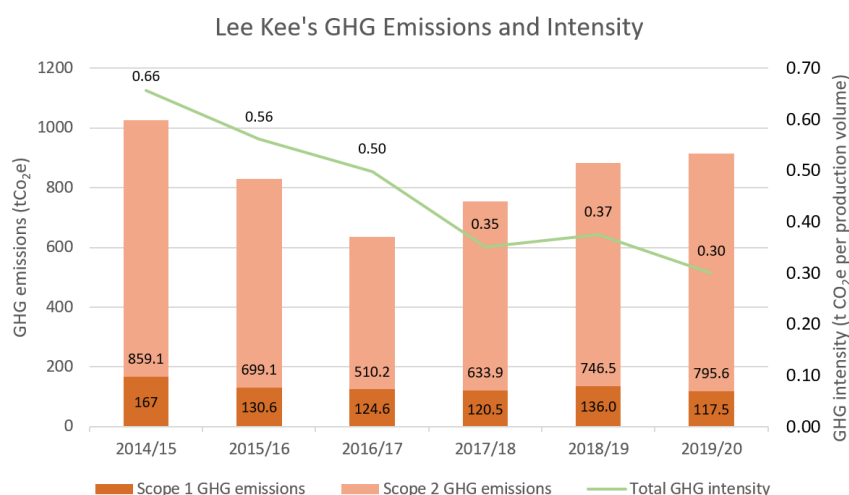
# OUR ENVIRONMENT

We are mindful of the potential environmental impacts that may arise from our operations. Therefore, we work to develop and implement effective measures to address greenhouse gas emissions, conserve energy, prevent pollution, and reduce and recycle waste throughout our daily operations. As stated in our Environmental Policy, we are committed to minimising any negative impacts arising from our operations and raising environmental awareness among our staff and stakeholders. In addition to the Environmental Policy, we incorporate environmental protection guidelines, requirements, and measures to reduce resource consumption in our daily operations. We have attained and implemented the ISO 14001:2015 Environmental Management System<sup>3</sup> to manage our environmental responsibilities in a systematic manner. Our environmental management team was established to evaluate the environmental issues arising from our operations and consider corresponding control measures. To ensure our environmental guidelines are up-to-date, relevant laws and regulations<sup>4</sup> are reviewed once every six months.

## Energy Consumption and Emissions

We seek every opportunity to improve our energy performance throughout our business operations, therefore we have established a set of energy management processes and systems within the Group to encourage the efficient use of energy. We conduct regular maintenance and cleaning of fan coil units and filters to ensure the efficient and optimal operation of the system. This year, in addition to regular checks and inspections of our facilities, we replaced a fixed frequency air conditioner unit with an inverter air conditioner, which has a longer more effective machine life and is more efficient in its energy use through the reduction of start and stop times and more accurate temperature controls. Furthermore, we continue to carry out our lighting system upgrades replacing old fluorescent lights with energy efficient LED light fixtures. These energy-saving measures are key to managing the carbon footprint of our daily business operations.

In parallel with our commitment to saving energy, we are also dedicated to reducing the amount of greenhouse gas emissions resulting from fuel consumption throughout our business operations. The Group is involved in the Environment Protection Department's Carbon Footprint Repository and Carbon Audit Green Partner programme which facilitate the implementation of initiatives to reduce emissions and the associated environmental impacts. To control air pollutants arising from our laboratory operations, we installed a new more effective water scrubber unit which is used to remove contaminated acid fumes before the exhaust is released into the environment.



Note: GHG intensity refers to the GHG emission rate relative to the intensity of Lee Kee's production. Production volume is adopted in our intensity calculations to reflect the most appropriate representation based on our business nature. The increase of GHG emissions from FY2018/19 to FY2019/20 is mainly due to the increase of production volume.

<sup>3</sup> The scope and number of Group companies certified with the ISO14001 standard are listed on Lee Kee's website.

<sup>4</sup> The laws and regulations that are the most relevant to the Group include, but are not limited to, Noise Control Ordinance (Cap. 400), Waste Disposal (Chemical Waste) (General) Regulation (Cap. 354C), and Air Pollution Control Ordinance (Cap. 311).

