



**WHITE
FLOWER®**

PAK FAH YEOW INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)
Stock Code: 239

**ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT**

2023



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ABOUT THE GROUP

Pak Fah Yeow International Limited (the “Company”) and its subsidiaries (collectively the “Group”) are principally engaged in the manufacture, marketing and distribution of healthcare products using its brand “Hoe Hin”. One of its products, a renowned medicated oil, Hoe Hin White Flower Embrocation or Hoe Hin Pak Fah Yeow, has been manufactured since 1927 and is available globally, including Hong Kong, Macau, the People’s Republic of China (the “PRC” or “Mainland China”), Southeast Asia and in the West.

The Group is also engaged in property and treasury investments. The property investments in the United Kingdom, Hong Kong and Singapore were acquired a long time ago and are intended to be held long term to generate steady income.

ABOUT THIS REPORT

This environmental, social and governance report (“ESG Report”) provides an insight into the Group’s policies, measures and performances in environmental, social and governance (“ESG”) aspects. It describes how the Group combines its commitments to responsible operations with business strategy as well as the action it has taken, providing stakeholders with an overview of the Group’s progress towards sustainability.

Reporting Scope and Period

The ESG Report specifies the ESG activities, challenges and measures being taken during the financial year ended 31 December 2023 (“2023” or the “Reporting Year”). The Group focuses on its healthcare business segment, which accounts for more than 94% of the Group’s total revenue, therefore the scope of this ESG Report continues to cover operations of the head office and factory of the Group in Hong Kong, which aligns with previous reporting practices. The Group will consider expanding the scope of reporting when and where appropriate.

MANAGEMENT MESSAGE

The Group is delighted to present the eighth ESG Report of the Group.

As a renowned manufacturer of healthcare products, the Group has been dedicated to bringing quality products to alleviate the pain of many for over 95 years. The Group makes seamless efforts in providing communities with high-quality healthcare products by advancing and systemising best practices. At the same time, the Group remains vigilant to the potential environmental and social impacts that its business may have on the communities in which it operates. Therefore, the Group is committed to achieving its business objectives within a framework of high standards with a focus on environmental sustainability and social responsibility within the Group and in the communities in which it operates, in accordance with its core values – honesty, obedience, excellence, humanism, innovation, and nurturing.

The Group believes that business sustainability can only be accomplished by operating a profitable business without sacrificing the well-being of either its society or the environment. The Group, therefore, incorporates ESG concepts into its business strategies to cultivate sustainable value for shareholders by seizing opportunities and managing risks associated with developments in the economy, society and environment. The Group’s ESG responsibility initiative depends critically on its ability to comprehend how various ESG issues may impact its business and its stakeholders. To ensure the effective integration of ESG considerations into its business model, the Group has established a group-level sustainability governance structure. The board of directors (the “Board”) plays a leading role in the governance structure and holds the collective responsibility for the Group’s ESG strategy, management, performance and reporting supported by the ESG committee (the “ESG Committee”). The Board examines and approves the sustainability objectives, strategies, priorities, initiatives and goals, as well as related significant policies and framework of the Group. Under the Board’s delegation, the Group’s ESG Committee, which is chaired by an Executive Director and composed of executives from major departments, assists the Board in fulfilling its oversight responsibilities. By utilising the Board’s expertise and resources as well as consulting external expertise in ESG reporting, the Group seeks to empower its stakeholders, including investors, employees and community groups, empowering them to make informed decisions. Information about the Group’s ESG governance structure is detailed in the section headed “ESG Governance”.

The Group is guided by the principle of being a responsible business. Driven by a deep commitment to environmental sustainability, the Group actively takes measures to minimise carbon emissions within the workplace. The strategies encompass optimising energy efficiency, implementing a comprehensive recycling programme and enhancing packaging materials to reduce the overall environmental footprint. The Group has adopted solar energy in its outdoor advertising signage along the Victoria Harbour. LED lights are also used to prevent mercury pollution, which results from dumped and abandoned neon lights. Having achieved the environmental targets in relation to greenhouse gas (“GHG”) emissions, waste disposal, energy consumption and water consumption set in 2022, in this Reporting Year the Group strengthened its targets in the four areas which are more specific and quantitative. The Group actively carries out various initiatives and activities at operational levels in order to meet the targets. The Board has delegated authority to the ESG Committee to gather ESG data, monitor and analyse its performance, and assess the Group’s progress toward its targets. Relevant results are detailed in the sections headed “GHG Emissions”, “Waste Management”, “Energy Consumption” and “Water Consumption and Effluents”.

Climate change gives rise to certain risks to our business, including the impact of extreme weather events on our properties, the cost of changing to new sources of energy and the environmental and social impact of GHG emissions. The Group addresses climate change risks as part of our corporate risk management process and develops strategies in line with its practices to mitigate the impacts of climate change on our operations, adapt our operations to climate change and strengthen our resilience to climate change. In the meantime, the Group actively explores the financial and operational implications of climate change and has been identifying potential opportunities for improvement and development. Overall, we are committed to combating climate change and its impacts.

The COVID-19 pandemic began to ease off during the first quarter of 2023, followed by the complete opening of boarders in Hong Kong, Macau and Mainland China which drove higher demand for our products. As a socially responsible corporation, customers’ health and well-being remains as the utmost priority of our business strategy. As such, strong efforts are in force to establish a quality system based on the requirements of ISO 9001:2015 Quality Management System. One of the Group’s signature products – Hoe Hin Strain Relief was launched in the Mainland China market in 2022 after having successfully passed the approval procedures for Hong Kong registered traditional proprietary Chinese medicines for external use. The product has been sold in the Guangdong-Hong Kong-Macao Greater Bay Area promulgated by the Central Government with the registration certificate approved by the National Medical Products Administration (“NMPA”). Moreover, in recognition of its high-quality products, the Group has been from time to time honoured different certifications, including the Hong Kong Q-Mark certification issued by the Federation of Hong Kong Industries (“FHKI”) and the Good Manufacturing Practice (“GMP”) certifications issued by the Therapeutic Goods Administration from the Department of Health in Australia and the Chinese Medicine Council of Hong Kong.

Looking ahead, the Group will continue to adhere to high management standards and also remain vigilant and responsive to challenges in its business environment in various aspects. The Group will continue to strengthen communication with stakeholders and keep exploring opportunities to enhance the ESG performance so as to promote the sustainable development of the Group and create long-term value for its stakeholders.

REPORTING FRAMEWORK

This ESG Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) set out in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). A complete index is inserted in the last chapter of this ESG Report for reference.

Information relating to the corporate governance practices of the Group has been set out in the Corporate Governance Report as included in the Annual Report 2023.

The Group has established appropriate internal control and review process to ensure that all information presented in this ESG Report is as accurate and reliable as possible. The ESG Committee of the Group has overall responsibility for the establishment and disclosure of the relevant measures and respective key performance indicators (“KPIs”). This ESG report has been approved by the ESG Committee and endorsed by the Board.

Reporting Principles

The content of this ESG Report follows the reporting principles of the ESG Reporting Guide.

Materiality: This ESG Report is structured based on the materiality of the respective issues following a materiality assessment. The result of the materiality assessment was reviewed and confirmed by the Board and the ESG Committee. For further details, please refer to the section headed “Materiality Assessment”.

Quantitative: This ESG Report is prepared in accordance with the ESG Reporting Guide and discloses KPIs in a quantitative manner. Information regarding the standards, methodologies, assumptions and/or calculation references, and sources of key conversion factors used for KPIs is stated wherever appropriate.

Balance: This ESG Report is based on an objective and impartial manner to ensure that the information disclosed faithfully reflects the overall performance of the Group in ESG aspects.

Consistency: Unless otherwise stated, the Group’s disclosure and statistical methods are consistent with the previous financial year for meaningful comparison. If there is any change that may affect the comparison with previous reports, the Group will make explanatory notes to the corresponding section hereof.

ESG GOVERNANCE

The Group’s sustainability governance structure provides a solid foundation for developing and delivering its commitment to sustainability, which is embedded at all levels of the Group, including the Board, the ESG Committee and employees of different functional departments.

The Board has ultimate accountability for the Group’s ESG strategy, management, performance and reporting through the support of the ESG Committee. The Board and ESG Committee regularly communicate in verbal and written form. The Board and the ESG Committee also arrange meetings at least once per year on ESG issues and their impact on the Group’s business. The Board examines and approves the Group’s ESG objectives, strategies, priorities, targets and goals, as well as the related policies and frameworks during board meetings at least on an annual basis. During the meeting, the Board also reviews the Group’s progress against ESG-related goals and targets.

The Group believes a diversified Board composition helps it fulfill its duties and responsibilities more effectively, as well as facilitate better decision-making on ESG and business strategies. Therefore, the Group has formulated and adopted a board diversity policy to strengthen the standardisation and effectiveness of the Group’s governance. For further details on the skills and expertise of its Board, please refer to the section headed “Board of Directors and Senior Management” in the Annual Report 2023.

The ESG Committee, chaired by an Executive Director, assists the Board in fulfilling the Board’s oversight responsibilities. The ESG Committee has an overarching role in supporting the Board on the matters of ESG and oversees the implementation of the ESG initiatives of the Group, including reviewing the related policies, practices and management approach. The ESG Committee also formulates the Group’s ESG objectives, strategies, priorities, initiatives, goals and targets for the Board’s endorsement. In addition, the ESG Committee is responsible for coordinating ESG matters, compiling ESG reports, monitoring the work progress towards ESG goals and targets, and reporting to the Board on at least once per year.

The following shows the composition of the ESG Committee:



Risk Management

Risk management is considered as an integral part of the Group’s daily management processes and good corporate governance. The Board has the overall responsibility of overseeing the Group’s risk management and internal control systems with the support of the audit committee. A review of the Group’s approaches in addressing the identified risks is conducted at least once per year to ensure the effectiveness of the system.

To consider environmental and social issues more comprehensively upon the Group’s risk assessment and internal control system, the Group has expanded and enforced risk management to include ESG risk topics to identify imminent ESG risks, enabling the Group to determine action plans in a timely manner.

FEEDBACK MECHANISM

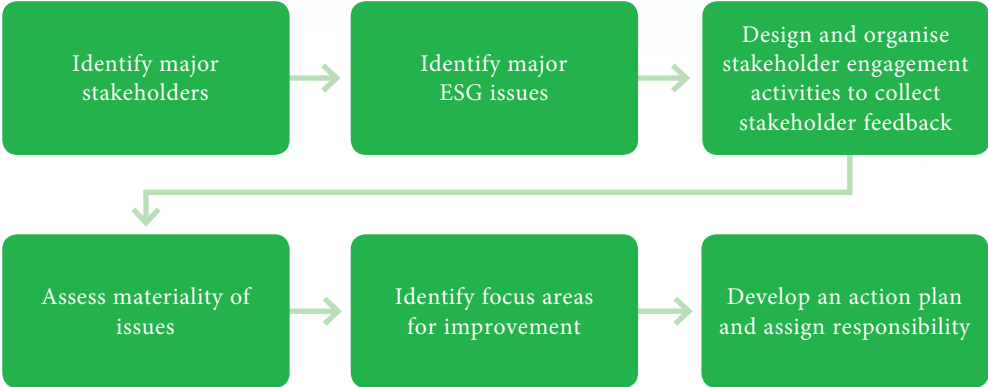
Stakeholder comments and suggestions can help define and strengthen the Group’s future sustainability strategy. They are welcome to contact the Group’s ESG personnel by email at pfy@pfy.com.hk.

