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## Introduction

Gold Peak Technology Group Limited (“Gold Peak” or the “Company”), together with its subsidiaries (collectively referred to as the “Group” or “we”), is committed to protecting the environment and being socially responsible to its stakeholders including employees, suppliers, customers, shareholders, government and regulatory authorities, and the communities. The Group values stakeholders' views and actively collaborates with them to achieve its objectives towards sustainable development.

The Group manages and runs an extensive network of manufacturing operations in China, Malaysia, Vietnam, and Thailand. Our commitment extends beyond merely adhering to international safety standards; we strive to optimise resource utilisation and aim for zero waste. This goal is achieved by investing in innovative production methods and technologies. The Group's long-term vision encompasses achieving a carbon transition and enhancing the quality of life by embracing green energy, modernising our manufacturing facilities, and creating safe, reliable, environmentally friendly, and cost-effective products.

GP Batteries International Limited (“GP Batteries”), representing a significant segment of the Group, is a major global developer, manufacturer, and distributor of primary and rechargeable batteries as well as one of the largest consumer battery producers in Asia.

Demonstrating a strong commitment to corporate social responsibility (“CSR”) and actively engages with the community, GP Batteries received the “100% HK Branding Award 2022 – Outstanding Corporate Social Responsibility” from the Greater China Association of Branding Industry during the year ended 31 March 2023.

**Figure 1. 100% HK Branding Award 2022 – Outstanding Corporate Social Responsibility**



## General Information

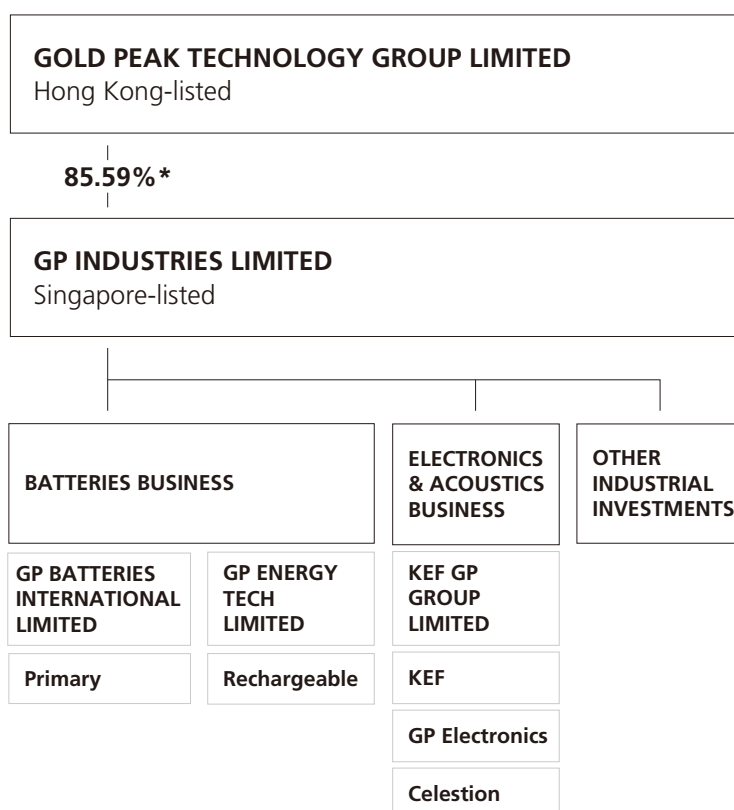
Gold Peak Technology Group is a global battery and electronics company with an aspiration to become one of the leaders in providing energy and sound solutions that enlighten and empower lives, and with sustainability as a focus.

The parent company, Gold Peak Technology Group Limited, was established in 1964 and has been listed on the Stock Exchange of Hong Kong since 1984. Gold Peak holds a majority stake at 85.59%\* in the Singapore-listed GP Industries Limited as its major industrial investment vehicle.

Gold Peak Technology Group Limited not only develops its consumer batteries, and electronics and acoustics businesses in consumer products, but also puts great emphasis on R&D of new rechargeable battery technology and business-to-business (“B2B”) battery business. The Group has built renowned brand names for its major product categories, including **GP** batteries, **GP Recyko** batteries, **KEF** premium acoustic products and **Celestion** professional speakers.

The Group has an extensive manufacturing, R&D and distribution network spanning over 10 countries. Its turnover for the financial year 2022–2023 amounted to HK\$6.6 billion and its total assets exceeded HK\$8.2 billion. Including the major operations of its various divisions, the Group currently employs a staff force of 6,650 worldwide.

### Organisation Chart of Gold Peak Technology Group



\* Percentage stated denotes respective shareholding held by Gold Peak as at 20 June 2023

## Board Statement

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### ***Sustainability and ESG at the core of our business***

Gold Peak Technology Group Limited (SEHK: 40) recognises environment, social and governance (“ESG”) as an integral part of our strategic deployment, extending beyond compliance to priming a work culture and fostering partnerships that spearhead innovation and sustainable development.

Despite the world’s gradual recovery from the COVID-19 pandemic, the financial year ended 31 March 2023 (“FY2023”) was another most challenging year for the Group. Rapidly rising interest rates, high material costs combined with softened consumer demand in key markets put pressure on the Group’s sales and profitability. Amidst geopolitical events and economic challenges, the Group continued to focus on our core businesses with new product introductions, distribution channel enhancements, efficiency refinements, cost reduction and corporate streamlining to remain agile and persistent.

During the year, we continued our efforts on environmental and climate change initiatives. Six plants locating in Malaysia, Vietnam and China have achieved Zero Waste to Landfill Gold Validation and further investments will be made to minimize waste and emissions. Solar energy will be more widely adopted in our facilities in Malaysia, China and the UK where solar panels will be installed for powering part of our operations.

As a manufacturer, we are also doing our best to reduce the environmental impact from raw material acquisition and improve recyclability at product end-of-life. We are working to increase the use of recycled materials in our products and expand its application to a wider product range. A re-branded Alkaline batteries range was launched with paper packaging as we pursue progressive elimination of plastics in our product packaging. This is one of our many steps to manifest our commitment to promoting a circular economy.

GP Energy Tech Limited, a newly formed subsidiary, focuses on driving more innovative, sustainable and environmental-friendly battery products and energy storage solutions. With innovation by research and performance enhancement, we aim to revolutionize rechargeable energy as the energy solution for the future.

Our commitment to green energy is underpinned by our relentless efforts in R&D and product innovations. GP Recyko Charge10 is the fastest rechargeable battery system in the world using Nickel Metal Hydride (“NiMH”). Together with our other GP rechargeable batteries and charging systems, we are committed to introducing more good value products and converting more people to use rechargeable energy.

With innovation and R&D at the core of our business, the laboratories in Hong Kong and Shenzhen, China have been engaging in several major projects, such as the development of NiMH batteries with higher percentage use of recycled materials and the development of new alloy materials for NiMH batteries for extreme low temperature applications. This expands the application range catering for different climate zones and widens the market for our rechargeable battery products.

Through quality design, we deliver more appealing user experiences to our customers. Despite the soft market, the KEF LS60 Wireless music systems has received strong market acceptance and good industry reception. We also expanded our R&D and innovation capabilities by developing talent hubs in Shenzhen, Kuala Lumpur, Hong Kong, and the UK to align with our global organization plan and development.

### ***Looking ahead***

Sustainability is an integral part of our business. The Group will continue to invest in sustainability and contribute to climate change initiatives. More energy-saving equipment and facilities will be installed. Product packaging revamp will continue to minimize waste and improve recyclability. We aspire to reduce our carbon footprint in the whole life cycle, for both ourselves and our consumers to co-create a greener future.

Navigating difficult times would not be possible without the concerted efforts of our stakeholders. On behalf of the Board, I would like to express our heartfelt appreciation to our management team and staff members for their devotion and perseverance, and to our fellow Board members for their commitment and dedication, and our customers, suppliers, shareholders, bankers and investors for their unfailing support.

**Victor Lo Chung-wing**

*Chairman & Chief Executive*

28 July 2023

## About This Report

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### **Reporting Scope**

As part of the Company's annual reporting exercise, this ESG report (the "Report") provides an overview of the Group's ESG performance for the year ended 31 March 2023. The Report covers the ESG performances of the Group's Hong Kong headquarters and the major overseas manufacturing plants.

### **Reporting Standards and Principles**

This Report has been prepared in accordance with the latest version of "Appendix 27 Environmental, Social and Governance Reporting Guide" (the "ESG Guide") of the Main Board Listing Rules of The Stock Exchange of Hong Kong ("HKEX"). The Report complies with all the mandatory disclosure requirements and the "comply or explain" provisions set out in the ESG Guide of the HKEX. The disclosure obligations and the following reporting principles have been strictly followed to define the content and the presentation of the Report:

- **Materiality:** We conducted stakeholder engagement and materiality assessment and report the material topics that reflect significant ESG impacts that substantively influence our business and stakeholders.
- **Quantitative:** Our ESG performances are discussed and compared with measurable results. This Report provides explanations for all quantitative information disclosed and enables meaningful interpretation by identifying patterns and trends.
- **Balance:** The information presented in this Report is balanced, fair, and accurate so that an unbiased picture of our performance can be presented. Any forms of selections, omissions, or misleading presentation formats are strictly prevented.
- **Consistency:** This Report uses consistent methodologies to allow year-to-year comparisons of ESG data. Deviations from the methodologies will be explained, if any.

## Stakeholder Engagement and Materiality

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### **Stakeholder Engagement**

Stakeholder feedback is considered crucial for developing the Group's sustainability strategy and ensuring long-term success. The materiality of topics is informed by both internal and external perspectives on the impact of each sustainability issue on our business and stakeholders. Having a robust understanding of stakeholders' expectations allows us to identify and hence plan the potential risks and opportunities across our business operations.

The Group is committed to regularly engaging with stakeholders, expanding the communication channels for them to share their concerns, insights, and experiences with us while informing us about updates on recent developments. The following is a summary of the different channels we employ to consistently engage with our diverse stakeholder groups:

**Figure 2. Key Stakeholders and Methods of Engagement**

<b>Key Stakeholders</b>	<b>Methods of Engagement</b>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Formal and informal internal communications</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Regular meetings</li> <li>Customer satisfaction surveys</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Suppliers' assessment</li> <li>Suppliers' training</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>Annual reports</li> <li>Annual general meetings</li> <li>Investor relationship management</li> </ul>
<b>Government and regulatory authorities</b>	<ul style="list-style-type: none"> <li>Periodic reports and returns</li> <li>Ongoing dialogues</li> </ul>
<b>Local communities</b>	<ul style="list-style-type: none"> <li>Community services</li> </ul>



**Materiality Assessment**

Considering both internal and external factors, we conducted a materiality assessment to identify the top ESG issues that concerned our stakeholders. Different stakeholder groups were invited to evaluate the importance of a list of potential material topics. The following sets out the materiality assessment process:

- **Issue identification:** Carry out an initial screening of related ESG issues by referencing HKEX’s ESG Reporting Guide and benchmarking the material ESG issues of our industry peers
- **Stakeholder engagement:** Invite key internal and external stakeholders to participate in surveys to obtain their ratings and insights over each ESG issue
- **Prioritisation:** Consolidate the issue identification and stakeholder engagement results and prioritise the ESG risks
- **Validation:** Confirm and validate key material ESG issues

The assessment results reflect a variety of material topics, including the Group’s strategy, mission, resources, industry trends, and stakeholders’ concerns. This year, to better reflect stakeholder interest, we included eleven new topics for stakeholders to consider. While the Community topics remained in line compared to last year’s assessment result, we observed a major shift in focus towards economic topics such as ethics and compliance and anti-corruption, suggesting that stakeholders are becoming increasingly aware and concerned over our overall governance and supply chain performance. Despite that the ranking of some environment and employee-themed topics dropped, they remain significant for our business continuity.