Waste and Resource Management

Lee Kee adopts various types of waste recycling practices and continues to enhance our resource use efficiency. Supplementing the recycling bins in our office, we also collect electronic waste such as used computers, fluorescent lamps and other electrical appliances for recycling. To prevent unnecessary resource consumption, we make sure our facilities are operating as efficiently as possible by conducting periodic checks and maintenance works on our air conditioning system, water pipework, and company vehicles. Furthermore, we are actively looking for opportunities to sell our metal scraps and zinc dross to potential metal recyclers to avoid direct disposal and maximise resource use. When disposing of our chemical wastes, we engage licensed chemical waste collectors.

In our offices, we separate and collect e-wastes and empty toner cartridges along with certain recyclable materials such as paper, plastic bottles, and aluminium cans for proper treatment. We encourage our staff to utilise electronic documents or double-sided printing where possible to reduce the amount of paper consumed in our office. We also migrated some of our administrative procedures, such as personal leave applications, to an electronic system to further cultivate a paper-less culture.

Building a Sustainability Culture

We believe fostering behavioural change within the Group is key to driving sustainable growth. Within our environmental management system framework, an Environmental Aspects Identification and Assessment is performed regularly and respective control and measurement activities are carried out in order to improve the Group’s environmental performance. Beyond our internal policies on environmental protection, we also encourage our suppliers and subcontractors to observe and comply with our environmental policies and to raise awareness of all external and internal stakeholders on mitigating environmental impacts. At Lee Kee, we are continuously dedicated to promoting the best practices in environmental protection and hope to inspire other companies in Hong Kong to adopt such practices.

During the year, there were no non-compliance cases relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

OUR APPROACH TO BUILDING A GREEN OFFICE



Provide guidance on room temperature control



Maintain environmental management system



Adopt energy efficient lighting



Set up recycling system



Collect and recycle E-waste



Inverter air conditioner replacement

Future Plans

To collectively contribute towards Hong Kong’s long-term decarbonisation as a responsible corporate citizen, we are committed to reducing our greenhouse gas emissions by joining as a signatory of the BEC Low Carbon Charter. We will continue to enhance our energy efficiency, reduce emissions, conserve resources, manage waste and promote environmental awareness to optimise the benefits of environmental protection. We also plan to explore different environmentally friendly designs and technologies applicable to our business and daily operations and are looking at sourcing more sustainable means of transportation and distribution.

MESSAGE FROM MANAGEMENT

ABOUT THE REPORT

AWARDS, CERTIFICATES, AND MEMBERSHIP

SUSTAINABILITY GOVERNANCE

OUR PEOPLE

OUR ENVIRONMENT

OUR COMMUNITY

OUR VALUE CHAIN

HKEX KPI DATA TABLE

HKEX ESG GUIDE CONTENT INDEX



# OUR COMMUNITY

Lee Kee is dedicated to contributing positively to the communities we serve. We leverage our resources and human capital to build a more connected society via staff volunteerism, proactive collaboration with non-governmental organisations (“NGO”) and social enterprises as well as financial donations. In support of diverse social segments, we pay special attention to accommodate the needs of the underprivileged and the youth. Through our extensive community projects, we are working towards a more positive and supportive society.

Over the years, the Group has been recognised for its ongoing efforts to foster local community development. In 2019, we received the “5+ Year Caring Certificate (Enterprise Group)” by the Federation of Hong Kong Industries.

During the reporting year, Lee Kee is proud to have contributed over HK\$452,000 to various charities and NGOs for those in need.

## Serving the Disadvantaged

We believe promoting social integration through a series of volunteer activities and community programmes can facilitate greater social cohesion and hence contributes to a more inclusive society. As such, we encourage the wider participation of our employees and their family members in different volunteering projects.

### Highlights of Key Activities



#### Lifewire Run 2019

The Group was one of the sponsors of Lifewire Run 2019, a charitable event raising funds for children who suffer from rare diseases. Apart from making donations, three of our enthusiastic employees took part in the Corporate Race Competition with an aim to promote social integration between different social segments.

#### Homeless World Cup (HK) Fund-Raising Tournament

We believe in the positive influence of sports in breaking down barriers between individuals. In 2019, Lee Kee arranged football teams to join the Homeless World Cup Fund-raising Tournament. With our concerted efforts, we were able to raise funds to support the Hong Kong Team's participation at the Homeless World Cup 2019 in Cardiff, England.