STAKEHOLDER ENGAGEMENT

Understanding and meeting the needs of the Group’s stakeholders is of paramount importance for it to move forward on the path towards sustainability. Every feedback will eventually facilitate the Group to identify material ESG issues and manage relevant risks and opportunities.

Stakeholders are those who have a considerable influence on the Group’s business and whom its business has a significant impact on. To better understand their expectations and interests and respond to their concerns, the Group has developed an engagement strategy to ensure engagement activities are carried out on a systematic and regular basis.

The process of engagement is shown as follows:



The following table shows the Group's stakeholders, respective communication channels and their expectations and concerns being raised:

Stakeholders	Communication channels	Expectations and concerns
The Board and senior management	<ul style="list-style-type: none"> Regular meetings Training, seminars and briefing sessions 	<ul style="list-style-type: none"> Compliant operation Economic performance Employees' health and safety Protection of rights and interests
Employees	<ul style="list-style-type: none"> Training, seminars and briefing sessions Regular performance reviews Regular meetings (i.e. departmental and operations meeting) Community activities 	<ul style="list-style-type: none"> Protection of employees' rights and interests Employees' health and safety Employee development and training Compliant operation
Product customers	<ul style="list-style-type: none"> Customer satisfaction survey Customer support hotline and email Company website Social media 	<ul style="list-style-type: none"> Provision of quality products and services Protection of customers' interests Responsible marketing Compliant operation Protection of intellectual property rights Protection of customers' privacy
Investors and shareholders	<ul style="list-style-type: none"> General meeting and other shareholder meetings Financial reports Announcements and circulars Company website 	<ul style="list-style-type: none"> Compliant operation Risk management Economic performance
Suppliers	<ul style="list-style-type: none"> Supplier management meetings and events Supplier audit Procurement management 	<ul style="list-style-type: none"> Fair and open procurement Sustainable development of the supply chain
Distributors	<ul style="list-style-type: none"> Supplier management meetings and events Sales team Emails, telephone and messaging service 	<ul style="list-style-type: none"> Provision of quality products and services Targeted communication Compliant operation Steady supply of products Protection of intellectual property rights
Non-governmental organisations and media	<ul style="list-style-type: none"> Community activities and partner programmes Social media External marketing company Company website 	<ul style="list-style-type: none"> Transparent information disclosure
Government bodies and regulatory authorities	<ul style="list-style-type: none"> Compliance Officer Compliance Adviser 	<ul style="list-style-type: none"> Compliant operation Transparent information disclosure

The Group aims to collaborate with stakeholders to improve its ESG performance and create greater value for the community on a perpetual basis.

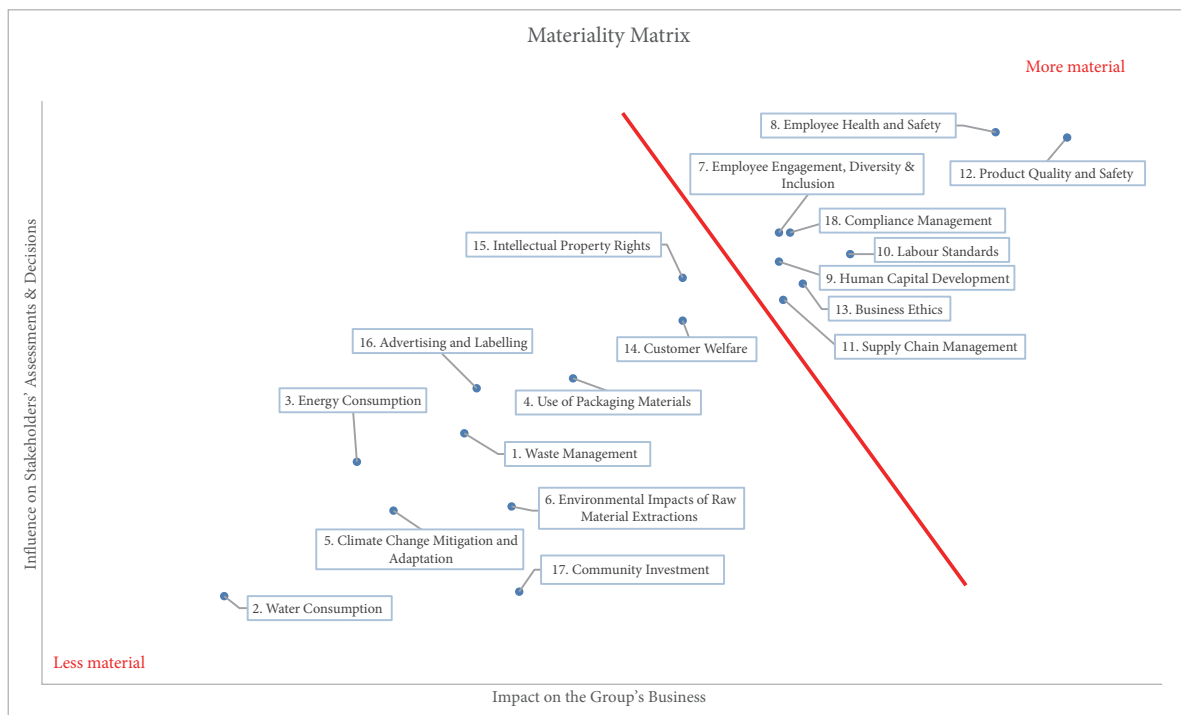
MATERIALITY ASSESSMENT

The Board, management and employees who are responsible for the key functions of the Group have participated in the process of preparing the ESG Report, identifying key ESG issues and assessing the significant level of these issues to the Group's business and stakeholders. To identify the key ESG issues and ensure the Group's disclosures reflect its significant ESG impacts, the Group conducts materiality assessments regularly. The specific steps for the materiality assessments are as follows:

- Step 1 Base on the Group's business development and the results of the previous materiality assessment, the Board and the ESG Committee have identified and confirmed a list of material ESG topics of the Group. The list covers a total of 18 topics that may have a significant impact on the Group's business and a higher degree of impact on stakeholder assessment.
- Step 2 Conduct a materiality assessment based on the core content of the issues in the list, design a questionnaire, and invite stakeholders to assess the importance of the issues and express their views on the Group's ESG aspects through open-ended questions. This assessment covers key stakeholders, including but not limited to the Board and senior management, employees, product customers, suppliers and distributors.
- Step 3 Collect, sort and analyse the questionnaire, sort the importance of the 18 topics and compile the importance evaluation matrix for the Reporting Year.

The Board and the ESG Committee have reviewed and discussed the opinions of stakeholders and the results of the materiality assessment, and determined the key points of disclosure in this report based on the materiality assessment results as well as the key points for improving ESG performance in the future.

The outcome of the materiality assessment survey is presented in the form of the following materiality matrix:



List of material topics	
1. Waste Management	10. Labour Standards
2. Water Consumption	11. Supply Chain Management
3. Energy Consumption	12. Product Quality and Safety
4. Use of Packaging Materials	13. Business Ethics
5. Climate Change Mitigation and Adaptation	14. Customer Welfare
6. Environmental Impacts of Raw Material Extractions	15. Intellectual Property Rights
7. Employee Engagement, Diversity & Inclusion	16. Advertising and Labelling
8. Employee Health and Safety	17. Community Investment
9. Human Capital Development	18. Compliance Management

There was no material change in the Group's business nature and segments during the Reporting Year, therefore the relatively concerned material topics of the Group remain unchanged from the previous year, which are "Product Quality and Safety", followed by "Employee Health and Safety", "Labour Standards", "Compliance Management", "Employment Engagement, Diversity & Inclusion" and "Human Capital Development". Nonetheless, the Board is of the view that the significance of "Community Investment" and "Supply Chain Management" to the Group's business has increased. The core value of "Return to community" is demonstrated in the effort and resources contributed to the local community as detailed in the section headed "Community Investment". In view of the greater significance of the supply chain management, the Group's effort and performance are detailed in the section headed "Supply Chain Management".

During the Reporting Year, the Group confirmed that appropriate and effective risk management policies and internal control systems for ESG issues are in place and confirmed the information disclosed in the ESG Report meet the requirements of the ESG Reporting Guide.

RESPONSIBLE OPERATING PRACTICES

Compliance Management

As a corporation that upholds business integrity, the Group emphasises compliance management in its operation. The Group keeps abreast of the latest updates on local and international laws that are related to its operation. It regularly reviews related policies and procedures to ensure conformity with the best practices.

Product Quality and Safety

The Group has always placed customers' health as its first priority. Thus, in line with the result of the materiality assessment, product quality and safety remains as the most material issue both on the Group's business and stakeholders' assessments and decisions.

The Group is committed to maintaining and continuously improving the quality of its products to not only to ensure customers' health and safety but also to maintain competitiveness in the dynamic and ever-changing environment. The Group realises that responsible and ethical operating practices, as well as effective supply chain management, are essential to its sustainable development. Thus, the Group's approach is underpinned by a commitment to acting as a responsible and reliable manufacturer along its value chain. Comprehensive product quality reviews covering its main value chain are conducted annually to ensure the consistency of the quality of the Group's products.

The Group strictly complies with the regulatory requirements in relation to product safety. Product safety documents including test reports are provided to comply with the registration requirements of a proprietary Chinese medicine ("PCM") in Hong Kong. For overseas markets, the Group complies with the local regulatory requirements correspondingly. During the Reporting Year, the certificate of HALAL Product has been issued by Islamic Food Research Centre Hong Kong to certain of the Group's products, guaranteeing that those products meet the requirements of Islamic Law.

Quality Management System

The Group's quality management system is established in accordance with the Pharmaceutical Inspection Convention/Pharmaceutical Inspection Co-operation Scheme ("PIC/S") Guide to Good Manufacturing Practice for Medicinal Products and is certified with ISO 9001:2015. The Group's manufacturing facilities are GMP certified with certificates issued by the Therapeutic Goods Administration of Australia and the Chinese Medicine Council of Hong Kong. Furthermore, the Group has been awarded the Hong Kong Q-Mark certification annually for White Flower Embrocation since 2000 and Hoe Hin Strain Relief since 2002 as recognition for excellence in product quality.

As of 31 December 2023, the Group has three products registered as proprietary Chinese medicines in the PRC, which include Hoe Hin White Flower Embrocation – Traditional Formula, Hoe Hin Strain Relief and Hoe Hin White Flower Ointment.

The Group has in place a comprehensive quality management system of its products, covering raw material sourcing, production, labelling and distribution.

All incoming materials are tested and inspected prior to production according to the Policy on Receiving Inspection and Testing to ensure the raw materials do not jeopardise the quality of the final products.