The following materiality matrix shows the level of importance to stakeholders (y-axis) and their level of importance to our business continuity (x-axis), followed by a material topic list to help locate the corresponding sections in this report to demonstrate our efforts in addressing the concerns behind these material topics.

**Figure 3. Materiality Matrix**



**Material Topics**

2022/2023 Ranking	Material Topic	Trend	2021/2022 Ranking	Corresponding sections
1	Ethics and Compliance	New	–	Social Responsibilities – Human Capital and Anti-Corruption
2	Anti-Corruption	↑	4	Social Responsibilities – Anti-Corruption
3	Respect Intellectual Property Rights	↓	2	Social Responsibilities – Protection of Intellectual Property
4	Health and Safety of Customers	↑	6	Social Responsibilities – Health and Safety
5	Product and Service Quality Management	↓	3	Social Responsibilities – Product Innovation and Responsibility
6	Occupational Health and Safety	↓	5	Social Responsibilities – Health and Safety
7	Data Security and Privacy Protection	↑	8	Social Responsibilities – Privacy and Information Security
8	Customer Relations and Satisfaction and After-sales Services	↑	12	Social Responsibilities – Product Innovation and Responsibility
9	Environmental Compliance	New	–	Environmental Stewardship
10	Prevent Child Labour and Forced Labour	↓	9	Social Responsibilities – Human Capital
11	Waste Management	↓	1	Environmental Stewardship – Waste
12	Employment Management System	↓	11	Social Responsibilities – Human Capital
13	Market Presence	New	–	Social Responsibilities – Product Innovation and Responsibility
14	Socioeconomic Compliance	New	–	Social Responsibilities – Human Capital
15	Pollution Prevention	New	–	Environmental Stewardship – The Environment and Natural Resources
16	Diversity, Equal Opportunity, and Non-discrimination	–	16	Social Responsibilities – Diversity
17	Efficient Use of Materials	↓	13	Environmental Stewardship – Use of Resources
18	Economic Performance	New	–	Please refer the Company's 2022–2023 annual report.
19	Fair and Responsible Marketing	↓	18	Social Responsibilities – Anti-Corruption
20	Employee Engagement and Care	New	–	Social Responsibilities – Human Capital

2022/2023 Ranking	Material Topic	Trend	2021/2022 Ranking	Corresponding sections
21	Supply Chain Environmental and Social Risks	–	21	Social Responsibilities – Supply Chain Management
22	Training and Development	↓	20	Social Responsibilities – Human Capital
23	Impact on the Environment and Natural Resources	↓	10	Environmental Stewardship – The Environment and Natural Resources
24	Employer-employee Relations	↓	15	Social Responsibilities – Human Capital
25	Energy Usage and Efficiency	↓	7	Environmental Stewardship – Emissions
26	Packaging Optimisation	New	–	Environmental Stewardship – Waste
27	Encourage Supplier Environmental Protection	↓	22	Social Responsibilities – Supply Chain Management
28	Air Pollution Management	↓	14	Environmental Stewardship – Emissions
29	Supplier Engagement	New	–	Social Responsibilities – Supply Chain Management
30	Greenhouse Gases Emission Management	↓	19	Environmental Stewardship – Emissions
31	Water Conservation and Effluent Management	↓	17	Environmental Stewardship – Use of Resources
32	Renewable Energy	New	–	Environmental Stewardship – Use of Resources
33	Community Engagement	↓	24	Social Responsibilities – Human Capital
34	Response to Climate Change	↓	23	Sustainability and ESG Governance – Sustainability Target
35	Community Investment	↓	25	Social Responsibilities – Human Capital
36	Biodiversity	New	–	Environmental Stewardship – The Environment and Natural Resources

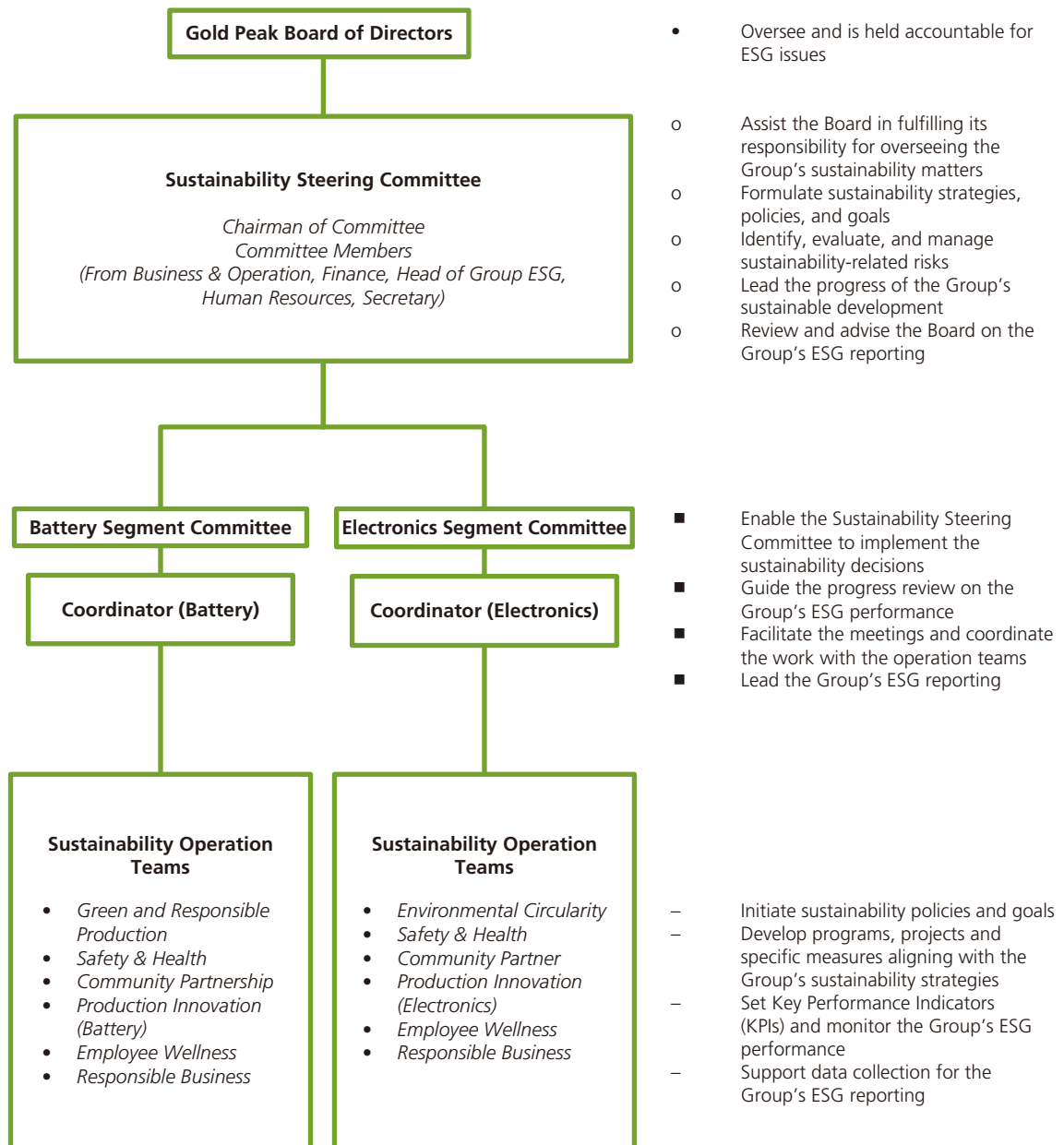
## Sustainability and ESG Governance

The Group is resolute in upholding its social responsibilities, incorporating sustainability considerations into the development and execution of our corporate strategies:

- Actively monitor the impact of our businesses on the surrounding environment and natural resources.
- Comply with labour laws and regulations to protect employee rights.
- Act responsibly to provide a safe working environment for employees.
- Provide employees with the necessary training and resources to achieve sustainable personal growth.

We have developed a robust sustainability and ESG governance framework that serves as the foundational structure for integrating sustainability into our business operations while also addressing the various interests and expectations of our stakeholders. Our commitment to sustainability begins at the very top of our governance, with a Sustainability Steering Committee supporting the Board in setting the Group's sustainability targets and strategies. This comprehensive framework streamlines communication and delineates the roles and responsibilities of the team to effectively manage ESG issues. Below is an overview of the Group's sustainability and ESG governance structure:

**Figure 4. Sustainability and ESG Governance Structure**



### Sustainability Target

Over the next three to five years, the primary challenges and objectives for the Group include identifying climate-related risks and opportunities, as well as effectively incorporating climate change considerations into our strategic decision-making processes.

In preparation for climate disclosure by 2025, the Group is planning to design a governance structure that specifically addresses climate-related risks and opportunities. This involves reviewing the transitional and material impacts of climate change and assigning relevant metrics to assess and manage these effects. Our proactive approach to climate change and its potential impacts demonstrates the Group’s commitment to long-term sustainability and resilience.

### Environmental Stewardship

In the Group’s operation, we put great emphasis on environmental stewardship to protect the planet for present and future generations. Through adopting relevant policies and standards in every aspect of our business, maintaining green operations, and investing in eco-friendly technologies, as well as developing products, we endeavour to optimise the use of resources, minimise adverse environmental impacts, and accelerate the transition to a low-carbon economy.

The Group operates in an environmentally conscious manner and advocates good practices in our value chain. Our Environmental Policy covers a wide range of topics, including the management of greenhouse gas (“GHG”) emissions, air pollution, solid waste, water, and sewage.

We have also established an effective environmental management system to control and manage our environmental performance. Most of our factories were accredited with the ISO 14001 environmental management system.