MESSAGE FROM  
MANAGEMENT

ABOUT THE REPORT

AWARDS, CERTIFICATES,  
AND MEMBERSHIP

SUSTAINABILITY  
GOVERNANCE

OUR PEOPLE

OUR ENVIRONMENT

OUR COMMUNITY

OUR VALUE CHAIN

HKEX KPI  
DATA TABLE

HKEX ESG  
GUIDE CONTENT INDEX

Nurturing the Youth

The youth are the leaders of tomorrow. Supporting their personal development is an investment in our prosperous future. We endeavour to organise and support different community programmes to unleash the full potential of the younger generation and equip them with the necessary social skills for success.

Highlights of Key Activities



AYP Rogaine Charity Race 2020

We share the mission of the Hong Kong Award for Young People (“AYP”) to provide youngsters with the opportunities to bring their talents into play. This year, we had five staff members participate in the charity race and donated funds to support AYP’s youth initiatives.

Sponsorship for Tai Po Football Youth Team

Understanding the importance of sports for the youth in our community, we provide sponsorship to eight teams in the Tai Po Football Youth Team. We believe this would make a positive contribution to the local community.

A Mock Interview with Students

We understand life planning and career guidance are essential to young people and we are grateful to Yan Oi Tong Tin Ka Ping Secondary School (“YOTTKP”) for inviting us to be part of the process. To help students better prepare for their future job search, YOTTKP organised mock interview sessions in which students took turns to play the role of candidates and interviewers followed by a debriefing from our experienced Human Resources representative. In addition to offering professional advice and tips for a successful interview, our HR representative also shared her own experiences of going through the hiring process.

Supporting Mature-Age Employment

Lee Kee supports building a diverse workforce and believe that age shall not be a barrier to employment. In 2019, Lee Kee joined Employment Retraining Board’s Post 50 Internship Programme and hired two “Post 50” interns to boost their confidence for re-employment, providing them a stepping stone during their transition into a sustained, meaningful employment.



MESSAGE FROM  
MANAGEMENT

ABOUT THE REPORT

AWARDS, CERTIFICATES,  
AND MEMBERSHIP

SUSTAINABILITY  
GOVERNANCE

OUR PEOPLE

OUR ENVIRONMENT

OUR COMMUNITY

OUR VALUE CHAIN

HKEX KPI  
DATA TABLE

HKEX ESG  
GUIDE CONTENT INDEX

Supply Chain Management

Being one of the leading solutions providers for metals in the industry, we recognise the opportunity to extend sustainability considerations across our supply chain. Going beyond regulatory compliance, we take a proactive approach and engage our supply chain partners to ensure associated environmental and social impacts are sufficiently managed. We have identified the key environmental and social risks along our supply chain using our Environmental Aspects Assessment Form and Hazard Identification, Risk Assessment and Determining Controls. Prior to service commencement, suppliers within our assessment scope are required to sign an agreement which lists out the behaviours and high standards we expect from our suppliers in order to prevent regulatory, environmental and social risks along our supply chain. For our raw material chemical suppliers, our evaluation process allows us to terminate contracts if they do not meet the requirements or refuse to take action to address situations that may seriously affect the environment.

As the environmental and social performance of our suppliers has an influence on our business operations, we take sustainability considerations into account when choosing our supply chain partners. Our supplier performance evaluation process considers factors such as whether they are ISO 14001 or ISO 9001 certified, as it is important to the Group that we are sourcing from suppliers that provide quality goods and services while protecting the environment and the interests of our customers.

Measures to Promote Environmentally Friendly Practices with Our Suppliers



Under our Supplier Environmental Support Statement, raw material chemical suppliers are encouraged to:

- Use environmentally friendly chemical production techniques and facilities
- Use recyclables for product packaging



Under our Environmental Agreement, transportation suppliers are encouraged to:

- Use green fuel
- Formulate emergency response procedures and provide training to employees to reduce environmental pollution caused by accidents

MESSAGE FROM  
MANAGEMENT

ABOUT THE REPORT

AWARDS, CERTIFICATES,  
AND MEMBERSHIP

SUSTAINABILITY  
GOVERNANCE

OUR PEOPLE

OUR ENVIRONMENT

OUR COMMUNITY

OUR VALUE CHAIN

HKEX KPI  
DATA TABLE

HKEX ESG  
GUIDE CONTENT INDEX



# OUR VALUE CHAIN

## Product Responsibility

The provision of efficient, professional and quality services is important to Lee Kee’s continual success. To demonstrate our commitment to quality standards, we have adopted the international ISO 9001:2015 Quality Management Systems and IATF 16949:2016 Automotive Quality Management System<sup>5</sup> standards. Our products also comply with applicable international standards for regulating product specifications<sup>6</sup> to ensure that our clients’ expectations are met. Furthermore, the Group has a comprehensive quality assurance process which includes the monitoring of supplier performance, quality control, employee training and development, customer feedback analysis, and corrective and preventative actions. Our established customer complaint handling procedure requires our Quality Team to attend to any issues immediately for effective corrective actions and prompt responses.