The Group has implemented related policies, including but not limited to the Quality Planning and Quality Risk Management Policy, to support the mature quality management system in assuring product quality. The mentioned policy has defined and documented how the objectives and requirements for quality will be met, and during the course of quality planning how quality risk is to be identified and managed. Under the coordination of the Quality Assurance Department Head ("QA Head"), together with other department heads, risk assessment is conducted relating to quality management and product quality.

To ensure product quality, product reviews are regularly conducted with standard procedures. The Group has also established related policies, including but not limited to the Policy on Product Quality Review, in governing the annual product and process review procedures to identify areas for improvement. The Policy on Distributor Evaluation and its commitment to Product Training has been in place to ensure distributors meet the specifications and requirements set forth by the Group. Related training is provided to distributors to equip them with product knowledge.

The Group has also formulated and implemented a sound Product Recall Procedure. In the event a recall is deemed necessary whether or not it is resulted from a product complaint, QA Head will call for a Product Recall Meeting within 24 hours in which the problem is identified and the extent of the recall and impact on other batches of products are assessed and resolutions proposed and actions are agreed. Direct customers and relevant health authorities including the Chinese Medicine Board under the Chinese Medicine Council of Hong Kong will be notified on the recall by the Marketing Head. Public announcement will also be made if the Executive Director deems necessary. Such procedures are formally documented and communicated to the relevant parties. During the Reporting Year, no products were recalled for safety and health reasons.

To enhance customer knowledge on Hoe Hin products and ensure users can easily access information on its products, the Group periodically updates the FAQ section on its website to include answers to the most frequently asked questions.

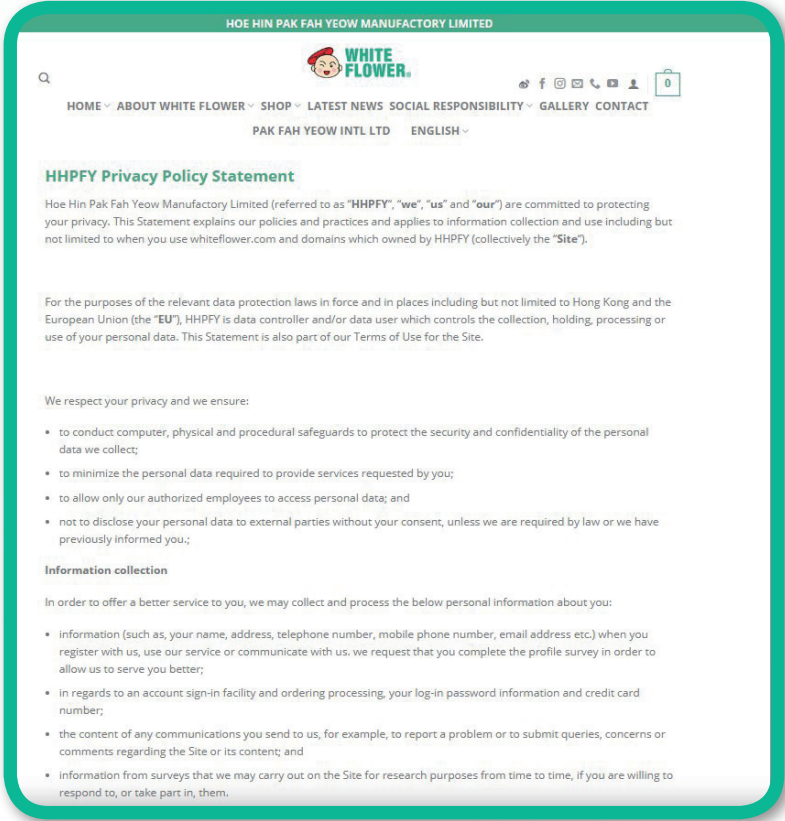
During the Reporting Year, the Group was not aware of any incidents of non-compliance with related laws and regulations, including but not limited to the Chinese Medicine Ordinance (Cap. 549) and the Import and Export Ordinance (Cap. 60) of Hong Kong that would have a significant impact on the Group concerning health and safety, advertising and labelling relating to products and services provided.

Protection of Customer Data and Privacy

The Group respects the values and rights of the customers' information assets. The Group abides by relevant laws and regulations, including but not limited to the Personal Data (Privacy) Ordinance (Cap. 486) of Hong Kong. During the Reporting Year, the Group was not aware of any material non-compliance cases in relation to privacy matters relating to products and services provided that would have a significant impact on the Group.

All employees are required to comply with the data protection principles as stated in the Staff Handbook and Code of Ethics. Access to information provided by the customers and suppliers is limited to employees with a legitimate need.

The Group has made the Privacy Policy Statement available for the public on its website (whiteflower.com). Such statement explains the Group’s policies and practices and it applies to information collection and use, including but not limited to when users visit the website and other domains owned by Hoe Hin Pak Fah Yeow Manufactory Limited. It clearly states that the Group only stores personal data for so long as it is necessary for the fulfilment of the purpose (including any directly related purpose) for which the data is or is to be used, and personal data retained will be kept confidential.



Privacy Policy Statement on the company website

To prevent leakage of confidential information, the Group has installed appropriate firewall, anti-virus and anti-spam solutions for its IT systems which are regularly upgraded. As a precautionary measure, the Group has a data back-up system through which its back-up data is stored in different locations to reduce the risk of data loss.

Customer Services and Complaint Management

The essence of the Group’s success is satisfying the needs of customers. This echoes with its vision “To be the premier provider of top-quality medicated products that are superior to other choices in the markets for all walks of life.” The Group is dedicated to fulfilling customers’ requirements and even exceeding their expectations.

Customer Satisfaction

The Policy on Customer Satisfaction Measurement is in place which sets out procedures for collecting and reviewing customers’ feedback regularly with the aim to attain their satisfaction. Feedback collected from end-users and distributors are documented and analysed.

According to the Group’s Recall Procedure, any deficiency identified is transferred to the respective departments for follow-up actions and QA Head for monitoring and coordination. For distributors, the Group conducts regional customer satisfaction review annually, rating its product quality, service quality and their overall satisfaction, and the Marketing Head reviews the results and takes improvement actions as necessary.

Complaint Management

Under the Policy on Product Complaint, all complaints are directed to the Marketing Department at the time of receipt and then forwarded to the Quality Assurance Department for investigation. Quality Control Department may assist in the testing, retesting or the inspection process upon request.

During the Reporting Year, the Group received 6 complaints on product packaging. The issues arose from damage of carton boxes, cracked bottle, leakage, label positioning, missing lot number on paper box, and being unable to open the safety cap of a bottle. Thorough investigations were promptly initiated to identify the root causes and implement effective solutions. In response, the Group proactively undertook appropriate follow-up actions including improvement on quality of cardboard used for packaging, thereby bolstering the protection and integrity of our products. By prioritising the improvement of packaging materials, we aim to fortify the resilience of our goods and ensure that they reach customers in optimal condition.

Intellectual Property Rights

While intellectual property rights may not rank among the Group's most significant concerns, they will not be neglected due to the risk that counterfeit products in the market may undermine consumers' confidence in our products. The Group is aware of its intellectual property rights and has formulated related policies for protection. The trademark of the Group's products was registered in Singapore back in 1935. Up to 31 December 2023, the Group has 368 registered trademarks globally and 2 registered design marks to protect its unique manufacturing technologies, prescriptions and innovations.

Employees are required to observe the relevant regulations stated in the Group's Code of Ethics. Any unauthorised utilisation or dissemination of the Group's proprietary information will be considered a violation of the policy, and it may also be deemed illegal, leading to potential civil or criminal consequences.

On the other hand, the Group equally respects the intellectual property rights of the others. According to the guidelines outlined in the Staff Handbook, employees are prohibited from downloading any illegal or unlicensed software as well as copyrighted works. Regular check-up on all office computers is performed to ensure there is no infringement. Should any violations be detected, employees may face disciplinary action.

Advertising and Labelling

The Group realises the importance of advertising and labelling to enable its products to stand out in the market and, more importantly, provide accurate information to consumers. The Group abides by the relevant laws and regulations, including but not limited to the Trade Descriptions Ordinance (Cap. 362) of Hong Kong. During the Reporting Year, the Group was not aware of any material non-compliance cases in relation to advertising and labelling matters that would have a significant impact on the Group.

The Group has established related policies, including the Policy on Control of Labelling and Packaging and the Advertising Policy, to ensure no biased, misleading or deceptive information being communicated. The Head of Sales and Marketing is responsible for ensuring that all marketing and advertising materials and activities are in accordance with the related policies.

The Policy on Control of Labelling and Packaging is established to ensure correct labels and other pre-printed packaging materials are used and the respective instructions have been complied with. The Group has ensured all information in relation to the main ingredients, methods of use and storage instructions is clearly labelled on the packaging in compliance with the local labelling requirements for the respective markets.

The Group's Advertising Policy under the Group's ESG Policy provides guidelines in handling all marketing activities and materials according to the related advertising regulations in the respective countries. Moreover, to align with the Group's core values as well as its sustainability and social goals, it has committed to avoiding engagement in any advertising campaigns and promotions that may pose adverse or negative health consequences to the public such as tobacco, alcohol and gambling-related affiliations.

In addition, environmental protection and sustainability development are targeted in the Group's advertising practices. The Group uses environmentally friendly resources such as solar panel outdoor advertising displays, recycled paper for brochure printing and LED lighting displays as far as possible. A more efficient model of new solar panels has been installed to replace the old panels for the Group's advertising panels on the rooftop of Gordon House in 2023. For further details, please refer to the section headed "GHG Emissions".

Supply Chain Management

The Group strives to maintain long-term and stable relationships with its suppliers and distributors and seeks to work with suppliers and distributors by sharing its commitment to managing social and environmental risks of the lifecycle of its business operations.

All suppliers are evaluated carefully and are subjected to regular monitoring and assessment. During the Reporting Year, the Group sourced raw and packaging materials from 35 suppliers (2022: 28 suppliers) based in Hong Kong, Australia, Taiwan, USA, the PRC, Singapore and delivers products through distributors and wholesalers to destinations worldwide. The same set of engagement practices has been implemented to all counterparties.

Fair and Open Procurement

The Group has established rules to ensure that the suppliers and distributors could compete in an open and fair way. The Group does not differentiate or discriminate any supplier and it strictly monitors and prevents all kinds of bribery. Employees or personnel who have an interest or a relationship with a supplier will not be allowed to be involved in the related business activity.

The Policy on Vendor Evaluation of the Group provides a comprehensive account of the selection process of potential vendors. Potential vendors are assessed in one of three prescribed methods: past performance, first article evaluation and vendor evaluation. Certificates and licences such as GMP certification will be taken into consideration. Approved and qualified suppliers are included in the approved vendor list and are subject to annual review. The Group will only purchase materials from vendors meeting the specifications and requirements set forth by the Group to ensure the quality of materials purchased. The Group's Policy on Distributor Evaluation requests the Marketing Department and Finance Department to evaluate and record the ability of distributors in meeting the requirements set forth by the Group.