Figure 5. ISO 14001 Accreditations



During the reporting year, the Group has complied with relevant laws and regulations that have a significant impact related to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

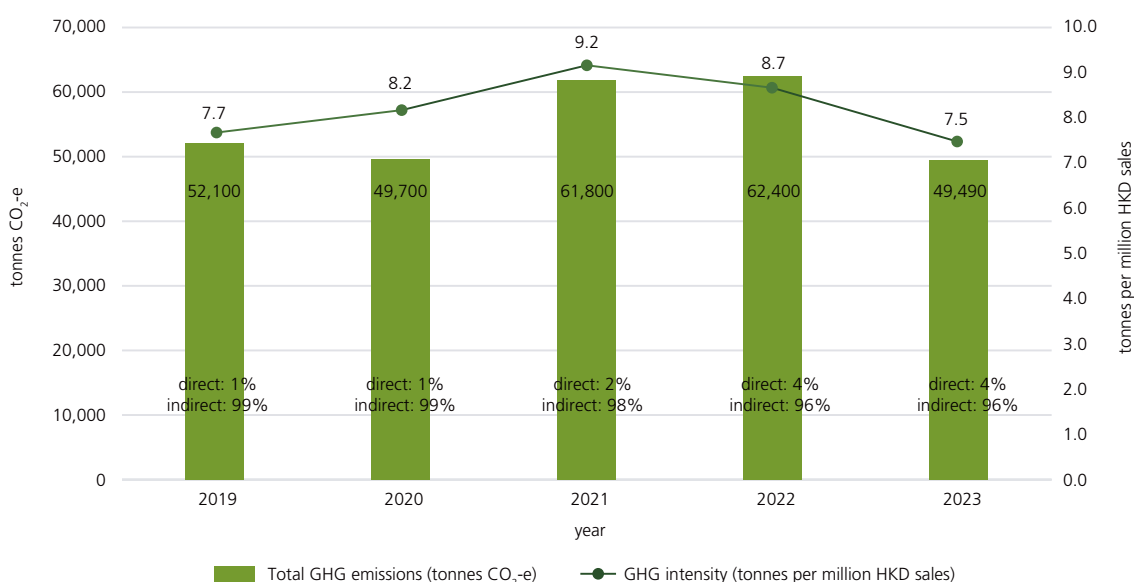
## Emissions

In our efforts to combat climate change, we have always been actively seeking opportunities to minimise and regulate emissions. As outlined in the Group's Environmental Policy, all facilities were responsible for identifying and documenting all sources of GHG emissions and maintaining up-to-date records. This includes tracking and reporting all direct (Scope 1) GHG emissions from sources under their ownership or control, as well as indirect (Scope 2) GHG emissions from the energy they purchased and consumed. Additionally, we encouraged facilities to conduct carbon audits to ensure the validity and accuracy of their GHG emission tracking.

Carbon dioxide ("CO<sub>2</sub>") is the major GHG emission from the Group. Direct CO<sub>2</sub> emissions mainly arise from the direct consumption of diesel for generators, forklifts and petrol and diesel for owned vehicles. The Group monitors its CO<sub>2</sub> emissions regularly and controls the use of diesel generators and company cars to lower direct CO<sub>2</sub> emissions. Conversion of diesel forklifts and vehicles to electric ones is another approach to minimize CO<sub>2</sub> emissions. Indirect CO<sub>2</sub> emissions mainly arise from the use of electricity. The Group monitors its electricity consumption, implements energy-saving initiatives and improves energy efficiency to reduce energy consumption. A small amount of indirect CO<sub>2</sub> emissions is also emitted from the usage of outsourced vehicles and business air travel. Aligned with our commitment to reducing the carbon footprint from our operations, the Group encourages online meetings to reduce business travel and advocates paperless operations.

GHG emissions are quantified in terms of CO<sub>2</sub> equivalent ("CO<sub>2</sub>-e"). For the year ended 31 March 2023, Scope 1 and Scope 2 GHG emissions of the Group totalled 49,490 tonnes CO<sub>2</sub>-e (2022: 62,400 tonnes CO<sub>2</sub>-e). Direct GHG (Scope 1) emissions accounted for approximately 4% (2022: 4%) and indirect GHG (Scope 2) emissions accounted for approximately 96% (2022: 96%) of the total GHG emissions. The reduction in GHG emissions was mainly due to decrease in energy consumption and reduction in China's electricity emission factor during the year.

**Figure 6. GHG Emissions for the Year ended 31 March#**



# GHG covered in this report include CO<sub>2</sub>, methane, and nitrous oxide.

To achieve the ultimate overall net zero carbon emission goals, we are taking steps to reduce carbon emissions, most importantly promoting the use of renewable energy sources to replace grid electricity. For example, we are using solar heaters, which convert solar energy to heat, and utilising air-to-heat pumps to absorb heat from the air to heat water.

The Group also put emphasis on energy efficiency measures. These include adopting LED lighting, installing inverters in discharge facilities, replacing centralised air conditioners by smaller zonal air conditioners to increase flexibility adjusted according to staff needs. We also gradually increase the greenery area in our facilities for carbon absorption.

In addition, we are committed to identifying alternatives to business traveling and encourage our employees to make climate-smart decisions when it comes to travel. This includes opting for video conferencing instead of in-person meetings and making other choices that help minimise the environmental impact of our operations. By taking these measures, we hope to make a meaningful contribution to the fight against climate change while continuing to operate in a sustainable and responsible manner.

Concerning air emissions, our objective is to decrease emissions from air pollutants. For battery manufacturing, we apply biological trickling treatment for volatile organic compounds (VOC) and various dedusting techniques to reduce particulates in the air. For audio manufacturing, the primary sources of these emissions are the application of glue and paint during the production of loudspeakers and speaker cabinets. As the glue and paint cure, solvents, and chemical gases, like toluene and xylene, evaporate. Solvents in common use are categorised as “preferred,” “usable,” and “undesirable.” The Group exclusively utilises solvents from the first two classifications. The air emission risk associated with glue and paint usage is divided into three levels: high, medium, and low. We consistently monitor and maintain the air emission risk within a safe range. Moreover, we are also committed to eliminating toxic chemicals, minimising the use of high-risk solvents such as toluene and xylene, and seeking natural substitutes. We employ alternatives to petroleum-based products, including water-based systems, gels, and solvent substitutions. Additionally, we implement resistance welding in lieu of soldering for some products to further reduce air pollutants.

## **Waste**

### *Waste Generated during Manufacturing*

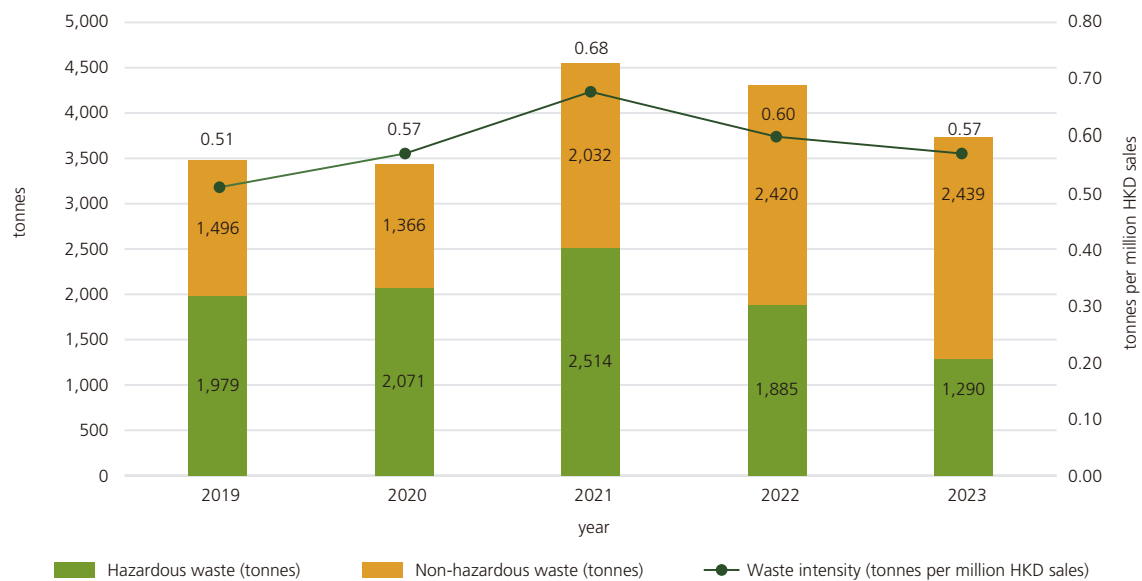
In accordance with the Group’s Environmental Policy, we have established standardised methods for managing hazardous waste, preventing waste generation, and encouraging resource recycling. The Environmental Policy mandates the frequent monitoring, separation, and disposal of solid waste in a manner that safeguards the local environment. Facilities are required to handle, store, transport, and dispose of hazardous waste in a lawful and responsible manner while maintaining comprehensive and accurate records of resource usage and waste streams.

Hazardous waste mainly includes nickel, manganese, metals and waste mineral oil-water emulsion from scrap and unqualified batteries as well as rags and containers which were contaminated by oil and paints, organic solvents, and a trace of metals. In accordance with the standardised management approach, all hazardous waste to be disposed of are centrally stored in special warehouses with labels according to distinct categories. Production volumes are measured and recorded in ledgers by assigned workers. The production, collection, storage, and handling of hazardous waste have been properly carried out in order to reduce the negative impacts on soil, water and air. Hazardous waste is regularly collected and sent to recycling companies for proper treatment. For the year ended 31 March 2023, the Group produced 1,290 tonnes (2022: 1,885 tonnes) of hazardous waste.

Non-hazardous waste mainly includes scrapped cardboard, wood, plastics, metals, kitchen waste and office waste. Non-hazardous waste is classified into non-recyclable and recyclable wastes. More than 80% of the non-hazardous waste is recyclable. Non-recyclable waste is collected and disposed of by rubbish collection companies. Recyclable scrap parts such as cardboard, solder oxide waste and copper wire scraps are collected and sold to recycling companies. To minimise waste, waste segregation is implemented to store, utilise, and move waste according to regulations or standards to turn waste into public resources. Food waste is reduced by outsourcing canteen vendors to sort and collect food waste for soil enrichment, fish, and pig farms. In our factory in Xiegang, China, kitchen waste was recycled by qualified companies to breed black soldier flies for conversion into insect protein and organic fertiliser. For the year ended 31 March 2023, the Group generated 2,439 tonnes (2022: 2,420 tonnes) of non-hazardous waste in total.

We are devoted to minimising waste production and redirecting a higher proportion of waste away from landfills. By prioritising reuse and recycling, we continuously seek opportunities to enhance our waste recycling rate. To expedite the reduction of packaging waste, for example, we collaborate with suppliers to not only redesign our packaging to be more recyclable and environmentally friendly but also to encourage suppliers and industry peers to adopt sustainable packaging innovations. Additionally, we strive to raise awareness among our customers about the importance of reducing, reusing, and recycling.