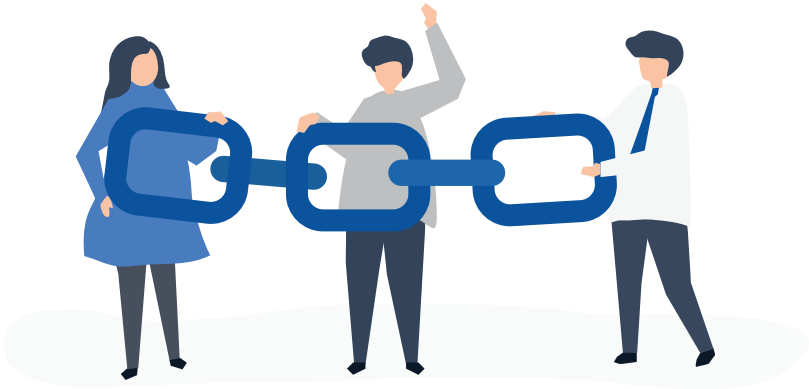
During the year, there were no non-compliance cases relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

## Anti-Corruption

Lee Kee is committed to maintaining the highest ethical standards and accountability throughout our operations. Our Employee Handbook and Code of Conduct – Standards of Behaviour (the “Code of Conduct”) outline strict anti-corruption policies which all our employees should abide. The Code of Conduct, which is introduced to new employees during orientation training, covers our anti-corruption and bribery policies. We also have a firm policy regarding gifts and the solicitation of money. This year, we invited representatives from our Corporate Governance Committee to deliver seminars to our managerial staff to refresh the knowledge of best practice procedures and draw attention to our anti-corruption commitments.

The Group has established its whistle-blowing policy to assist employees to inform the senior management of potential cases of malpractice or impropriety. We make every effort to treat all disclosures in a confidential and sensitive manner. This procedure allows employees and management to work together to resolve any issues and prevent further misconduct.

During the reporting year, there were no reported non-compliance cases relating to bribery, extortion, fraud, and money laundering<sup>7</sup>.



<sup>5</sup> The scope and number of Group companies certified with ISO9001 and IATF16949 standards are listed on Lee Kee’s website.

<sup>6</sup> The regulations that are the most relevant to the Group include, but are not limited to, Restriction of Hazardous Substances Directive (EU) 2015/863 amending Annex II to Directive 2011/65/EU, (RoHS 2.0) and the European Union (EU) Regulation EC 1907/2006 Registration, Evaluation, Authorization and Restriction of Chemicals (REACH).

<sup>7</sup> The laws and regulations that are the most relevant to the Group include, but are not limited to, Prevention of Bribery Ordinance (Cap. 201), and Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap 615).