Promoting Environmentally Preferable Products

The Group strives to engage suppliers who incorporate the consideration of environmental and social impacts into their supply chain management. Preference would be given to suppliers and contractors who demonstrate a commitment to sustainable development and adopt internationally recognised ESG management system. The Group is currently in the process of searching suppliers for packaging materials as part of its commitment to minimise plastic usage and lessen its environmental footprint. With an aim to protect animals' life, the Policy on Vendor Evaluation has been reviewed in this Reporting Year, adding selection criteria on potential raw materials manufacturers including a statement to confirm the materials supplied are from non-animal based source. With the implementation of the above practice, the Group hopes to promote environmentally preferable products in view of maintaining green supply chain.

Environmental and Social Risks of Suppliers

The Group is committed to integrating sustainability into its procurement practices to minimise its social risks as well as negative impacts on natural resources and ecosystems, and to having its suppliers share these commitments.

To identify and manage environmental and social risks along the supply chain, the Group regularly reviews its internal policies relating to supply chain management. In view of possible violation of the social risk of violating Islamic Law (i.e. being haram), a selection criterion of providing HALAL certificate has been added on potential raw materials manufacturers under the Policy on Vendor Evaluation.

The Group has designed and implemented a self-evaluation and assessment scheme for its vendors and distributors under its policy on Supply Chain Management on ESG which provides guidance on how to evaluate and record their ESG performance. To support the evaluation process, the Environmental and Social Assessment Report on distributor and vendor is prepared to assist the Group to better evaluate the sustainability performances of its supply chain counterparties. Whether the distributors and vendors have formulated and implemented related environmental and social sustainability practices are taken into consideration when considering including them in the Group's suppliers list. Various ESG aspects such as legal compliance, social sustainability, environmental sustainability and anti-corruption are assessed as well. Any findings from the completed Environmental and Social Assessment Report are used to make appropriate recommendations to appoint or reject the distributors or vendors.

During the Reporting Year, the Group was not aware of any key suppliers that had any actions or practices which have a significant negative impact on related ESG aspects.

Anti-Corruption

The Group values and upholds integrity, honesty and fairness in how it conducts business and has zero-tolerance for bribery, extortion, fraud and money laundering. As stated in the Staff Handbook and the Code of Ethics, all employees are prohibited to solicit or receive any form of advantage from any business associates. A reporting channel to the Audit Committee of the Group is also provided in the Code of Ethics.

In addition, the Group has stated in the Code of Ethics the preferred method of handling situations of conflict of interest. Any employee who becomes aware of a conflict or potential conflict of interest should bring it to the attention of his/her supervisor, manager or other appropriate personnel. Employees are encouraged to consult his/her supervisor or manager for any uncertainty of situations related to conflict of interest.

The Group abides by the relevant anti-corruption laws and regulations, including but not limited to the Prevention of Bribery Ordinance (Cap. 201) of Hong Kong. During the Reporting Year, the Group was not aware of any material non-compliance with relevant laws and regulations of bribery, extortion, fraud and money laundering that would have a significant impact on the Group, or any concluded legal cases regarding corrupt practices brought against the Group or any of its employees.

Whistle-blowing Mechanism

In order to further achieve and maintain the highest standards for openness, probity and accountability, the Group has also implemented a Whistle-blowing Policy. This policy applies to all directors, department heads, managers, officers and employees of the Group and allows individuals to disclose internally and at a high level, information that the individual believes shows malpractice or impropriety. Whistle-blowing matters include but are not confined to malpractice or impropriety relating to internal controls, accounting, auditing, financial matters or any other wrongful doings (such as misconduct, dishonesty, bribery, criminal acts, discrimination and ethical issues) that may affect the overall interest or reputation of the Group.

The Group has set out a proper reporting and detailed investigative procedure to encourage employees to report any fraudulent activities. The format and length of an investigation will vary depending upon the nature and particular circumstances of each complaint made. Where necessary, the matter raised may be escalated to external parties or regulatory authorities such as the Independent Commission Against Corruption, the external auditor or the Hong Kong Police Force.

The Group intends to protect the whistle-blower from common concerns such as confidentiality and potential retaliation. Therefore, the employee reporting in good faith under this procedure shall be assured of the protection against unfair dismissal or victimisation, even if the reports are subsequently proved to be unsubstantiated.

Anti-corruption Training

The Group proactively implements annual integrity promotion, training and education campaigns for its employees, management as well as the directors. To further enhance self-discipline awareness among the Group, the Group has arranged an annual anti-corruption seminar of 1 hour in the Reporting Year for its key staff including 1 director and 10 employees (2022: 1 director and 5 employees). This training covers an update of understanding corruption myths in the business world.

CARING FOR EMPLOYEES

Health and Safety

The Group's ongoing success relies heavily on human resources. Therefore, the Group is committed to providing a healthy and safe workplace for all its employees.

Employees' Safety

The Group believes that employees are the valuable assets of an enterprise and regards human resources as its corporate wealth. To this end, the Group has established a Safety Management System ("SMS") and implemented the Safety Policy to protect employees from workplace injuries. The SMS sets out the roles and responsibilities of different personnel such as QA Head, Production Head, supervisors and workers. Under the SMS, all employees are required to establish safe work practices and report any workplace hazards to their supervisors immediately. Investigations will be made to identify the cause in order to come up with prompt contingent arrangements to prevent re-occurrence. The Group's premises feature strategically positioned fire extinguishers and first aid boxes and unobstructed fire exits throughout the area.

Safety inspection is conducted annually to identify potential risks at work or non-performance to the SMS while ensuring sustained effectiveness. Annual safety review is also carried out to ensure policies and initiatives in place are in line with the industrial best practices and seek for potential improvements. The Group reviews and, if necessary, revises its health and safety policies and practices at least once a year to ensure improvements of its health and safety standards. The Group submits a safety review to the Hong Kong Labour Department annually.

The Group follows the occupational health and safety guidelines recommended by the Labour Department and Occupational Safety and Health Council and regularly encourages employees to attend related workshops or training courses organised both internally and externally. During the Reporting Year, the Group has organised safety training regarding different procedures such as fire and evacuation drill, gas leakage of compressed gas cylinders in the laboratory, safety policies and the SMS, etc.

The Group has also implemented the Risk Assessment and Personal Protective Plan, which entails risk assessment to identify potential risks of chemical exposure. For handling some of the raw materials which are categorised as dangerous goods, suitable Personal Protective Equipment (“PPE”) is provided for staff before entering a restricted area.

In addition to the above policies and measures, the Group has commissioned a third party to conduct an annual safety review. The result showed that the overall performance of the Group’s SMS was satisfactory and it was maintained properly to fulfill the legal requirements.

During the Reporting Year, the Group was not aware of any material non-compliance with health and safety-related laws and regulations, including but not limited to the Occupational Safety and Health Ordinance (Cap. 509) and the Factories and Industrial Undertaking Ordinance (Cap. 59) that would have a significant impact to the Group.

Employees’ Health

The COVID-19 pandemic began to ease off in the first quarter of the Reporting Year. Yet, the Group remained vigilant and placed importance to the health of its employees. Internal hygienic measures are still in place to safeguard employees as well as ensuring business continuity in case of recurrence of similar epidemic.

Apart from physical care, the Group also sees the importance of providing mental care and support to its employees. Effective from 2022, the yearly medical incentives and allowances increased and were extended to cover visits to psychologists. To strengthen the incentive to support green and healthy lifestyles, the Group increased its weekly vegetarian lunch subsidies for employees who participate in Green Mondays in 2023.

Employees’ Rights and Welfare

As a caring and responsible employer, the Group is devoted to providing a quality workplace for the employees. Apart from nurturing a safe, supportive and collaborative working environment, the Group also values the career development of employees and labour rights protection.

The Group has established related employment policies, including but not limited to Staff Handbook and ESG Policy, covering employment-related practices, such as compensation and dismissal, recruitment and promotion, working hours, rest periods, diversity, equal opportunity, anti-discrimination and other benefits and welfare for employees. Such policies are subject to regular review and will be revised, where necessary, to ensure steady improvements of its employment standards.

During the Reporting Year, the Group was not aware of any material non-compliance with employment-related laws and regulations, including but not limited to the Employment Ordinance (Cap. 57) of Hong Kong that would have a significant impact on the Group.

Recruitment, Remuneration, Promotion and Dismissal

Sustainable growth of the Group relies on the diversity of talents. Therefore, the Group endeavours to recruit prospective employees under a robust and transparent recruitment process and provide all employees with a comprehensive remuneration package.

The Group’s prospective employees are recruited under a transparent and fair recruitment process based solely on their suitability for the position and potential to fulfil the Group’s current and future needs.

The Group also provides employees with comprehensive remuneration packages. Remuneration packages include leaves such as annual leave, sick leave, examination and study leave, maternity and paternity leave; and other special leaves such as marriage leave, consolation leave etc. Additional holidays are provided to staff for celebration of certain festivals such as Chinese New Year subject to work commitment. Other benefits include medical and dental allowances. In addition, the Group budgets funds for social activities and entertainment functions for staff where possible. This helps to build a good relationship between employees and management in a social and relaxed manner.

The basis for compensation and promotion are job-related skills, qualifications and performances to ensure that the Group fairly treats, evaluates and compensates employees to be competitive in the industry and local labour markets in which the Group operates. Performance appraisal and counselling for all staff are conducted at least once a year by department heads or Executive Directors before the annual salary review. Besides assessing an individual's merits for a salary review, the purpose of the appraisal is to improve performance and set objectives for both the individual and the Group.

Unreasonable dismissal under any circumstances is forbidden in the Group. Counselling session with the individual will usually be conducted by department heads or Executive Directors to ensure there is sufficient communication on the problems prior to a dismissal.

Diversity, Equal Opportunity and Anti-discrimination

The Group recognises the value of a diverse and skilled workforce and is committed to creating and maintaining a harmonious and collaborative workplace in which all can thrive. The Group has formulated the Code of Ethics, which is dedicated to providing equal opportunity in all aspects of employment and maintaining a workplace that is free from discrimination, physical or verbal harassment against any individual on the basis of race, religion, colour, gender, physical or mental disability, age, place of origin, marital status and sexual orientation. This covers all aspects of employment, including selection, job assignment, compensation, discipline, termination and access to benefits and training. With the aim of ensuring fair and equal protection for all employees, the Group has zero tolerance for sexual harassment or abuse in the workplace in any form. The Group strives to ensure that complaints, grievances and concerns, including whistle-blowing, are dealt with promptly and confidentially.

Working Hours and Rest Periods

The Group complies with the Employment Ordinance (Cap. 57) of Hong Kong in determining the working hours and rest periods for employees. The Staff Handbook specifies the working time slots for employees at Wanchai office and different departments in Chaiwan factory. Various types of leave and early leave arrangement on certain festivals are also set out in the Staff Handbook.