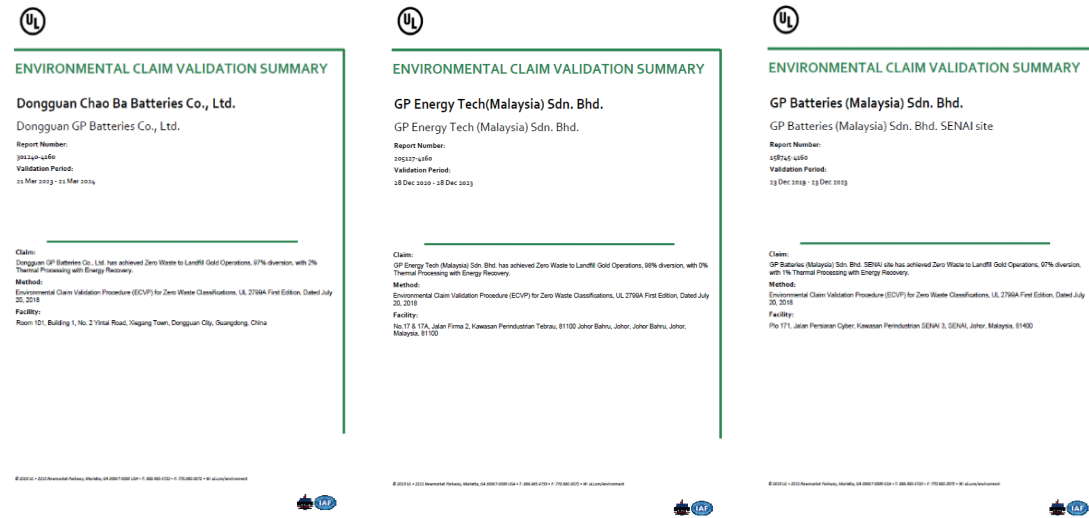
**Figure 7. Waste Produced for the Year ended 31 March**



Six factories located in China, Malaysia, and Vietnam were granted the UL Zero Waste to Landfill Gold Validation in recognition of our efforts and success in maximising waste diversion during the production processes which help to reduce waste produced during the year. This distinction has demonstrated our continuous dedication to promoting sustainable development.



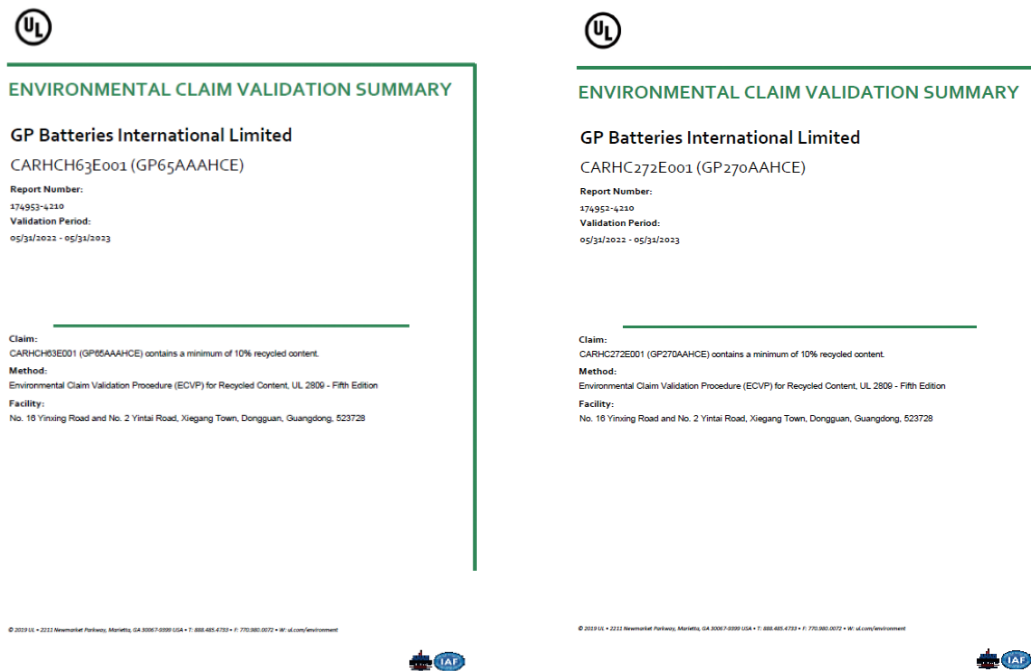
**Figure 8. UL Environmental Claim Validation (“ECV”) certificate for Zero Waste to Landfill**



*Raw Materials and Recyclability for Products*

Circularity of products is the centric of our design concept. The Group always strives to improve the recyclability of its products, and at the same time use more recycled or sustainable materials in its products and packaging. For instance, our GP Recyko rechargeable batteries and chargers feature user-centric paper packaging. Also, 90% of materials for GP Recyko batteries are recyclable by weight at the end of the use cycle. We are constantly looking for ways to increase the use of recycled materials in our battery products. GP Batteries is also the first battery company in Greater China that has obtained the UL Environmental Claim Validation (“ECV”) certificate for recycled content (UL ECV 2809) for our rechargeable battery models containing at least 10% recycled material. Implementing such approach, we were able to transform discarded materials from the end of their lifecycle into valuable components and conserve natural resources aiming to achieve a circular economy, driving a sustainable battery production business model in the industry.

**Figure 9. UL Environmental Claim Validation (“ECV”) Certificate for recycled content**



*Practising Waste Reduction in Daily Life*

To raise colleagues’ awareness of waste reduction, a wide range of recycling activities are held regularly within the Group. At the Mid-Autumn Festival in 2022, we organised the “Mooncake Tins Recycling Programme”. Recycling boxes were set up at the office cafeteria to collect mooncake tins. Collected containers were sent to recycling stations for further processing.

**Use of Resources**

To conserve natural resources, the Group engages in every efficiency-enhancing practice to optimise the use of resources and to identify opportunities for resource recycling. The Group’s Environmental Policy is in place to ensure the efficient use of resources, including energy, water, and materials. We also aim to reduce the total energy demand while increasing the proportion of renewable energy.

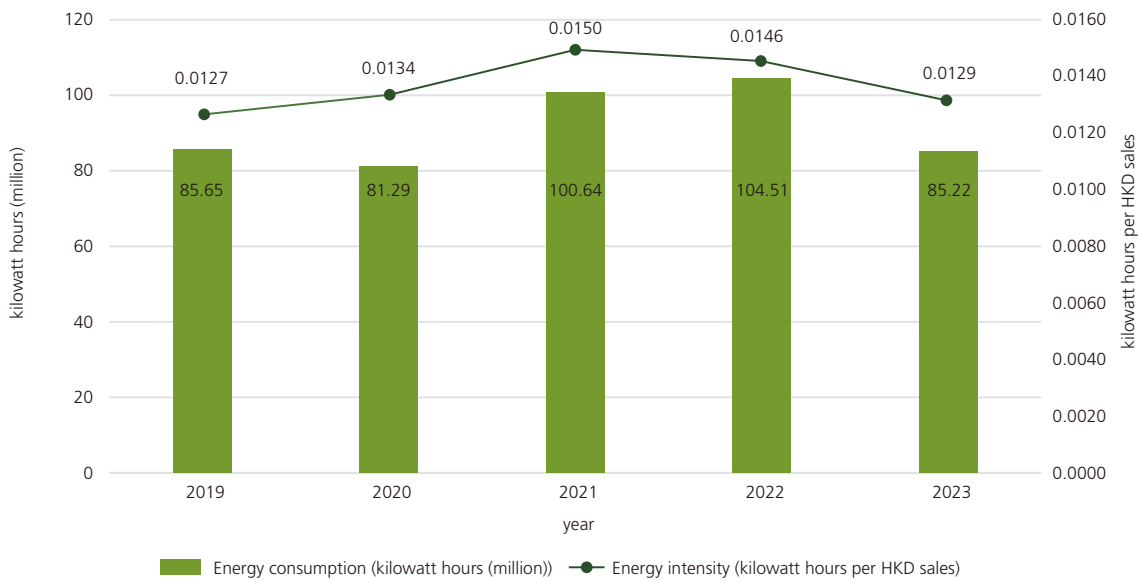
The Group puts great emphasis on evaluating the environmental impact of our products “from cradle to grave”. Apart from the aforementioned measures which focus on the stages before sending out to our customers, we also take care of the impact during their use phase. This is tied to our product performance which includes energy loss from self-discharge and standby mode, and for rechargeable batteries, from the charging and discharging process. To enhance energy efficiency during charging, we constantly refine our product features to minimise self-discharge and energy loss while in standby mode. This demonstrates our dedication to creating environmentally responsible and energy-efficient solutions for our customers.

We diligently monitor and evaluate energy consumption to ensure lean and efficient operations. Energy efficiency is factored into capital investments, particularly when selecting equipment. In the development of manufacturing equipment, the Group incorporates energy-saving technology and employs energy-efficient components. We also actively advocate for green energy usage, such as implementing solar equipment.

Numerous green building features are adopted at our manufacturing sites to enhance the building energy efficiency, including utilising natural lighting from windows and courtyard glass, installing utilities underground to increase headroom, using glass partitions whenever feasible, replacing various light sources with LED tubes, and incorporating solar energy for specific lighting systems. To foster energy-saving habits among our employees, we place reminder stickers near switches and have created an educational video that highlights green office initiatives to raise awareness among our colleagues. All these measures improved the energy efficiency and contributed to the decrease in energy consumption during the year.

The Group is actively seeking third-party assurance for our greenhouse gas and other environmental data, which will be served as the foundation for establishing energy efficiency targets in the coming year, as to meet our stakeholders’ expectations and contribute to our planet.

**Figure 10. Energy Consumption for the Year ended 31 March<sup>#</sup>**

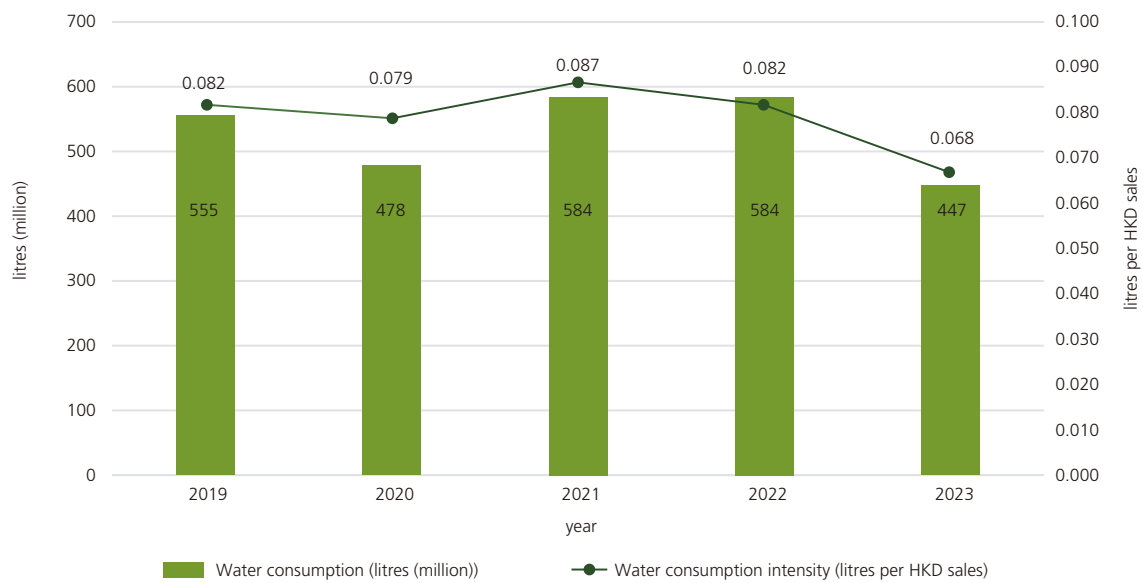


<sup>#</sup> Energy consumption mainly includes electricity purchased from external parties and determined by direct measurements based on metre readings, as well as the city gas purchased from external parties. The energy consumption does not include other insignificant direct energy consumption.