MESSAGE FROM  
MANAGEMENT

ABOUT THE REPORT

AWARDS, CERTIFICATES,  
AND MEMBERSHIP

SUSTAINABILITY  
GOVERNANCE

OUR PEOPLE

OUR ENVIRONMENT

OUR COMMUNITY

OUR VALUE CHAIN

HKEX KPI  
DATA TABLE

HKEX ESG  
GUIDE CONTENT INDEX

# HKEX KPI DATA TABLE <sup>8</sup>

HKEx KPI		Unit	FY2019/20	FY2018/19
<b>A. Environmental</b>				
<b>A1.2</b>	<b>Greenhouse gas emissions in total and intensity</b>			
	Scope 1 emissions	Tonnes of CO <sub>2</sub> e	117.49	135.99
	Scope 2 emissions	Tonnes of CO <sub>2</sub> e	795.58	746.50
	- total (Scope 1 and 2 emissions)	Tonnes of CO <sub>2</sub> e	913.08	882.49
	- intensity	Tonnes of CO <sub>2</sub> e / MT	0.30	0.37
<b>A1.3</b>	<b>Total hazardous waste produced</b>			
	Mix of hydrochloric acid and nitric acid			
	- total	L	180	300
	- intensity	L / MT	0.06	0.13
	Hydrofluoric acid			
	- total	L	60	60
	- intensity	L / MT	0.02	0.02
	Recycled empty toner cartridges			
	- total	Number	24	15
	- intensity	Number / MT	0.008	0.006
	Recycled fluorescent tubes			
	- total	Number	270	67
	- intensity	Number / MT	0.09	0.03
	Recycled light bulbs			
	- total	Number	158	66
	- intensity	Number / MT	0.05	0.03
<b>A1.4</b>	<b>Total non-hazardous waste produced</b>			
	General waste			
	- total	Tonnes	115	115
	- intensity	Tonnes / MT	0.04	0.04
	Recycled paper waste			
	- total	Tonnes	1.74	1.75
	- intensity	Tonnes / MT	0.0006	0.0007
	Recycled aluminium can			
	- total	Kg	5	39.65
	- intensity	Kg / MT	0.002	0.017
	Recycled plastic bottles			
	- total	Kg	27	39.0
	- intensity	Kg / MT	0.009	0.017
	Recycled scrap metals			
	- total	Kg	16,810	/
	- intensity	Kg / MT	5.51	/

MESSAGE FROM  
MANAGEMENT

ABOUT THE REPORT

AWARDS, CERTIFICATES,  
AND MEMBERSHIP

SUSTAINABILITY  
GOVERNANCE

OUR PEOPLE

OUR ENVIRONMENT

OUR COMMUNITY

OUR VALUE CHAIN

HKEX KPI  
DATA TABLE

HKEX ESG  
GUIDE CONTENT INDEX

<sup>8</sup> The data reporting scope for purchased electricity in FY2018/19 and FY2019/20 includes our offices, warehouses, production and laboratory operations in Hong Kong. Production volume is adopted in our intensity calculations to reflect the most appropriate representation based on our business nature. The intensity is calculated by production volume in FY2018/19 and FY2019/20.

# HKEX KPI DATA TABLE

HKEx KPI		Unit	FY2019/20	FY2018/19
A2.1	Energy consumption by type			
	Direct energy consumption (Fuel consumed)			
	- total	'000 kWh	433.72	507.30
	- intensity	'000 kWh / MT	0.14	0.22
	Indirect energy consumption (Purchased electricity)			
	- total	'000 kWh	1591.13	1463.68
	- intensity	'000 kWh / MT	0.52	0.62
<b>B. Social</b>				
B1.1	Total workforce by employment type, gender, and age group			
	Full-time	No. of people	107	115
	Part-time	No. of people	2	1
	Male	No. of people	60	62
	Female	No. of people	49	54
	Under 30	No. of people	5	7
	30 to 50	No. of people	67	68
	Over 50	No. of people	37	41
B2.1	Number and rate of work-related fatalities			
		No. of people	0	0
		%	0	0
B2.2	Lost days due to work injury			
		No. of days	9	3.5
B3.1	Percentage of employees trained by gender and employee category			
	Male	%	76.7%	95.2%
	Female	%	81.6%	90.7%
	General	%	74.6%	90.1%
	Middle Manager	%	86.2%	100%
	Senior Manager	%	84.6%	84.6%
B3.2	Average training hours per employee by gender and employee category			
	Male	Hours	4.73	12.30
	Female	Hours	4.63	8.87
	General	Hours	4.53	12.38
	Middle Manager	Hours	4.71	9.14
	Senior Manager	Hours	5.46	5.37
B7.1	Number of concluded legal cases regarding corrupt practices brought against the Company			
		No. of cases	0	0

MESSAGE FROM  
MANAGEMENT

ABOUT THE REPORT

AWARDS, CERTIFICATES,  
AND MEMBERSHIP

SUSTAINABILITY  
GOVERNANCE

OUR PEOPLE

OUR ENVIRONMENT

OUR COMMUNITY

OUR VALUE CHAIN

HKEX KPI  
DATA TABLE

HKEX ESG  
GUIDE CONTENT INDEX

<sup>8</sup> The data reporting scope for purchased electricity in FY2018/19 and FY2019/20 includes our offices, warehouses, production and laboratory operations in Hong Kong. Production volume is adopted in our intensity calculations to reflect the most appropriate representation based on our business nature. The intensity is calculated by production volume in FY2018/19 and FY2019/20.