Labour Standards

Prevention of Child and Forced Labour

Child and forced labour are strictly prohibited. The Group strictly complies with local laws and conducts recruitment based on the Employment Ordinance (Cap. 57) of Hong Kong. During the Reporting Year, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations, including but not limited to the Employment of Children Regulations (Cap. 57, section 73) of Hong Kong that would have a significant impact on the Group.

To prohibit the use of child or forced labour, the Group has formulated the Policy on Child and Forced Labour. In the recruitment process, the Personnel Department will be responsible for checking the identity documents of candidates to ensure all applicants are adults and no child labour is hired. Personal data will also be collected during the process to assist in the verification of candidates' personal data. If an employee suspects that child or forced labour is involved, the employee should report to the respective Department Head or Executive Director. In the event that the Group identifies and confirms any instance where non-compliance with applicable labour laws, regulations, or standards occurs, the relevant employment contract will be immediately terminated.

Through the well-established recruitment policies and procedures, the Group ensures that its employees are all above the minimum legal working age and no forced labour is hired. If any violation is involved, it will be dealt with in light of the circumstances as clearly stated in the Group's Policy on Child and Forced Labour.

Training and Development

The Group recognises and values the important role its talents play in its continued achievement. At the same time, training and continuous development are indispensable to the Group's employees to keep them abreast of the latest trend in the industry. Therefore, the Group takes a proactive stance in providing employees with opportunities to advance their careers.

Training and Development Management

To ensure the effectiveness of training and development programs, the Group has developed a Policy on Training Procedure in guiding the design of training programmes according to the actual needs of different departments and functions. Training programmes are compiled by the Quality Assurance Department on a quarterly basis. Executive Directors and all department heads are responsible for facilitating training and development programmes.

The Group is committed to the continuing development of all staff, through both on-the-job and off-the-job training. Other than internal training programmes, courses and seminars are provided through external professional institutions. The Group will reimburse the fees for skills improvement training that are considered necessary and job-related.

During the Reporting Year, all newly recruited production employees were required to attend a mandatory safety training course. The Group has provided training for employees for different job functions, with contents ranging from production procedures and safety to office administration and business strategy. In addition, the Group also allows employee application of duty reassignment and interdepartmental transfer to promote knowledge enhancement and career development.

In view of the global concern of ESG, employees and the Board were provided training for enhancement for awareness on ESG issues in ESG practices. Through a training session conducted by the Group's external consultancy firm, participants were provided with updates on global regulatory framework and the Board's role in ESG governance. Insights on the Group's areas of improvement were enthusiastically shared and discussed. As a result, the Board and the attendees gained valuable knowledge to enhance their oversight of ESG matters in line with the Group's business strategy, leading to increased effectiveness.

Moving forward, the Group will continue to organise sustainability training for more employees to raise their awareness and serve as a foundation for exploring ways of implementing sustainability strategies in the workplace.

PROTECTING THE ENVIRONMENT

Use of Packaging Materials

Packaging materials commonly consumed during the Group's operations include but are not limited to bottles, caps, labels, leaflets, paper boxes, bubble bags, cellophane, sealing tape, shrinkable bags and carton boxes which are mainly made of glass, paper and plastic. Acknowledging the Group's daily operations involve significant consumption of different types of raw materials and packaging materials, the Policy on Environment and the Responsible Use of Natural Resources are in place to demonstrate the Group's commitment to using the resources sustainably through source reduction, reuse and recycling.

In order to echo with the Group's commitment to sustainable packaging, the Group has formulated the guideline on reconciliation of packaging materials and conducted an annual review based on the damage rate of packaging materials. The following measures have also been adopted:

- Use FSC paper whenever possible for all paper packaging materials; and
- Use recycled paper for all product leaflets.

To further promote recycling and reduce waste generation, the Group supported glass bottle recycling into bricks and other construction materials. During the Reporting Year, the Group has recycled approximately 8,252.05 kg (2022: approximately 5,431.80 kg) of glass bottles.

Average amount of packaging materials used per million pieces of products produced during the Reporting Year increased by approximately 11.99% compared to last financial year. The Group will keep track of the use of packaging materials and improve and minimise material consumption through daily management. Please refer to the section "ESG Data Highlights" for further information on the use of packaging materials.

During the Reporting Year, the Group has taken initiatives to explore the feasibility of reducing plastic package in its product and using biodegradable plastic for overwrapping the carton boxes. Looking ahead, the Group will dedicate effort in further enhancing its packaging in line with its environmental goals.

Waste Management

The Group produced both chemical and non-chemical wastes in its operations. For production, three types of waste were generated, including waste oil, laboratory organic waste and solid waste. Related waste management policies, including but not limited to the ESG Policy, Waste Disposal Flow Chart and Waste Oil Management Flow Chart, have been formulated to ensure appropriate management and handling procedures are in place. Committed to reducing waste and promoting better utilisation of environmental resources, the Group has set a target to conduct annual activities to raise awareness of waste reduction among employees from 2022 onwards. Following the initiative to revise some of its Standard Operating Procedures last year, the Group continued to replace paper circulation with electronic messaging, thereby reducing the paper consumption during the Reporting Year. Meanwhile, the Group has been actively implementing different waste reduction initiatives and measures to reduce the amount of waste generated and increase the recycling rate.

During the Reporting Year, the Group was not aware of material non-compliance with waste disposal-related laws and regulations, including but not limited to the Waste Disposal Ordinance (Cap. 354) of Hong Kong, that would have a significant impact on the Group's operation.

Chemical Waste Handling Method

The Group has put in place step-by-step instructions for handling waste oil and other types of wastes. Waste oil generated from the factory and organic waste generated from the laboratory are collected periodically by collectors approved by the Environmental Protection Department of Hong Kong for further treatment. The Group also implemented clear guidelines on the temporary storage of chemical waste. Chemical wastes are handled separately with other general wastes to ensure safety and prevent contamination or spillage.

During the Reporting Year, the Group's chemical waste intensity decreased by approximately 12.82% compared to the last financial year. The Group will continue to make an effort to keep chemical waste generation from its production processes at a minimum level.

Non-chemical Waste Handling Method

The Group upholds the principle of "Minimise Waste and Increase Recycling" in its waste management. While both domestic waste and paper waste were collected and handled by the property management service providers where the Group's premises are situated, the Group has formulated the ESG Policy in governing the Group's management approach.

In addition, the Group has implemented relevant measures to handle non-chemical waste generated from its business operations and launched different reduction initiatives. The Group has expanded general waste measurement to the office and factory. Staff in the human resources department and production department assist other departments in taking the collective responsibilities for waste management. With reference to the established environmental policies, the Group has implemented waste management approach and initiatives including but not limited to the following:

- Make efforts to minimise the general use of office paper;
- Distribute, file and archive documents electronically to reduce printing;
- Place recyclable products into the bins at the designated recycling areas;
- Enhance the regularity of recycling waste paper at office and factory;
- Recycle carton box which is a packing material used in the factory;
- Use durable reusable beverage containers, plates and utensils;
- Use reusable envelopes for interoffice mail; and
- Reuse certain raw material containers as storage drum.

During the Reporting Year, the Group demonstrated gradual progress in expanding its scope of recycling initiatives. We took significant strides by engaging in the recycling of various materials. Recycling bins are placed in the workplace for collecting plastic bottles and aluminum cans. Another achievement was the responsible recycling of 78 plastic storage drums, which served as essential containers for raw materials, collectively weighing an impressive 730 kg. Similarly, metal containers for materials weighing a total of 3,440 kg were collected for recycling. These drums were conscientiously sent to trusted local recyclers, reinforcing our commitment to sustainable practices.

The Group also realises that packaging waste contributes to a certain amount of the overall waste disposal amount. For details on how the Group manages its packaging waste, please refer to the preceding section “Use of Packaging Materials”.

With the above measures, the Group’s non-chemical waste intensity decreased by approximately 16.44% during the Reporting Year, which included an increase of recycled glass bottles by 51.92%. Thus, despite of the one-off clearance of obsolete records, the Group considers existing measures are effective in reducing waste being directed to disposal. Please refer to the section “ESG Data Highlights” for further information on waste disposal amount.

Looking ahead, the Group targets to maintain or reduce its non-chemical waste disposal intensity in 2024, and reduce the intensity by 3% by 2026, using 2023 as the baseline. The Group will be committed to exerting efforts in attaining the goals.

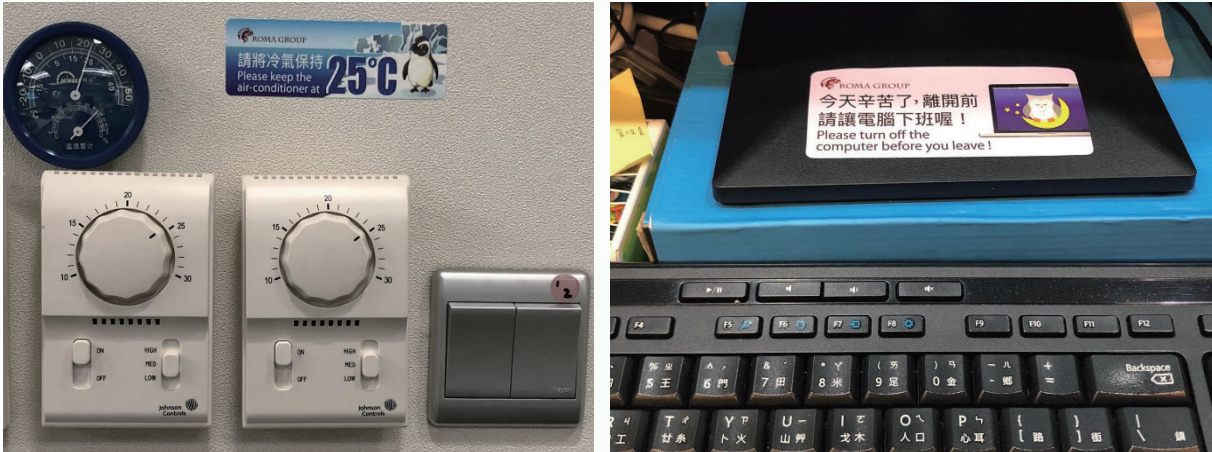
Energy Consumption

The Group recognises the scarcity of finite natural resources and has therefore implemented policies to better govern the effective use of resources. The responsibility of conserving finite resources lies not only on the Group but also on its employees. The Group believes that employees should share the responsibilities in the Group’s ESG issues. Energy conservation is mentioned in both the Group’s Staff Handbook and ESG Policy. All employees must implement the adopted measures and be responsible for the Group’s overall energy efficiency. The Group will regularly review the related policies to ensure they are in line with the market practice.

The Group has performed the following measures to reduce energy consumption:

- Turn off lights when not in use and use natural light when possible;
- Turn off, not just log off, all computers, speakers and other office equipment at the end of every workday;
- Turn off the power strip at the end of every workday;
- Activate the power down features on computers and monitor to enter into a low-power or sleep mode when not in use;
- Maintain air-conditioning at 25 degrees Celsius whenever possible;
- Use automatic light sensors in the office where practicable;
- Replace conventional lamps with LED lights gradually; and
- Turn on advertising signage for only 4 hours per day.