The Group consistently monitors water consumption, ensuring our business activities are conducted with a focus on safeguarding water resources. This includes minimising water usage in operations by installing low-flow faucets and implementing water-saving toilets. We are committed to ongoing discussions about water use reduction strategies and acting where viable.

We properly maintain water supply facilities and equipment and employ water-saving washing systems to enhance water efficiency. This is demonstrated in the decrease of water consumption during the year. In some production plants, water is recycled for various operational uses, such as floor cleaning, battery washing, water spray de-dusting, and washing dusty uniforms and containers. For the reporting period, no occurrence of poor water quality cases that negatively impact the Group’s manufacturing process was noted. There is no issue in sourcing water that is fit for the Group’s manufacturing purpose.

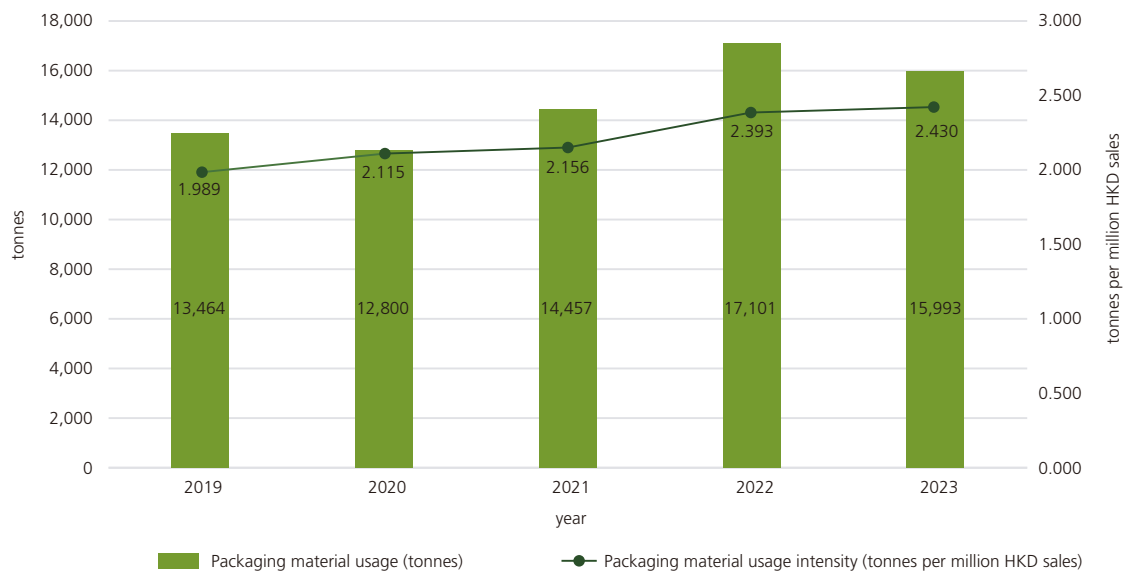
**Figure 11. Water Consumption for the Year ended 31 March**



The Group employs eco-friendly packaging materials for finished products, prioritising necessary protection for shipments while avoiding excessive packaging design. We create packaging that is easily reusable or recyclable, enabling repeated use, waste recycling for new product creation, waste-to-energy combustion, or composting. These practices help reduce environmental pollution and optimise resource utilisation.

Common packaging materials include cartons, plastic, metal, and plywood pallets. We also utilise biodegradable packaging materials to replace single-use plastics. For selected consumer Alkaline battery products, we use soy-based ink, which is biodegradable and more environmentally friendly, in the packaging process.

**Figure 12. Packaging Material Usage for the Year ended 31 March**



**The Environment and Natural Resources**

The Group’s Environmental Policy demonstrates our strong commitment towards minimising the environmental impacts of our business operations and conserving natural resources. We place sustainability at the heart of our product development and manufacturing processes, and we support battery recycling initiatives to reduce our environmental footprint through continuous improvement of product features and packaging designs. Our dedication to environmental stewardship drives us to actively encourage cleaner production practices throughout our supply chain and manufacturing operations.

In 2022, the Environmental Policy was updated to reflect our commitment to minimising our impact on the environment and conserving natural resources. We stringently adhere to international and local regulations regarding chemical substances, including those listed as restricted substances. Moreover, the Group aims to go beyond the basic compliance requirements in this area to minimise potential environmental impacts at the product end-of-life stage and to further safeguard customer health and safety.

We strive to minimise the use of hazardous materials in our products in order to reduce potential pollution and waste that may end up in landfills at the product end-of-life stage. When selecting product and packaging materials, we prioritise those that offer better recyclability and degradability at the end of the product’s life cycle. Our GP Recyko rechargeable batteries and chargers feature recyclable paper packaging. We aim to reduce the use of plastics and incorporate eco-friendly materials wherever business operations permit. This approach demonstrates our ongoing dedication to environmental responsibility and our efforts to create sustainable solutions for the future.

We pay close attention to how our operations and products impact the local environment and biodiversity. The Group adopts the principle of “reduce, reuse, recycle” to promote the concept of circular economy, opting for fewer hazardous materials and minimising waste to landfill. These measures help reduce pollution and waste that can harm wildlife and their habitats, thereby protecting natural habitats, promoting biodiversity, and fostering a healthier ecosystem.

GP Batteries and a factory in China were awarded “Hong Kong-Guangdong Cleaner Production Partner (Supply Chain)” and “Hong Kong-Guangdong Cleaner Production Excellent Partner (Manufacturing)” by the Environment and Ecology Bureau of Hong Kong SAR and the Department of Industry and Information Technology of Guangdong Province, China, in recognition of their commitment to cleaner production practices.

**Figure 13. Hong Kong-Guangdong Cleaner Production Partner (Supply Chain), Hong Kong-Guangdong Cleaner Production Excellent Partner (Manufacturing)**



GP Batteries was honoured with the “Energywi\$e Certificate – Good Level” and “Wastewi\$e Certificate – Good Level” by the Hong Kong Green Organisation. These awards underscore the company’s commitment to conserving energy, minimising waste, and lessening its environmental impact.

**Figure 14. Energywi\$e Certificate – Good Level and Wastewi\$e Certificate – Good Level**



**Climate Change**

We understand that the Group’s operations can be significantly impacted by climate-related factors, such as GHG emissions, natural resource consumption, and waste production. The Group’s manufacturing processes produce GHG emissions mainly from the use of electricity from the grid in manufacturing sites. To address this issue, the Group is prioritising the development of energy-efficient production methods, investing in energy-saving equipment, and creating energy-efficient products to minimise GHG emissions. Additionally, the Group’s production activities necessitate the use of natural resources, and in an effort to conserve these resources, the Group has been focusing on sustainable production techniques, waste reduction, material recycling, and the exploration of alternative materials and technologies. Furthermore, to minimise waste generated from manufacturing activities, the Group is committed to developing eco-friendly product designs, implementing recycling initiatives, and collaborating with stakeholders to encourage cleaner production practices.

During the reporting year, the Group has demonstrated its commitment to protecting the environment by promoting cleaner production practices across its supply chain and manufacturing processes. The Group is also continuously enhancing its product features and packaging design, as well as supporting battery recycling programs, to minimise its environmental footprint.

### *Climate Disclosure*

The Group is actively preparing for climate disclosure by 2025. To achieve this, we have set up a climate change policy to address climate-related risks and opportunities. We will conduct a thorough review of the transitional and material impacts of climate change on our business operations, supply chain, and overall industry landscape. This review will enable us to identify potential vulnerabilities and opportunities arising from climate change, allowing us to adapt and build up resilience.

Furthermore, we will identify the most relevant metrics to assess and manage the impacts of climate change on our business. These metrics will help us monitor progress, set targets, and make informed decisions to mitigate risks and capitalise on opportunities related to climate change. By proactively preparing for the disclosure, we aim to enhance our sustainability efforts and demonstrate our commitment to addressing climate-related issues.

## **Social Responsibilities**

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### ***Diversity***

The Group seeks every effort to build an inclusive and diversified workplace. With a strong belief that increasing diversity bodes well for improving the Group's sustainability performance, we have been promoting diversity, anti-discrimination, and equal opportunities, regardless of the employees' gender, race, religions.

### ***Human Capital***

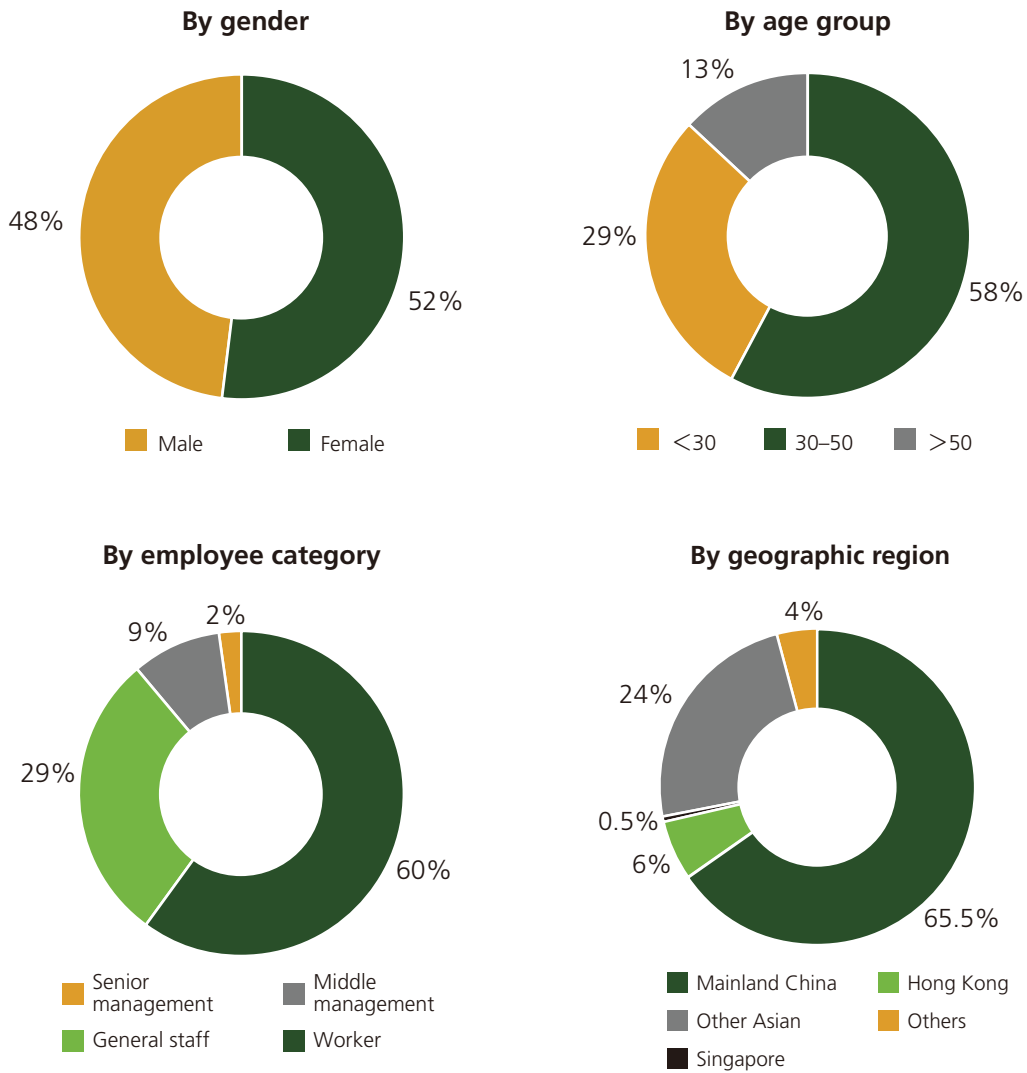
We aim to create an exemplary work environment that upholds human rights while fostering equal opportunities and eradicating discrimination in all areas of the business. The Group has implemented an Equal Employment Opportunities Policy to guarantee that every job applicant and employee receives equitable treatment in employment and promotion opportunities, with decisions only based on personal capability and suitability.