# HKEX ESG GUIDE CONTENT INDEX

Aspect	KPI	Description	Section / Remarks
<b>A. Environmental</b>			
<b>A1 Emissions</b>	A1	General Disclosure	Our Environment
	A1.1	Types of emissions and respective emissions data	Due to the business nature of Lee Kee Group, this KPI is considered not material.
	A1.2	Greenhouse gas emissions in total and intensity	HKEx KPI Data Table
	A1.3	Total hazardous waste produced and intensity	HKEx KPI Data Table
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	HKEx KPI Data Table
	A1.5	Description of measures to mitigate emissions and results achieved	Our Environment – Energy Consumption and Emissions
	A1.6	Description of how hazardous and non-hazardous waste are handled, reduction initiatives, and results achieved	Our Environment – Energy Consumption and Emissions
<b>A2 Use of Resources</b>	A2	General Disclosure	Our Environment
	A2.1	Direct and/ or indirect energy consumption by type and intensity	HKEx KPI Data Table
	A2.2	Water consumption in total and intensity	Due to the business nature of Lee Kee Group, this KPI is considered not material.
	A2.3	Description of energy use efficiency initiatives and results achieved	Our Environment – Energy Consumption and Emissions
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results	Our Environment – Waste and Resource Management
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Due to the business nature of Lee Kee Group, this KPI is considered not material.
<b>A3 The Environment and Natural Resources</b>	A3	General Disclosure	Our Environment
	A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	Our Environment – Building a Sustainability Culture
<b>B. Social</b>			
<b>B1 Employment</b>	B1	General Disclosure	Our People
	B1.1	Total workforce by gender, employment type, age group and geographical region	HKEx KPI Data Table
<b>B2 Health and Safety</b>	B2	General Disclosure	Our People
	B2.1	Number and rate of work-related fatalities	HKEx KPI Data Table
	B2.2	Lost days due to work injury	HKEx KPI Data Table
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Our People – Occupational Health and Safety
<b>B3 Development and Training</b>	B3	General Disclosure	Our People
	B3.1	The percentage of employees trained by gender and employee category	HKEx KPI Data Table
	B3.2	The average training hours completed per employee by gender and employee category	HKEx KPI Data Table
<b>B4 Labour Standards</b>	B4	General Disclosure	Our People
<b>B5 Supply Chain Management</b>	B5	General Disclosure	Our Value Chain
	B5.2	Description of practices relating to engaging suppliers, and how they are implemented and monitored	Our Value Chain – Supply Chain Management

MESSAGE FROM  
MANAGEMENT

ABOUT THE REPORT

AWARDS, CERTIFICATES,  
AND MEMBERSHIP

SUSTAINABILITY  
GOVERNANCE

OUR PEOPLE

OUR ENVIRONMENT

OUR COMMUNITY

OUR VALUE CHAIN

HKEX KPI  
DATA TABLE

HKEX ESG  
GUIDE CONTENT INDEX

# HKEX ESG GUIDE CONTENT INDEX

Aspect	KPI	Description	Section / Remarks
<b>B6</b> Product Responsibility	B6	General Disclosure	Our Value Chain
	B6.4	Description of quality assurance process and recall procedures	Our Value Chain – Product Responsibility
<b>B7</b> Anti-corruption	B7	General Disclosure	Our Value Chain – 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	HKEx KPI Data Table
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Our Value Chain – Anti-Corruption
<b>B8</b> Community Investment	B8	General Disclosure	Our Community
	B8.1	Focus areas of contribution	Our Community
	B8.2	Resources contributed to the focus area	Our Community

MESSAGE FROM  
MANAGEMENT

ABOUT THE REPORT

AWARDS, CERTIFICATES,  
AND MEMBERSHIP

SUSTAINABILITY  
GOVERNANCE

OUR PEOPLE

OUR ENVIRONMENT

OUR COMMUNITY

OUR VALUE CHAIN

HKEX KPI  
DATA TABLE

HKEX ESG  
GUIDE CONTENT INDEX

We Create Value Solutions for Metals

引 領 金 屬 發 展      共 創 增 值 方 案

**Lee Kee Holdings Limited**

(Incorporated in the Cayman Islands with limited liability)

16 Dai Fat Street, Tai Po Industrial Estate, N.T., Hong Kong  
[www.leekeegroup.com](http://www.leekeegroup.com)

@2020 Lee Kee Holdings Limited. All rights reserved.