Committed to raising awareness of energy conservation among employees, the Group has set a target to conduct annual environmental protection activities to promote energy efficiency among employees from 2022 onwards. Therefore, the Group actively participated in the World Wildlife Fund’s Earth Hour 2023 campaign. On 25 March 2023, the outdoor advertising signage in Gordon House was switched off as part of this campaign. Moving forward, the Group will continue to participate in annual environmental protection activities that foster energy efficiency among its employees.



During the Reporting Year, the Group’s energy consumption intensity decreased by approximately 28.20% compared to the last financial year due to the effective implementation of using the above energy-saving measures. Please refer to the section “ESG Data Highlights” for further information on the Group’s energy consumption.

Looking ahead, the Group targets to maintain or reduce its energy intensity in 2024, and reduce the intensity by 3% by 2026, using 2023 as the baseline. To achieve the targets, the Group will persistently improve energy efficiency through daily management and monitoring of energy consumption.

GHG Emissions

Energy indirect GHG emissions (Scope 2) from purchased electricity was the major source of the Group’s GHG emissions. In addition to direct GHG emissions (Scope 1) from the fuel combustion of company-owned vehicles, methane gas generation at landfills due to disposal of paper waste, electricity used for fresh water and sewage processing and employee business travel contribute to the Group’s other indirect GHG emissions (Scope 3).

During the Reporting Year, the Group was not aware of material non-compliance with GHG emissions-related laws and regulations, including but not limited to the Air Pollution Control Ordinance (Cap. 311) of Hong Kong that would have a significant impact on the Group’s operation.

The Group has implemented related policies and initiatives to minimise emissions from the major source of GHG (i.e. Scope 2) by promoting energy efficiency and conservation. Apart from those practices mentioned in the section “Energy Consumption”, the Group has also put in place various energy-saving initiatives, including but not limited to:

- Install light motion detectors in the office pantry to reduce electricity usage; and
- Use a direct digital control system that permits real-time monitoring of the condition for heating, ventilation and air cooling.

During the Reporting Year, direct GHG emissions (Scope 1) and other indirect GHG emissions (Scope 3) increased by approximately 24.72% and approximately 139.58% respectively as compared to the last financial year due to more frequent transportation after resumption from the COVID-19 pandemic. To reduce the direct GHG emissions (Scope 1) from the fuel combustion of company-owned vehicles, the Group has replaced one of the gasoline vehicles with an electric vehicle (“EV”). By reducing the combustion of gasoline, it helps mitigate air pollution and contribute to combating the adverse effect of climate change. Further information could be referred to the section headed “Air Emissions”.

Committed to raising the awareness of GHG emissions control among employees, the Group has set a target to conduct annual environmental protection activities such as World Earth Day to promote GHG emissions reduction among employees from 2022 onwards. With a shared objective of promoting a greener earth and ecological sustainability, solar panels have been utilised for the Gordon House signage, aimed at improving the efficiency of the panels and employing newer solar panel technology to power the signage. The former solar panels were dismantled in 2022, and the rooftop underwent renovation work together with the refurbishment of the Gordon House building, including the addition of new waterproofing measures. The procurement and installation of the new solar panels have been completed in the Reporting Year, further enhancing the energy efficiency while reducing GHG emissions.

Looking ahead, the Group targets to maintain or reduce its GHG emissions intensity in 2024, and reduce the intensity by 3% by 2026, using 2023 as the baseline. With a strong sense of dedication, the Group will actively pursue strategies and initiatives that align with these targets.

During the Reporting Year, the Group made contribution to two Clean Development Mechanism (“CDM”) projects by purchasing and retiring voluntary certified emission reductions (“CERs”) on the platform of United Nations Framework Convention on Climate Change (“UNFCCC”). Through supporting improvement of cook stove project in Malawi, 20 CERs in equivalent to 20 tCO₂e have been offset from the GHG emissions arising from the Group’s company vehicles and business air travel. In addition, 43 CERs in equivalent to 43 tCO₂e of overall GHG emissions have been offset for its support of the Ningxia Shapotou Hydropower Project in the PRC. As a result of the carbon reduction certified by UNFCCC, 63 tCO₂e of GHG have been offset from the Group’s total GHG emissions during the Reporting Year.

Regarding KPIs on the GHG emissions, please refer to the section of “ESG Data Highlights”.

Air Emissions

Nitrogen oxides (“NOx”), sulphur oxides (“SOx”) and particulate matter (“PM”) are the common air pollutants being generated during the Group’s business activities. 3.72 kg of NOx, 0.06 kg of SOx and 0.27 kg of PM were emitted during the Reporting Year from the use of company-owned passenger cars.

As emissions arising from the use of transportation is one of the major contributors to air emissions in Hong Kong, the Group continues to explore ways to further reduce its emissions, for example:

- Encourage employees to use video or telephone conferences to reduce unnecessary business travels; and
- Utilise social media platforms to conduct online product training in reducing the multiple travels for on-site training for retail outlets and chain-stores at different locations.

One of the company vehicles was replaced with an EV during the Reporting Year. Another replacement is planned in 2024. In general, EVs offer a remarkable alternative to traditional vehicles powered by fossil fuels. In spite of greater frequency of transportation, the new EV contributes to reducing the increase in air emissions as it produces zero tailpipe emissions during operation.

Regarding KPIs on the air emissions, please refer to the section of “ESG Data Highlights”.

During the Reporting Year, the Group was not aware of any material non-compliance with air emissions-related laws and regulations, including but not limited to the Air Pollution Control Ordinance (Cap. 311) of Hong Kong that would have a significant impact on the Group’s operation.

Water Consumption and Effluents

Water is mainly consumed for washing towels and clothing in the factory and for domestic usage in the office during the Group’s operation but not for cleaning production equipment in the factory. Domestic wastewater produced by the Group is sent through the local pipe network to a sewage treatment plant. Therefore, the Group’s effluents discharged is deemed equivalent to water consumed. During the Reporting Year, there were no significant environmental impacts associated with use of water by the Group.

During the Reporting Year, the Group was not aware of material non-compliance with discharge into water and land-related laws and regulations, including but not limited to the Water Pollution Control Ordinance (Cap. 358) of Hong Kong that would have a significant impact on the Group's operation. Due to the Group's operating locations, it has not identified any issues in sourcing water that is fit for its purpose.

Water Conservation

To promote water conservation, the Group has formulated related policies and initiatives, including but not limited to the ESG Policy. The Group actively encourages all employees to develop the habit of conserving water consciously. The Group has set a target to promote water conservation in activities such as World Water Day from 2022 onwards. During the Reporting Year, the Group has taken steps towards achieving this target by posting water-saving reminders in prominent locations. In addition, the Group has been strengthening its water-saving promotion and employees are reminded to take the following water-saving actions:

- Make effort to minimise the general use of potable water;
- Only heat the amount of water personally needed when using the kettle; and
- Post signage at water faucets to remind staff to conserve water usage.



During the Reporting Year, the Group's water consumption intensity decreased by approximately 29.09% compared to that of 2022. The Group therefore considers existing measures are helpful in reducing water consumption. Looking ahead, the Group targets to maintain or reduce its water consumption intensity in 2024, and reduce the intensity by 3% by 2026, using 2023 as the baseline.

Regarding detailed KPIs on water consumption, please refer to the section of "ESG Data Highlights".

Environmental Impacts of Raw Material Extractions

The Group's business operation might bring potential impacts on the environment during the extraction of materials to produce the Group's products. Therefore, the Group strives to fulfil its responsibility to minimise the potential negative environmental impacts.

Since the Group is not directly responsible for the raw material extraction process, the Group places great emphasis on ensuring the raw materials are responsibly sourced. In achieving this, the Group adopts industry best practices and regularly monitors its supply chain management practices. As mentioned in the section "Supply Chain Management", the policy titled Supply Chain Management on ESG is in place. To better evaluate the environmental impacts of its supply chain, environmental topics including but not limited to the quality management system, environmental policies, energy consumption, water usage, waste management, environmental management system and environmental audits are covered in the regular supplier assessment.

During the Reporting Year, the Group was not aware of any significant direct impact on the environment and natural resources. In the long run, a good supply chain management on raw material extractions would not only ensure that the environment and natural resources are not exploited, but also help to generate long-term values to stakeholders and the community.

Climate Change Mitigation and Adaption

Climate change is one of the most serious challenges that the world faces in the 21st century. The Group is well aware of the profound and long-term impact of climate change imposed on the Group's business operations. Therefore, the Group strives to strengthen its resilience against climate change by identifying related challenges and by developing strategies in line with global best practices to mitigate and adapt to the impact of climate change on its operations.

To identify and monitor the associated risks and opportunities, the Group has considered climate change as one of the factors in its development and has included climate change as one of the material ESG topics. The Group has formulated the ESG Policy, in which the section “Climate Change” outlines the Group’s management on climate-related issues and commitment to climate mitigation, adaptation and resilience across its operations and along the value chain.

During the Reporting Year, the Group underwent a climate risk assessment by examining and evaluating its climate related risks with regards to the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”). Benchmarking the disclosure recommendations of the TCFD framework, the Group strives to make persistent efforts to assess the implications of climate impacts and to address the potential risks while capturing the opportunities for transitioning towards a low-carbon economy.

Climate-related risks		Potential impacts	Mitigation and adaptation strategies
Transition Risks	Market	Higher awareness of climate change may alter investors’ and customers’ preference and expectation, which may affect the Group’s capital and revenue.	Conduct a regular climate risk assessment, and ensure that timely and accurate disclosure is made regarding the Group’s ESG-related issues to build trust and confidence among its investors and customers.
	Policy and Legal	More ambitious climate policies and regulations may increase the Group’s compliance cost, as well as exposure to reputation and litigation risks.	Regularly monitor existing and emerging trends, policies and regulations relevant and be prepared to alert the management where necessary.
Physical Risks	Acute	Increasing severity and frequency of extreme weather events, such as typhoons and heavy rainstorms, which may possibly impact the Group’s stability of production by causing damage to the property, plant and equipment, leading to supply chain disruption. These incidents may also endanger the safety of its employees.	Provide special working arrangement to the staff during adverse weather conditions as stated in the Group’s Staff Handbook. Relevant procedures will be reviewed from time to time.
	Chronic	Changes in climate conditions may affect the quantity and quality of raw materials, which will be largely reflected in the price of materials. Production costs may increase as a result.	Actively conduct analysis on raw material price and keep close attention to factors that may affect the prices.
Climate-related opportunities		Potential impacts	Implementation strategies
Opportunities	Resource Efficiency	Higher resources efficiency across the Group’s production and distribution processes can reduce the operating costs.	Constantly strive to lower carbon emissions by implementing different measures to improve resources efficiency and establishing carbon emissions reduction target.
	Market	Growing stakeholder preference for companies that concern for the environment may increase the Group’s competitive position.	Communicate with the Group’s employees and suppliers to encourage them to reduce carbon emissions in their daily operations wherever practicable.