Additionally, we have enacted the Harassment-free Workplace Policy to ensure that our employees work in an environment free from discrimination and harassment. By establishing these guidelines, we demonstrate our commitment to promoting a respectful, inclusive, and equitable workplace for all.



As of 31 March 2023, the Group was supported by a motivated workforce of about 6,650 employees (2022: 7,050) worldwide. The composition of our workforce as of 31 March 2023 is set out as the following.

**Figure 15. Workforce Structure for the Year ended 31 March 2023**



Prioritising employee well-being is fundamental to the Group’s people strategy. Various factories have organised sports activities for their employees to encourage engagement and camaraderie. During festivals like Chinese New Year and Christmas, some offices and factories distribute gifts to employees as a gesture of appreciation and celebration.

We also respect and promote diversity by showing appreciation during international celebration days and local festive periods. On International Women’s Day, flowers and gifts are given to female employees across different operational locations to acknowledge their contributions and advocate for gender equality. In Malaysia, during the Fasting month, food is provided to staff members as a means of supporting their religious belief and fostering a sense of community and inclusivity. Through these initiatives, the Group emphasises the importance of employee well-being, diversity, and inclusion.

**Figure 16. Gifts to Employees as a Gesture of Appreciation and Celebration**



The Group views its employees as its most valuable assets and provides them with equitable and competitive remuneration packages. Remuneration policies and packages undergo regular reviews to ensure that compensation and benefits align with the market in each territory. Eligible employees receive discretionary incentives based on the Group’s performance and their individual contributions. Retirement schemes are also included as part of the compensation package. This approach facilitates the recruitment and retention of talented professionals, further strengthening the Group’s commitment to its workforce.

**Figure 17. Turnover Rate<sup>1</sup> for the year ended 31 March 2023**

Turnover rate by gender		Turnover rate by age group	
Male	21%	Below 30	37%
Female	37%	30–50	27%
		Over 50	18%

Turnover rate by employee category		Turnover rate by geographical region	
Senior Management	18%	Hong Kong	30%
Middle Management	11%	Mainland China	15%
General Staff	33%	Overseas	51%

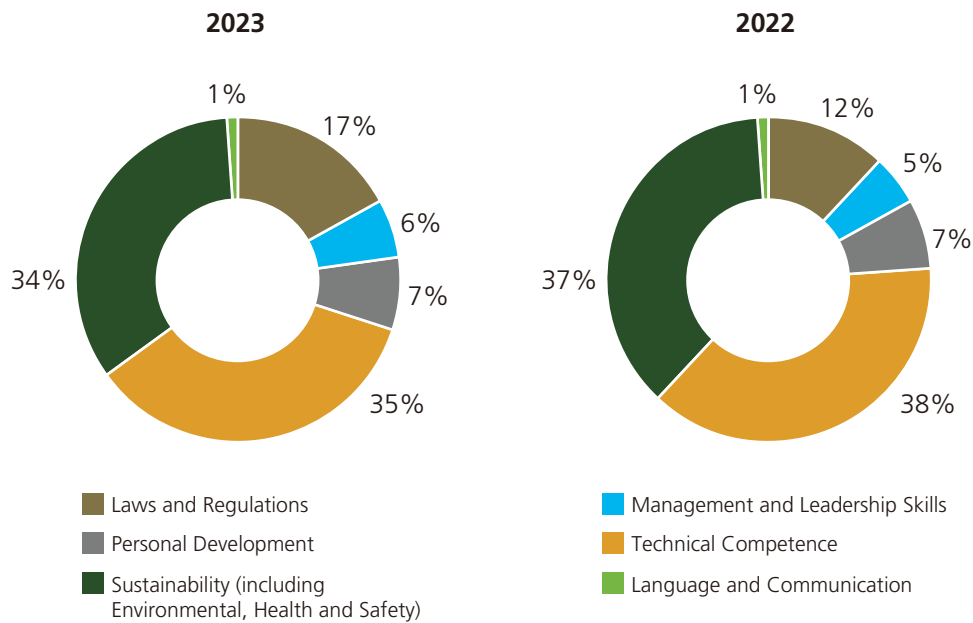
<sup>1</sup> Calculated based on the total number of employees hired by the Group at the end of the reporting period and excluding workers.

The Group is committed to investing in its employees by offering development programs that aim at improving both their soft and hard skills, as well as their work competence, in preparation for their career growth. A diverse range of work-related and wellness learning activities and trainings are provided to all employees, covering various subjects such as business compliance and ethics, safety and health, sustainability, and personal development. We also organise orientation programs for new employees to introduce our vision on sustainability and ensure the new employees are well-informed on various sustainability policies and actions on environmental, social and safety and health.

Additionally, the Group offers an online learning platform, allowing colleagues to explore and study topics of their choice. By providing a diversified array of training resources, the Group supports the continuous growth and professional development of its employees.

The various categories of staff development and training are set out as the following.

**Figure 18. Staff Development and Training<sup>2</sup> for the year ended 31 March 2023**



<sup>2</sup> The presentation excludes the number of training hours attributed to orientation programs for new employees.

During the year ended 31 March 2023, a total of 43,227 (2022: 40,600) hours of training, excluding orientation programs for new employees, were recorded. The percentage of employees trained, and the average training hours are set out as the following.

**Figure 19. Percentage of Employees Trained and Average Training Hours for the Year ended 31 March 2023**

<b>By gender</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>	
No. of employees	3,196	3,454	6,650	
Percentage of employees trained	81.0%	84.9%	83.0%	
Average training hours (Including orientation programs)	20.8	13.8	17.2	
Average training hours (Excluding orientation programs)	7.3	5.8	6.5	

<b>By employment category</b>	<b>Senior Management</b>	<b>Middle Management</b>	<b>General Staff</b>	<b>Worker</b>	<b>Total</b>
No. of employees	129	598	1,921	4,002	6,650
Percentage of employees trained	48.8%	66.2%	66.0%	94.8%	83.0%
Average training hours (Including orientation programs)	5.7	8.4	9.1	22.7	17.2
Average training hours (Excluding orientation programs)	4.5	7.4	7.5	5.9	6.5

During the year ended 31 March 2023, the Group complied with all relevant laws and regulations that have significant impacts on the Group in terms of compensation and benefits, recruitment, and promotion, working hours, holidays, dismissal, social insurance, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. The Group has set up complaint channels for employees to report any violation cases to dedicated contact persons for investigation. All information and records will be treated with complete confidentiality.

Child and forced labour are strictly prohibited in the Group and are clearly spelt out in our Human Rights Policy & Fair Labour Practices document. In the recruitment stage, the HR department checked the identity card of all candidates to ensure compliance with the legal working age in accordance with the local law. GP Batteries, our battery segment holding company, is a member of amfori, which is the publishing organisation of the globally-recognised Business Social Compliance Initiative (“BSCI”) social responsibility standard. Thus, GP Batteries abides by the BSCI standard and independent audits are conducted in our factories to examine labour practices, such as examining any cases of child and forced labour by on-site audit and interviewing the employees.

During the year ended 31 March 2023, the Group complied with relevant laws and regulations related to preventing child and forced labour.

### **Health and Safety**

The Group is dedicated to cultivating a safe and healthy culture that extends to all employees and business partners. Safety is a core component of the Group’s business plan and a crucial factor in decision-making. We have implemented rigorous safety management mechanisms, encompassing staff training, safety design for equipment and tools, governance policies, standard operating procedures, regular safety audits, and reward and control practices. Safety performance is also a critical criterion when selecting suppliers and service providers. Failure to meet safety requirements can result in contract termination.

To guarantee a safe and healthy work environment, the Group has established various policies and procedures, such as fire emergency protocols, chemical leakage emergency plans, hazardous chemicals management regulations, dust removal systems, an environmental and occupational health and safety management handbook, a protective equipment checklist for employees, personal protection equipment regulations, occupational health and safety regulations, a safety management training handbook for contractors, and employee health check-up guidelines. By adhering to these policies and guidelines, we ensure a secure working environment while protecting employees from occupational hazards.

We also put heavy emphasis on the safety and health of our visitors. To safeguard our visitors, safety briefings are provided to all visitors who enter our operations areas in our factories. Appropriate personal protective equipment will also be provided. Any visitors who do not want to abide to these requirements will be excused from the operations areas to ensure their safety and health.

Health and safety performance is one of the key factors to evaluate business performance. The Group adopts ISO 45001, Occupational Health, and Safety Management Systems – requirements with guidance for use (“ISO 45001”) as a framework for its occupational health and safety management system in order to create the best working conditions for employees and to prevent workplace accidents and illnesses. A number of our factories have been certified with ISO 45001 accreditations. During the year, a plant in Dongguan, mainland China was presented “Dongguan Safe Enterprise Award” by Office of Dongguan Work Safety Commission.

**Figure 20. ISO 45001 Accreditations and “Dongguan Safe Enterprise Award 2022”**



The Group is highly cautious on the chemicals used in our products as hazardous chemicals may persist in the environment, bioaccumulate through the food chain, ultimately posing a risk to human health and the environment. While adopting global chemical compliance requirements and carrying out chemical tests under different conditions are crucial, the use of chemical substances in the manufacturing process also plays a vital role in protecting the environment and ensuring customer health and safety as well. The Group strictly adheres to the standards set forth on chemical substances, including those on the restricted substance list of international and local regulations.

Various measures associated with occupational health and safety are implemented across the Group. Workers are required to conduct regular occupational health checks to detect work-related injuries and diseases, under the employee health check-up guidelines. Our Hong Kong headquarters is equipped with Automated External Defibrillator (AED) and all operation areas have fire extinguishers in place to tackle emergencies. On-site safety audits are conducted in factories to access the safety issue at the operation level, including dust control, prevention of occupational disease and fire safety. The Group provides first-aid training to employees across different operation locations, where the number of employees accredited with certificates exceeds the requirement of local regulations to ensure qualified first aiders are readily available when an emergency occurs. Safety and occupational health courses are mandatory in orientation programs for new employees to join the production plants, including training courses on first aid, and how to safely approach hazardous and chemical materials.

During the pandemic, the Group implemented preventive measures associated with COVID-19 to ensure a safe and healthy workplace. To keep social distance and minimise infection channels, we implemented flexible working hours and split team working arrangements. We also provided rapid test kits for colleagues to conduct tests regularly, as well as fruits to colleagues infected with COVID-19 as support for a speedy recovery.

The Group has recognised work-related hazards with the potential to cause severe injuries, including chemical exposure risks, fire and explosion risks, electrical hazards and physical hazards. To address these risks, the Group employs various safety measures, such as supplying personal protective equipment, introducing engineering controls, offering training on safe work practices, and performing routine safety audits and risk assessments.

During the year ended 31 March 2023, the Group complied with all laws and regulations related to providing a safe working environment and protecting employees from occupational hazards. Due to better risk control and machinery maintenance, the Group reported fewer injury cases and loss of working days during the period. There were 20 cases (2022: 46 cases) of workplace injury, resulting in a loss of 615 working days (2022: 815 working days). There was no work-related fatality in each of the past three years including this reporting year. We shall continue to improve staff awareness and create a safer working environment to further reduce our work injury cases.

**Supply Chain Management**

The Group’s initiatives in the downstream segment of the value chain include:

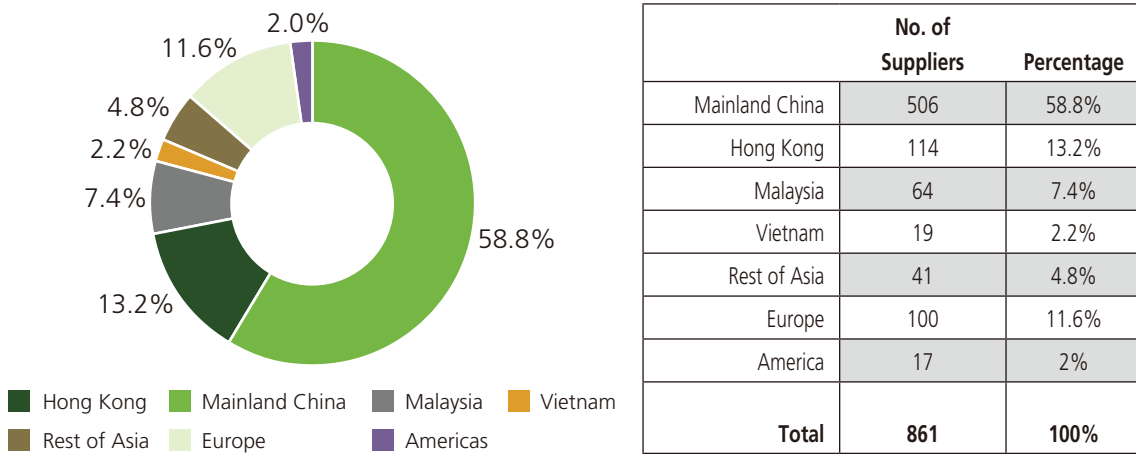
- Practising ethical marketing and advertising by ensuring truthful communication and avoiding any discriminatory or unethical practices.
- Actively engaging with customers to comprehend their needs and preferences, enabling the Group to create products that resonate with customer values.
- Focusing on product innovation and responsibility by designing and developing environmentally friendly products.
- Investing in community engagement by working closely with the communities in which we operate and addressing social and environmental issues that affect them.

The value chain remains consistent with the previous year, reflecting our ongoing commitment to these key areas.

As committed in our supply chain management policy, the Group strives to uphold our operational agility and respond quickly to any changes in the global supply chain.

During the reporting period, there were a total of 861 suppliers. The number of suppliers by geographical region is set out as the following.

**Figure 21. Number of suppliers by geographical region**



To ensure the responsible management of our third-party relationships, we have implemented a thorough supplier evaluation process as a critical component of our responsible supplier management system. This involves having our suppliers complete a questionnaire that assesses their performance in various areas, including environmental, safety, and social responsibility. The Group follows guidelines that enable relevant departments to conduct supplier audits based on an audit checklist and carry out assessments prior to sample validation approval.

Through regular supplier audits, we monitor our suppliers' performance to identify potential environmental and social risks within our supply chain. Emphasising mutual relationships with our business partners, the Group also offers environmental and social awareness training to our strategic suppliers. These training sessions cover a range of topics, such as corporate social responsibility, supplier social compliance requirements, environmental compliance, and supplier solid waste management. To encourage our suppliers to embark its sustainability journey, we will prioritise suppliers that aligns with our sustainability vision and has sustainability initiatives in place to reduce the adverse impacts brought to the environment. We will also plan to include suppliers' sustainability-related performance into our supplier evaluation and selection criteria moving forward to reinforce our sustainability commitment.

During the waves of COVID-19 unfolded, the Group recognises the importance for all its stakeholders to collaborate closely and support one another. The Group closely monitored the pandemic situation, and in current times of gradual easing of the pandemic restrictions, the Company continuously refines its efforts to improve the effectiveness of anti-pandemic strategies and considers the interests of its stakeholders while achieving the Group's business objectives amid the COVID-19 pandemic.

### ***Product Innovation and Responsibility***

The Group has devoted considerable resources and efforts to our research and development centres, focusing on the creation of new products and the adoption of advanced equipment.

GP Recyko, our featured NiMH rechargeable batteries brand, has been designed to foster a circular economy by minimizing fresh raw material consumption, and waste disposed to landfill, hence, reducing the carbon footprint and environmental impacts of GP Recyko across the whole product lifecycle.

"Charge 10" of the GP Recyko brand showcases our dedication to excellence and innovation. It is the fastest NiMH rechargeable battery system in the world with a 10-minute charge time, which underpins our investment and our prowess in manufacturing, engineering, and design. We leverage the range of GP Recyko and other GP branded products to encourage consumers worldwide to accelerate the use of rechargeable batteries. Together with its paper packaging and use of recyclable raw materials, GP Recyko helps to avoid the use of plastics and achieves high level of recyclability.



### Spotlight – GP Recyko Charge10

Committed to incorporating sustainability into developing innovative battery and charging products, we have launched the GP Recyko Charge10, the fastest Nickel Metal Hydride (NiMH) rechargeable battery system in the world, to help more consumers switch to green energy. Equipped with two charging modes, customers can charge batteries in “Ultra-Fast” or “Eco-mode” to maximise battery lifetime. Our new range of GP Recyko rechargeable batteries and chargers also feature recyclable paper packaging to minimise waste.

Figure 22. GP Recyko Charge10 Product Display



The Group is committed to responsible advertising, ensuring that our marketing materials are truthful, accurate, and transparent while emphasising sustainability. We prioritise environmentally conscious advertising by considering factors such as reducing our carbon footprint through the use of e-advertisements over paper alternatives. To comply with applicable rules and regulations, we stress the importance of accurate and transparent label content in our advertisements. In addition, effective product labelling is essential for fostering transparency and responsible business practices, as well as establishing trust with customers. The Group diligently works to guarantee that its product labelling is comprehensive, precise, and easily comprehensible, featuring legible text and suitable language while complying with all relevant regulations and standards.

For products, we ensure all the policies and operational procedures related to product development and quality controls are followed through to minimize product risks. Quality control data are constantly monitored to unearth any systematic risks. We also frequently liaise with our industrial customers to seek their feedback on the product quality and any issues they have on our products and services. For consumers, we have various feedback mechanisms such as telephone hotlines and emails publicly available. Any feedbacks are immediately followed through and resolved. Feedback statistics are constantly reviewed to observe any systematic risks. Our management regularly communicates with various business units and collects their feedback on the business operations and attends for any abnormality.

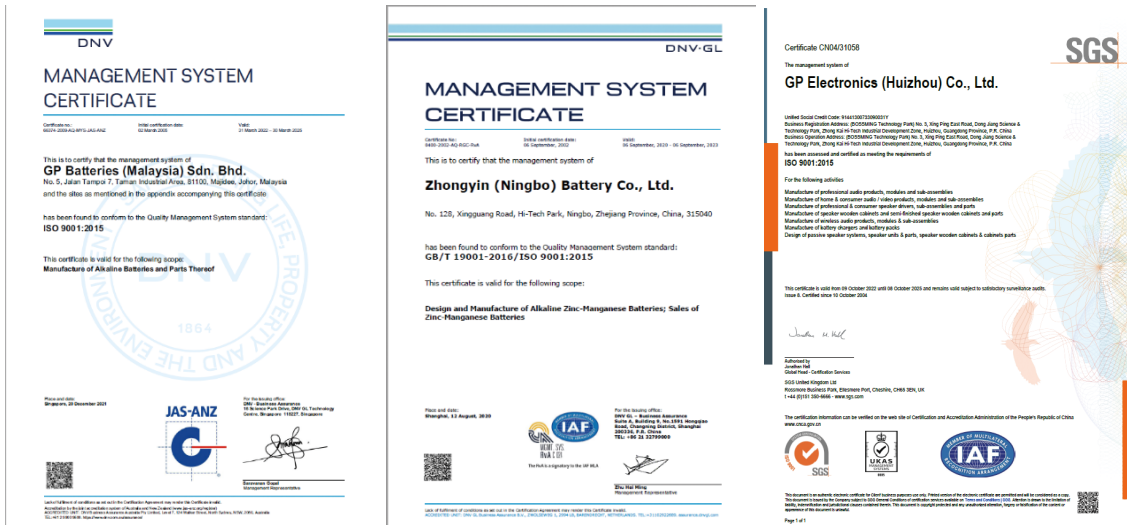
In response to the increasing market demand, we have utilised cost-effective automated systems that enhance productivity and quality control. For example, GP Batteries adopts a quality management system and manufacturing process that are data-driven and follow the continuous improvement philosophy. Product and process parameters that could affect product quality are defined in the related process management plan and have the appropriate controls accordingly. GP Batteries is dedicated to manufacturing safe and high-quality products. The Group has established the Product Safety and Fail-Safe Design Guideline, which directs product designers to incorporate fail-safe concepts and appropriate controls, offering added safety protection for consumers. GP Batteries has formulated a Declaration of Non-use/Banned Substance, requiring related suppliers to manage hazardous substances outlined in the list.

The IEC (International Electrotechnical Commission) 62133 series is a widely recognised safety standard for rechargeable secondary cells and batteries in portable applications, including Nickel and Lithium systems. IEC 62133-1 for Nickel batteries and IEC 62133-2 for Lithium batteries are mandatory for audio/video, information, and communication technology equipment according to IEC 62368-1. GP Batteries' IEC 62133-certified Lithium-ion and NiMH batteries facilitate rapid market entry in over 50 Certification Body Scheme participating countries. The UN38.3 certification ensures that all GP Lithium-ion batteries can be easily shipped by air and sea, subject to national deviations and potential additional tests. To meet compliance requirements, related products must obtain appropriate certificates and reports aligned with national standards or regulations. Examples include IEC 62133-1 (NiMH cells/batteries), IEC 62133-2 (Li-ion cells/batteries), UL 1642 (Lithium batteries), UL 2054 (Household and commercial batteries), UL 217 (Batteries for smoke alarm), IEC 60086 series (Primary batteries), and UN 38.3 (Lithium cells/batteries).

GP Batteries' 9V Carbon Zinc and Alkaline batteries are among the few battery manufacturers with UL-recognised components based on UL 217 for smoke alarm applications. The company has three factories with BIS ISI licenses, enabling GP Batteries and private-label brand customers to penetrate the Indian Carbon Zinc battery market. BIS CRS is a mandatory requirement for importing secondary batteries (NiMH and Li-ion) into India, and GP Batteries has registered related models. GP Batteries has also acquired the MC Mark for importing Alkaline batteries into Malaysia, obtained the Certificate of Conformity for delivering carbon zinc batteries to Morocco, and successfully completed the product surveillance process to renew the battery certification license for importing Alkaline batteries into Colombia. In 2020, the Group introduced new childproof packaging for Coin-sized Lithium batteries, featuring a tamper-proof design, child safety pictograms, and warning messages. The packaging complies with the latest IEC standards (IEC 60086-4 Edition 5) and Australian ACCC regulations.

We have strategically established testing facilities in mainland China, Hong Kong, and Singapore to test batteries against international standards. These laboratories have obtained relevant accreditations, signifying GP Batteries' testing capabilities. Also, the Group has developed and implemented quality control systems to manage hazardous substances produced during manufacturing processes. Quality management systems are in place to ensure compliance with the latest ISO 9001 and/or IATF 16949 requirements. Most of our factories are ISO 9001 and/or IATF16949 accredited, demonstrating the Group's ability to consistently provide products and services that meet customer needs and adhere to applicable statutory and regulatory requirements.

Figure 23. ISO 9001 Accreditations



The Group has established mechanisms to gather customer feedback, enabling continuous improvement of its products and services. Semi-annual customer surveys are conducted to evaluate customer satisfaction.

### Customer Relations and Satisfaction



Customer interest and security are always KEF's top priorities. Customers who bought KEF products from our official website or purchased at any of KEF's authorised retailers enjoy price transparency and quality assurance, complete customer service and international product warranty. Price transparency and quality assurance helps customers make informed decisions and build trust in the product. Complete customer service ensures a positive customer experience and enhancing satisfaction. International product warranty adds value by instilling consumer confidence in the product's quality and reliability.

A customer complaints handling procedure is in place to address commercial and technical complaints from customers effectively. Each step and response within this procedure follows a specific timeframe to ensure prompt handling of cases. Furthermore, the impact on business for each case is assessed, and the status is reported to top management until the issue is resolved and closed.

The Group has also developed a product recall procedure to address any safety-related recalls efficiently. This procedure outlines the recall process, including internal analysis, communication with product recipients and the public, logistics of recalling products, and corrective actions post-recall. A recall committee is responsible for overseeing product recall cases, while a recall coordinator liaises with all departments to facilitate the recall process.

During the year ended 31 March 2023, no products sold or shipped were subject to recalls for safety and health reasons. The Group received 1,199 cases of product- and service-related complaints.

### ***Anti-corruption***

The Group is committed to preventing corruption, bribery, extortion, fraud, and money laundering, as well as complying with applicable anti-corruption laws and regulations. We prohibit employees from offering, making, or receiving any bribes or kickbacks for the purpose of securing improper business advantages, or otherwise engaging in corrupt activities or practices.

The Group has established a whistle-blowing policy that allows anyone to report in good faith any misconduct or malpractice, without fear of reprisal, through a confidential channel. If an investigation is to take place, the head of internal audit will carry out the investigative work, and then seek administrative support from the Executive Directors. The Executive Directors may also consider the appointment of an external party to assist the head of internal audit with the investigation. The Board, the Audit Committee and the head of internal audit will keep strict confidentiality on the informer's identity throughout the process. Any form of disadvantage or reprisal against the informer by the Company's management or staff is expressly prohibited.

Our Code of Conduct also states that all employees must abide by the laws of the jurisdiction, including laws and regulations on anti-corruption, and all other laws and regulations pertaining to ethical business conduct. Our Guidelines on Business Ethics and Integrity apply to our employees, suppliers, and contractors in the course of business dealings to prevent corruption along the supply chain.

During the year ended 31 March 2023, the Group complied with all relevant laws and regulations relating to bribery, extortion, fraud, and money laundering. Anti-corruption training sessions were offered to employees to refresh their knowledge of anti-corruption laws and be aware of corruption loopholes. No legal case regarding corrupt practices was brought against the Group or our employees.

### ***Privacy and Information Security***

The Group strives to ensure compliance with the strictest standards of security and confidentiality. Our Group has established a wide range of policies to protect privacy and information security. These policies include Data Breach Policy, Data Retention Policy, Records of Processing Activity Policy, Data Process and Storage Security Policy, Personal and Work Phone Policy, Data Consent Policy, Personal Data Transfer Policy, Data Privacy by Design and by Default Policy, and Data Protection Impact Assessment Policy.

Personal data is stored securely, and only authorised staff members have the right to gain access to the data. The Group will not release the personal data of its employees, customers, and suppliers to external parties without the permission of the relevant parties.

The Group also conducted cyber security awareness training for employees to promote the protection of data privacy of colleagues, customers, and business partners.

### ***Protection of Intellectual Property***

It is the Group's policy to respect intellectual property rights and not to use infringing articles in its business. The Group adopts a policy that follows the key terms of copyright regulations. It is important for employees to comply with the copyright policy in the course of their employment. Where employees knowingly use infringing copies of copyright works in the course of their employment, the employees concerned could be subject to both civil and criminal liabilities.

### ***Community Investment***

At the heart of the Group's operations, we place a strong emphasis on sustainability and the development of sustainable communities in the regions where we operate. To this end, the Group actively engages in community outreach to understand the needs of the communities and ensure that its activities align with their interests. The Group's roadmap has been updated to define the focus areas of contribution, with "Environmental and Sustainability" and "Social and Community Development" being the main priorities. Our approach to achieving sustainable community development begins with nurturing a culture of social care among our staff, engaging in short-term social services, and then gradually committing to project-based and regular community programmes.

Leveraging the Group's design and innovation expertise, we partner with Hong Kong Design Centre in their Design!n Action initiative under the BODW City Programme to offer design industry knowledge and hands-on work experience to students. Company visits and job tasting sessions were arranged for secondary and tertiary students. GP Batteries also collaborated with Green Influencers to create educational content on green production and energy consumption, with an aim to encourage the development of responsible and sustainability-oriented individuals in the younger generation.

GP Batteries has been the exclusive battery supplier and an official sponsor for the Hong Kong Standard Chartered Marathon since 2014. In keeping with its commitment to promoting a healthy lifestyle and work-life balance, GP Batteries continued encouraging its employees to participate in the running event with their families and friends.

While most forms of activity have returned to pre-pandemic levels, the Group reckons the need of individuals who require additional attention and care. Donation of surgical face masks was made to the Methodist Centre to support those who work or reside in high-risk settings. Dispelling the gloom of the pandemic, the Group visited a non-profit school and performed for children with special education needs to spread happiness to both the students and teachers through music and inclusivity.

The Group continued to support the Corporate and Employee Contribution Programme through Community Chest and has actively promoted employee participation in social caring events, such as Blood Donation Day 2022, Love Teeth Day 2022, Earth Hour 2023, Lai See Packet Recycling Campaign, etc. The Group is presented the Caring Company Logo for 21 consecutive years by The Hong Kong Council of Social Service as a recognition for its contribution and commitment to community engagement.

During the year, the Group contributed over 2,400 hours on community activities related to education, environmental concerns, labour needs, health, culture and sport.

**Figure 24. Company visits and job tasting sessions for secondary and tertiary students**



**Figure 25. GP Marathon Team**



**Figure 26. Blood Drive**



## Content Index for HKEX ESG Reporting Guide

Aspects and KPIs	Disclosure Description	Section/Remarks
Governance Structure	(i) a disclosure of the board's oversight of ESG issues	Sustainability and ESG Governance
	(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)	Sustainability and ESG Governance
	(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 and ESG Governance
Reporting Principles	<p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>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.</p>	Stakeholder Engagement and Materiality
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About This Report

Aspects and KPIs	Disclosure Description	Section/Remarks
<b>Environmental</b>		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Stewardship > Emissions
KPI A1.1	The types of emissions and respective emissions data.	Environmental Stewardship > Emissions
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).	Environmental Stewardship > Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Environmental Stewardship > Waste
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Environmental Stewardship > Waste
KPI A1.5	Description of emissions target(s) set, and steps taken to achieve them.	Environmental Stewardship > Emissions
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.	Environmental Stewardship > Waste



Aspects and KPIs	Disclosure Description	Section/Remarks
<b>Environmental</b>		
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water, and other raw materials.	Environmental Stewardship > Use of Resources
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).	Environmental Stewardship > Use of Resources
KPI A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility).	Environmental Stewardship > Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set, and steps taken to achieve them.	Environmental Stewardship > Use of Resources
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.	Environmental Stewardship > Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Environmental Stewardship > Use of Resources
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental Stewardship > The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Stewardship > The Environment and Natural Resources
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environmental Stewardship > Emissions
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.	Environmental Stewardship > Emissions

Aspects and KPIs	Disclosure Description	Section/Remarks
<b>Social</b>		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment, and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Social Responsibilities > Human Capital
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Social Responsibilities > Human Capital
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Social Responsibilities > Human Capital
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Social Responsibilities > Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Social Responsibilities > Health and Safety
KPI B2.2	Lost days due to work injury.	Social Responsibilities > Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Social Responsibilities > Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Social Responsibilities > Human Capital
KPI B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Social Responsibilities > Human Capital
KPI B3.2	The average training hours completed per employee by gender and employee category.	Social Responsibilities > Human Capital
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Social Responsibilities > Human Capital
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Social Responsibilities > Human Capital
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Social Responsibilities > Human Capital

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

<b>Aspects and KPIs</b>	<b>Disclosure Description</b>	<b>Section/Remarks</b>
<b>Social</b>		
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud, and money laundering.	Social Responsibilities > Anti-corruption
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.	Social Responsibilities > Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Social Responsibilities > Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Social Responsibilities > Anti-corruption
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Social Responsibilities > Community Investment
KPI B8.1	Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport).	Social Responsibilities > Community Investment
KPI B8.2	Resources contributed (e.g., money or time) to the focus are.	Social Responsibilities > Community Investment