Environmental Targets

Moving forward, the Group is committed to the following short- and medium-term environmental targets as using the performance in 2023 as the baseline. Details of the Group's action plans and measures have been set out in the corresponding paragraphs in this section above.

	2024	By 2026
GHG emissions	maintain or reduce the GHG emissions intensity	reduce the GHG emissions intensity by 3%
Waste disposal	maintain or reduce the non-chemical waste disposal intensity	reduce the non-chemical waste disposal intensity by 3%
Energy consumption	maintain or reduce the energy consumption intensity	reduce the energy consumption intensity by 3%
Water consumption	maintain or reduce the water consumption intensity	reduce the water consumption intensity by 3%

COMMUNITY INVESTMENT

In line with the Group's value, the Group attaches great importance to driving positive change in the communities where it operates and endeavours to foster a sense of social responsibility within the Group's structure. The Group has established the Policy on Community Investment to emphasise its commitment to strengthening communities' resilience and making positive contributions to society. The Group does not only focus on serving vulnerable communities in Hong Kong, but has also been working relentlessly on fundraising and collaborating with charities at both the national and local levels.

Community Health and Well-being

For the purpose of giving back to Hong Kong society and helping more communities in need, the Group organised multiple charity sales and made donations to selected beneficiaries, including Banyan Elderly Services Association Limited, Oxfam Hong Kong, Hong Kong Alzheimer's Disease Association and Hong Kong Red Cross as well as others. During the Reporting Year, the Group made a cash donation of approximately HK\$305,000, donated 14,714 pieces of White Flower Embrocation, White Flower Ointment and Strain Relief, sponsored 4,060 pieces of products for various activities, gave 28,531 packets of wet wipes, and provided HK\$15,545 worth of other items such as hats and socks to those in need.

Sponsorships and donations

The Group has long supported various charity organisations through sponsorships, products and cash donations. Beneficiaries also include individuals and organisations involved in sports as products offered by the Group such as Hoe Hin Strain Relief are designed to alleviate tendon and muscle pain that occur during training sessions and competitions.

The Group has always been actively promoting sports activities. In July 2023, Hoe Hin Strain Relief products were sponsored to athletes from Bosity Athletics Club. They all found it useful in soothing muscle and tendon pain.

The Group supported the "Hong Kong Paralympic Day" event organised by the Hong Kong Paralympic Committee on 23 July 2023. Through a variety of sports events, the general public, especially the disabled, their friends and families were encouraged to experience the fun of sports together, reflecting the spirit of inclusion. The Group showed its support by donating Hoe Hin Antiseptic Wipes and Hoe Hin White Flower Ointment as gifts for the conference to add excitement to the participating public.

Furthermore, the Group showed its commitment to fostering an inclusive society by offering sponsorship. The Group provided invaluable support to two noteworthy events that aimed to promote inclusivity and support marginalised communities, namely the “Walk & Carnival for AIDS Orphans” organised by Chi Hang Foundation in May 2023 as well as the “Caring ‘Inclusion’ Joy Charity Walk 2023” organised by the Hong Kong Federation of Handicapped Youth in October 2023.



Walk & Carnival for AIDS Orphans



*Caring “Inclusion”
Joy Charity Walk 2023*



Hoe Hin products donated

The Group generously donates HK\$500 to charity organisations on behalf of each employee on their birthday, adding an extra meaning to their birthday celebrations. A total of HK\$48,500 has been donated to organisations such as Oxfam Hong Kong, Hong Kong Rescue, Hong Kong Alzheimer’s Disease Association and World Vision. By making these charitable contributions, the Group encourages a culture of giving and social responsibility among its employees. While goodwill is fostered, the Group hopes to align its business operations with philanthropic efforts to create a positive and meaningful impact beyond the workplace.

Charity sales

During the Reporting Year, the Group engaged customers for community investment by organising charity sales, from which the proceeds were donated for charity:

In January 2023, purchasers of Hoe Hin Gift Pack on the official online shop were also provided with extra antiseptic wipes free of charge. At the same time, all proceeds were fully donated to Banyan Elderly Services Association Limited and Oxfam Hong Kong in support of their services for elders living alone as well as the low-income group respectively.

Subsequent to the earthquakes in Turkey and Syria in February, purchasers on the official online shop were given promotional discounts and the proceeds were donated to designated charity organisations for helping the victims and their families.

In May 2023, the severe storm “Moka” hit the coastal areas of Myanmar and Bangladesh, causing damages to countless buildings in many areas. Hundreds of thousands of people in the two places had to evacuate and leave their homes. In response to the catastrophes, the Group launched another charity sales to raise fund for Hong Kong Red Cross for emergency relief.

The Group has demonstrated its concern for animal welfare as well. From July to September 2023, online charity sales were organised with the aim of generating funds for the Hong Kong Paws Foundation. These leave their intended to support the organisation’s efforts in helping dogs and cats that are abused or abandoned or strayed in Hong Kong.

Given the prevailing international conflicts, the Group took proactive measures to support humanitarian causes with fundraising for Hong Kong Red Cross to provide assistance in two distinct regions. In October 2023, the proceeds from charity sales were donated for the well-being of the Afghan people amidst the ongoing conflict in Afghanistan. Similarly, in November 2023, the Group extended its support to address the Israeli-Palestinian conflict and intended to provide assistance to those impacted. By actively engaging in these fundraising activities, the Group sought to exhibit its commitment to promoting humanitarianism and making a positive impact in these troubled areas.

Environmental Protection

In November 2023, the Group sponsored HK\$1,500 for participation in a beach clean-up event co-organised by our external consultancy firm and Green Hope Hong Kong, a local non-profit green group. The event took place at the Clear Water Bay in Hong Kong, where 7 of our employees joined a team of volunteers to clean the coastline. Furthermore, the Group demonstrated its continual support by sponsoring Hoe Hin White Flower Ointment as gifts for each member of the volunteer team. With tireless effort in the afternoon, a total of almost 140 kg of trash was collected from the beach. This impressive accomplishment demonstrates the shared passion of all participants for environment conservation.



Beach Clean-up

ESG DATA HIGHLIGHTS

Environmental Performance

GHG emissions (Note 1)			
Indicator	Emissions (in tCO ₂ e)		
	2023	2022	2021
Scope 1 Direct GHG emissions (Note 2)	11.1	8.9	116.9
Scope 2 Energy indirect GHG emissions (Note 3)	329.9	326.5	344.6
Scope 3 Other indirect GHG emissions	11.5	4.8	3.0
Total GHG emissions	352.5	340.2	464.5
GHG emissions intensity (Note 4) (in tCO₂e/million pieces of products)	40.7	58.4	79.3
Carbon offset	63.0	N/A	N/A
Total GHG emissions after carbon offset	289.5	340.2	464.5

Note(s):

- GHG emission data is presented in terms of carbon dioxide equivalent and are based on, but not limited to, “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” issued by the World Resources Institute and the World Business Council for Sustainable Development; the Sustainability Report 2022 published by HK Electric Investments; Annual Report 2021/22 published by Water Supplies Department; Sustainability Report 2021-22 published by Drainage Services Department; “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange, and “Global Warming Potential Values” from the IPCC Sixth Assessment Report (AR6).
- Scope 1 emissions include direct emissions from combustion of petrol in mobile vehicles and fugitive emissions from refrigeration equipment.
- Scope 2 emissions include energy indirect emissions by purchased electricity from the Hong Kong Electric Company Limited as well as electricity consumption for EV.
- During the Reporting Year, the Group produced approximately 8.67 million pieces (2022: 5.83 million pieces, 2021: 5.86 million pieces) of products in Hong Kong, representing an increase of approximately 47.95% from 2021. The data is also used for calculating other intensity data.

Air emissions			
Air pollutants (Note 5)	Emissions (in kg)		
	2023	2022	2021
NOx	3.72	2.18	2.87
SOx	0.06	0.05	0.06
PM	0.27	0.16	0.21

Note(s):

5. The calculation method of air emissions is based on “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange.

Waste				
Waste produced	Amount (in tonnes)			
	2023	2022	2021	
General waste of the office	0.27	0.25	0.09	
General waste of the factory	1.40	2.13	2.66	
Production waste of the factory (Note 6)	Recycled glass bottles	8.25	5.43	5.31
	Other production waste	0.35	0.34	1.52
Packaging recycled/disposed	0.31	0.34	5.31	
Total non-chemical waste	10.58	8.49	14.89	
Non-chemical waste intensity (in tonnes/million pieces of products)	1.22	1.46	2.54	
Total chemical waste	2.94	2.28	2.06	
Chemical waste intensity (in tonnes/million pieces of products)	0.34	0.39	0.35	

Note(s):

6. Breakdown of production waste of the factory is provided for enhancing clarity. Therefore, the data of 2022 and 2021 are also re-presented for comparison.

Energy usage			
Energy type (Note 7)	Amount of energy consumed (in MWh)		
	2023	2022	2021
Direct energy consumption			
• Petrol	40.2	32.4	41.6
Indirect energy consumption			
• Electricity	485.2	459.8	485.4
Total energy consumption	525.4	492.2	527.0
Energy intensity (in MWh/million pieces of products)	60.6	84.4	90.0

Note(s):

7. The unit conversion method of energy consumption data is formulated based on the “Energy Statistics Manual” issued by the International Energy Agency.

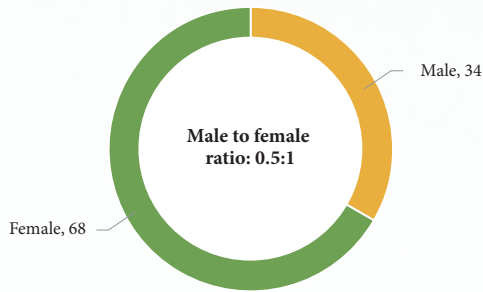
Water usage			
Water use	Amount of water consumed (in m ³)		
	2023	2022	2021
Total water consumption	690.9	655.1	784.0
Water intensity (in m³/million pieces of products)	79.7	112.4	133.8

Packaging materials usage			
Packaging materials	Amount of packaging materials used (in kg)		
	2023	2022	2021
Bottle	447,920	257,427	251,451
Cap	8,472	3,810	3,217
Label, leaflet and paper box	55,422	39,136	37,262
Bubble bag	7,191	5,888	4,830
Cellophane/TOPP	2,773	2,130	3,176
Sealing tape	196	136	202
Shrinkable bag	2,023	1,452	1,396
Carton box	26,675	20,703	17,953
Total packaging materials used (in tonnes)	550.7	330.7	319.5
Intensity of packaging material used (in tonnes/million pieces of products)	63.5	56.7	54.5

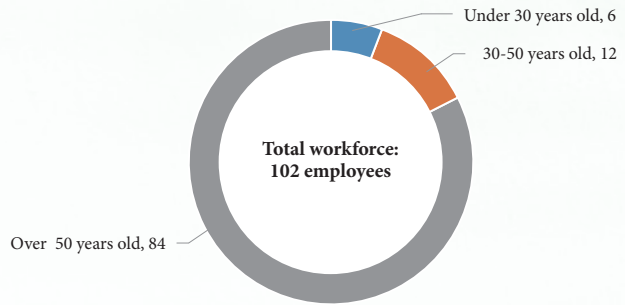
Social Performance

As at 31 December 2023

Employees by gender



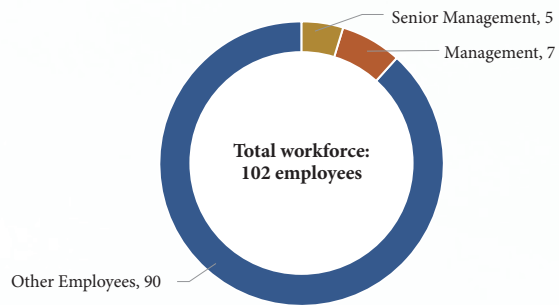
Employees by age group



Employees by employee type



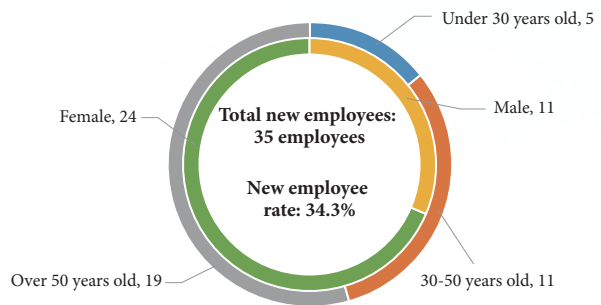
Employees by employee category



Employees by geographical region



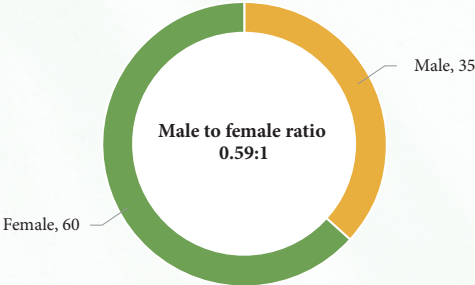
New employees



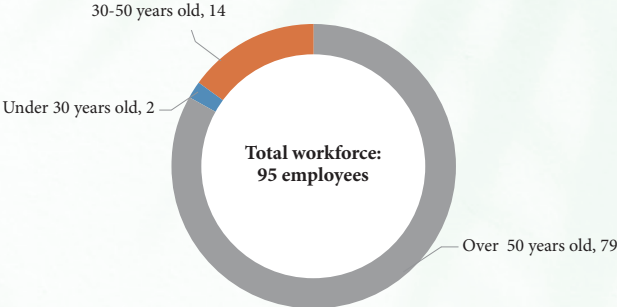
- Female
- Male
- Hong Kong
- Under 30 years old
- 30-50 years old
- Over 50 years old
- Senior Management
- Management
- Other Employees
- Full-time
- Part-time

As at 31 December 2022

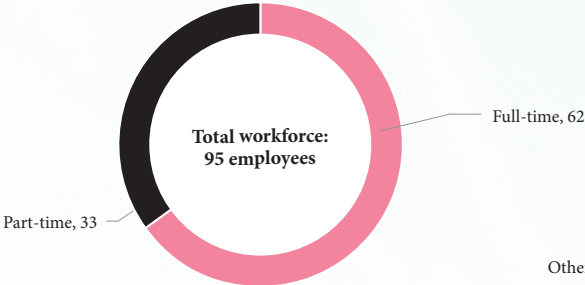
Employees by gender



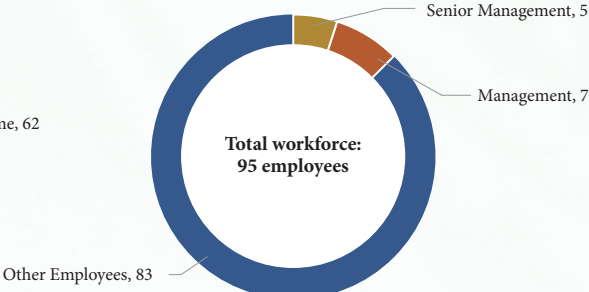
Employees by age group



Employees by employee type



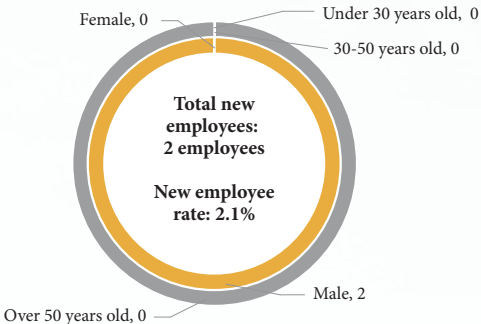
Employees by employee category



Employees by geographical region



New employees



- Female
- Male
- Hong Kong
- Under 30 years old
- 30-50 years old
- Over 50 years old
- Senior Management
- Management
- Other Employees
- Full-time
- Part-time

Employee turnover			
Category	Percentage		
	2023	2022	2021
By gender			
Male	35.29%	28.57%	0
Female	23.53%	18.33%	18.2%
By age group			
Under 30 years old	16.67%	150.00%	20.3%
30-50 years old	108.33%	57.14%	42.9%
Over 50 years old	16.67%	12.66%	18.0%
By geographical location			
Hong Kong	27.45%	22.11%	23.0%

Work-related fatality and injury						
	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
Number of work-related fatalities	0	0	0	0	0	0
Number of work-related injuries	0	0	0	1	3	0
Number of days lost due to work injury	0.0	32.0 (Note 8)	0.0	23.0	57.5	0.0

Note(s):

8. The lost days due to work injury were carried forward from the injury that occurred in 2022.

Training data					
Year	Category	Number of employees trained	Percentage (Note 9)	Training hours	Average training hours (Note 10)
2023	By gender				
	Male	29	85.3%	220.80	6.49
	Female	61	89.7%	364.60	5.36
	By employee category				
	Senior management	4	80.0%	43.10	8.62
	Management	7	100.0%	30.40	4.34
	Other employees	79	87.8%	511.90	5.69
2022	By gender				
	Male	30	85.7%	186.43	5.33
	Female	42	70.0%	154.93	2.58
	By employee category				
	Senior management	3	60.0%	63.50	12.70
	Management	5	71.4%	12.53	1.79
	Other employees	64	77.1%	265.33	3.20

Training data					
Year	Category	Number of employees trained	Percentage (Note 9)	Training hours	Average training hours (Note 10)
2021	By gender				
	Male	32	100.0%	641.72	20.05
	Female	37	67.3%	225.03	6.08
	By employee category				
	Senior management	2	40.0%	42.00	21.00
	Management	4	36.4%	43.43	10.86
	Other employees	63	88.7%	781.32	12.40

Note(s):

- The percentage of trained employees by category is calculated by dividing the number of employees in the specified category who took part in training during the reporting period by the total number of employees in the specified category as at the end of the reporting period.
- The average training hours by category is calculated by dividing the total training hours for employees in the specific category during the reporting period by the total number of employees in the specific category as at the end of the reporting period.

Supplier (Note 11)						
Region	2023		2022		2021	
	Raw Materials	Packaging Materials	Raw Materials	Packaging Materials	Raw Materials	Packaging Materials
Hong Kong	3	9	6	17	9	19
Australia	1	0	1	0	1	N/A
Taiwan	0	1	0	1	N/A	2
USA	2	1	1	0	1	N/A
PRC	12	2	1	0	3	2
Singapore	1	0	0	0	1	N/A
Others	3	0	0	1	N/A	N/A
Total	22	13	9	19	15	23

Note(s):

- Breakdown of raw materials suppliers and packaging materials suppliers is provided for enhancing clarity. Therefore, the data of 2022 and 2021 are also re-presented for comparison.

Contributing to the community			
	2023	2022	2021
Cash donation	Approximately HK\$305,000	Approximately HK\$208,000	Approximately HK\$481,000
Product donation	Over 14,000 pieces	Over 24,000 pieces	Over 35,000 pieces
Other item donation	Approximately HK\$15,000	Approximately HK\$30,000	–

THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE

Mandatory Disclosure Requirements	Section/Statement
Governance Structure	Management Message, ESG Governance
Reporting Principles	Reporting Framework
Reporting Boundary	About this Report – Reporting Scope and Period

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
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 GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Protecting the Environment
KPI A1.1	The types of emissions and respective emissions data.	Protecting the Environment; ESG Data Highlights
KPI A1.2	GHG emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Protecting the Environment – GHG Emissions; ESG Data Highlights
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Protecting the Environment – Waste Management – Chemical Waste Handling Method; ESG Data Highlights
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Protecting the Environment – Waste Management – Non-chemical Waste Handling Method; ESG Data Highlights
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Protecting the Environment – GHG 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.	Protecting the Environment – Waste Management

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Protecting the Environment
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Protecting the Environment – Energy Consumption; ESG Data Highlights
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Protecting the Environment – Water Consumption and Effluents; ESG Data Highlights
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Protecting the Environment – Energy Consumption
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.	Protecting the Environment – Water Consumption and Effluents
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Protecting the Environment – Use of Packaging Materials; ESG Data Highlights
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Protecting the Environment – Environmental Impacts of Raw Material Extractions
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Protecting the Environment – Environmental Impacts of Raw Material Extractions
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.	Protecting the Environment – Climate Change Mitigation and Adaptation
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.	Protecting the Environment – Climate Change Mitigation and Adaptation
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.	Caring for Employees
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Caring for Employees – Employee's Rights and Welfare; ESG Data Highlights
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Caring for Employees – Employee's Rights and Welfare; ESG Data Highlights

Subject Areas, Aspects, General Disclosures and KPIs		
Description		Section/Declaration
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.	Caring for Employees – 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.	ESG Data Highlights
KPI B2.2	Lost days due to work injury.	ESG Data Highlights
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Caring for Employees – 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.	Caring for Employees – Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Caring for Employees – Training and Development; ESG Data Highlights
KPI B3.2	The average training hours completed per employee by gender and employee category.	Caring for Employees – Training and Development; ESG Data Highlights
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.	Caring for Employees – Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	Caring for Employees – Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Caring for Employees – Labour Standards

Subject Areas, Aspects, General Disclosures and KPIs		
	Description	Section/Declaration
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Responsible Operating Practices – Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Responsible Operating Practices – Supply Chain Management; ESG Data Highlights
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Responsible Operating Practices – Supply Chain Management – Fair and Open Procurement
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Responsible Operating Practices – Supply Chain Management – Environmental and Social Risks of Suppliers
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Responsible Operating Practices – Supply Chain Management – Promoting Environmentally Preferable Products
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Responsible Operating Practices
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Responsible Operating Practices – Product Quality and Safety
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Responsible Operating Practices – Customer Services and Complaint Management
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Responsible Operating Practices – Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Responsible Operating Practices – Product Quality and Safety
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Responsible Operating Practices – Protection of Customer Data and Privacy

Subject Areas, Aspects, General Disclosures and KPIs		
Description		Section/Declaration
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	Responsible Operating Practices – 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.	Responsible Operating Practices – Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Responsible Operating Practices – Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Responsible Operating Practices – 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.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment