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Introduction

Gold Peak Technology Group Limited (“Gold Peak” or the “Company”), together with its subsidiaries (collectively referred to as the “Group” or “We”), is dedicated to environmental protection and social responsibility towards its stakeholders, including employees, suppliers, customers, shareholders, government and regulatory authorities, and the communities we serve. The Group places great importance on stakeholder engagement and actively collaborates with them to achieve its sustainable development goals.

The Group oversees a vast network of manufacturing operations in China, Malaysia, Vietnam, and Thailand. Our commitment extends beyond mere compliance with international standards. We are dedicated to optimising resource utilisation and aiming for carbon reduction and zero waste. This ambition is realised through investments in innovative production methods and technologies. The Group’s long-term vision includes achieving a carbon transition and enhancing the quality of life by embracing green energy, modernising its manufacturing facilities, and producing safe, reliable, environmentally friendly, and cost-effective products.

GP Batteries International Limited (“GP Batteries”) and GP Energy Tech International Pte. Limited (“GP Energy Tech”), which form a significant segment of the Group, are leading global developers, manufacturers, and distributors of primary and rechargeable batteries respectively, and among the largest consumer battery producers in Asia.

The Group’s audio segment, comprised KGG and Celestion, has continuously thrived as a leading force in the realm of sound. The Group consistently pushes the boundaries of audio excellence and sound performance in its audio products by leveraging top-notch acoustic technology, dedication, and advanced production technology.

Sustainability Highlights

During FY2024, the Group has achieved significant milestones in sustainability and ESG practices:

- **EcoVadis Bronze Medal:** GP Batteries was awarded Bronze Medal in the EcoVadis sustainability assessment, which thoroughly evaluates companies across environment, labour practices and human rights, ethics, and sustainable procurement.
- **Sustainable Corporate Awards:** GP Batteries received the “100% HK Branding Award – GBA ESG Sustainable Corporate Award” from the Greater China Association of Branding Industry and the “BOCHK Low-Carbon Environmental Leadership Awards 2022 – EcoPartner” by the Federation of Hong Kong Industries.
- **United Nations Global Compact:** The Group’s newly formed subsidiary, GP Energy Tech, joined the United Nations Global Compact during FY2024. This is a voluntary initiative encouraging businesses worldwide to adopt sustainable and socially responsible policies and report on their implementation. By joining this initiative, GP Energy Tech demonstrates its commitment to aligning its operations and strategies with the ten universally accepted principles covering human rights, labour, environment, and anti-corruption.

- **Natural Resources Conservation**

- In FY2024, the Group's audio factory in Huizhou, China transitioned to water-based paint for its audio products, achieving water savings and environmental protection.
- The audio factory also implemented a Smart Logistics System to optimise operations, resource allocation, and inventory management, which exemplified the Group's commitment to responsible resource utilization and operational excellence in line with ESG practices.

Figure 1. 100% HK Branding Award – GBA ESG Sustainable Corporate Award and BOCHK Low-Carbon Environmental Leadership Awards 2022 – EcoPartner



About This Report

Reporting Scope

As part of the Company's annual reporting exercise, this ESG report (the "Report") provides an overview of the Group's ESG performance for the year ended 31 March 2024 ("FY2024"). The Report covers the ESG performances of the Group's Hong Kong headquarters and the major overseas manufacturing plants and premises.

Reporting Standards and Principles

This Report has been prepared in accordance with the "Environmental, Social and Governance Reporting Guide" (the "ESG Guide") of the Main Board Listing Rules of The Stock Exchange of Hong Kong ("HKEX"), with reference to the two International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards ("IFRS S1 and S2"). The Report complies with all the mandatory disclosure requirements and the "comply or explain" provisions set out in the ESG Guide of the HKEX. The disclosure obligations and the following reporting principles have been strictly followed to define the content and the presentation of the Report:

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

General Information

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

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

Gold Peak Technology Group Limited focuses on R&D of new battery technology and B2B battery business, whilst GP Industries develops its consumer batteries, and audio businesses in consumer products. The Group has built renowned brand names for its major product categories, including GP batteries, GP Recyko batteries, KEF premium acoustic products and Celestion professional speakers.

GP Energy Tech International Pte. Limited, formed to charter sustainability as the core of business, is the Group's major subsidiary committed to delivering sustainable innovations as well as rechargeable battery advancement for enhanced energy storage solutions.

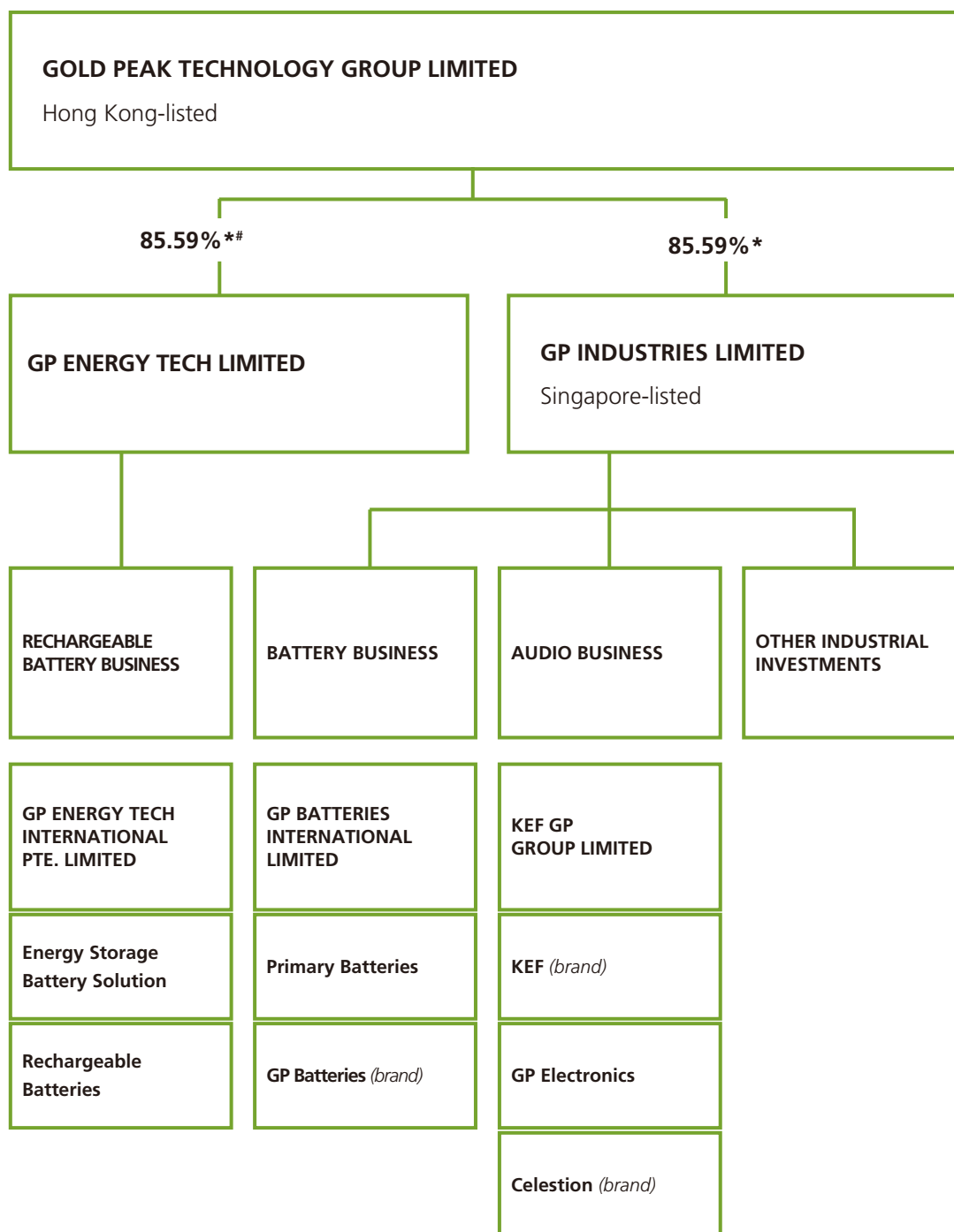
The Group has a strong and extensive manufacturing, R&D and distribution network spanning over 10 countries. Its revenue for FY2024 amounted to HK\$6.5 billion and its total assets exceeded HK\$7.6 billion. Including the major operations of its various divisions, the Group currently employs a staff force of more than 6,000 worldwide.

Talents and teamwork are essential to the Group's growth journey. The Group prioritise its team members' well-being and foster a collaborative working environment that promotes sustainability, quality, excellence and innovation.

The Group recognises sustainability as an important strategic deployment and responsibility for business continuity and regenerative growth. We will continue to ride on our experience and strength to innovate, empower lives and co-create a sustainable future.

* As at 21 June 2024

Group Structure



* Percentage stated denotes respective shareholding held by Gold Peak as at 21 June 2024

GP Industries Limited also held 11.17% in GP Energy Tech Limited as at 21 June 2024

Board Statement

Sustainability as the value driver, beyond compliance

The Group recognises environment, social and governance (“ESG”) as its responsibility for business continuity and regenerative growth.

The global economic landscape during FY2024 continued to present significant challenges. Rising geopolitical tensions and higher interest rates created a complex operating environment. Notwithstanding that, the Group has invested much efforts to mitigate the impacts of these external pressures through disciplined cost efficiency measures.

During FY2024, two of our battery manufacturing facilities in Malaysia have been awarded Zero Waste to Landfill (“ZWTL”) Platinum validation by the UL Solutions while four of the other facilities in Malaysia, Vietnam and China have achieved Gold validation. As the first organisation in Malaysia to receive the highest honour in the ZWTL validation program, which requires 100% waste diversion from landfills, this remarkable milestone solidifies the Group’s commitment to environmental sustainability. The Group will continue to enhance waste diversion across other production facilities and minimise environmental impact.

To continue our efforts on environmental initiatives, renewable energy is more widely used in the Group’s facilities across all regions. Solar panels are installed on rooftops in our facilities in Malaysia, China and the UK to power their operations. The Group will continue to explore the purchase of green energy to reduce carbon footprint.

As a responsible manufacturer of quality batteries, the Group is committed to minimising the environmental impact across our entire product lifecycle, from raw material to end-of-life recycling. The Group is revamping the battery product packaging to progressively increase the use of paper and recycled materials, and reduce the use of plastics. GP intends to have its branded, new rechargeable batteries and accessories packaging made of FSC paper and be 100% recyclable. This will eventually be extended to other product portfolios. Together with GP rechargeable batteries and charging systems, the Group is committed to introducing more good value products and driving more people to use rechargeable energy.

With a strategic focus on pioneering innovative and sustainable battery products, the Group will continue to revolutionise the rechargeable energy landscape for the future through research and development.

Combining our obsessions with acoustic authenticity and innovative engineering, KEF continues to strategically position itself for sustained growth through targeted retail partnerships, physical expansion, product innovation, and a keen understanding of evolving consumer preferences.

To enable more people to access high-fidelity sound, KEF delivers more appealing user experiences to its customers through quality design. KEF’s audio solutions proposition has received strong market acceptance and good industry reception. The new KEF Music Gallery in Tokyo, Chengdu and London aim to bring an immersive sound experience to more people. The expanded geographical outreach allows us to showcase the Group’s audio innovations and enable more people to access truly immersive and high-fidelity sound.

With a 100-year heritage and strong market credentials, Celestion has never stopped innovating. Through research and development, the company is able to launch new market-leading products that push the boundaries of performance with high energy efficiency.

Looking ahead

Sustainability is at the core of the Group's business. The Group has secured a HK\$740 million syndicated sustainability-linked loan facility ("SLL facility"), one of the largest such arrangements in Asia's consumer batteries industry, from a consortium of banks in Asia in November 2023. This landmark financing underscores the Group's steadfast commitment to long-term sustainable development.

The proceeds from this facility are mainly utilised to further strengthen the development of clean and efficient production and sustainable product packaging. The Group will continue to pursue both organisational and product-level ESG initiatives, aiming at reducing carbon footprint through the whole life cycle and contribute towards net-zero.

To better respond to climate change, the Group has also intensified efforts to identify climate-related risks and opportunities and prepare for the related disclosure pertinent to the International Sustainability Standards Board from 2025.

The Group would not have navigated the challenges of recent times without the orchestrated effort and steadfast support from our dedicated Management team members, Board of Directors, shareholders, staff members and valued business partners. On behalf of the Board, I would like to extend our sincere gratitude to all for their persevering and unfailing support.

Victor LO Chung Wing
Chairman & Chief Executive

31 July 2024

Stakeholder Engagement and Materiality

Stakeholder Engagement

Stakeholder feedback is crucial for developing the Group's sustainability strategy and ensuring long-term success. The materiality of topics is informed by both internal and external perspectives on the Group's business and stakeholders. A robust understanding of stakeholders' expectations enables the Group to identify and plan for potential risks and opportunities across its business operations.

The Group is committed to regular engagement with stakeholders, expanding communication channels for them to share their concerns, insights and experiences with us, and providing updates on recent developments. Below is a summary of the various channels the Group employs to consistently engage with its diverse stakeholder groups:

Figure 2. Key Stakeholders and Methods of Engagement

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

Materiality Assessment

Taking into account both internal and external factors, the Group conducted a materiality assessment to identify the top ESG issues of concern to our stakeholders. Various stakeholder groups were invited to evaluate the significance of a list of potential material topics. The following outlines the materiality assessment process:

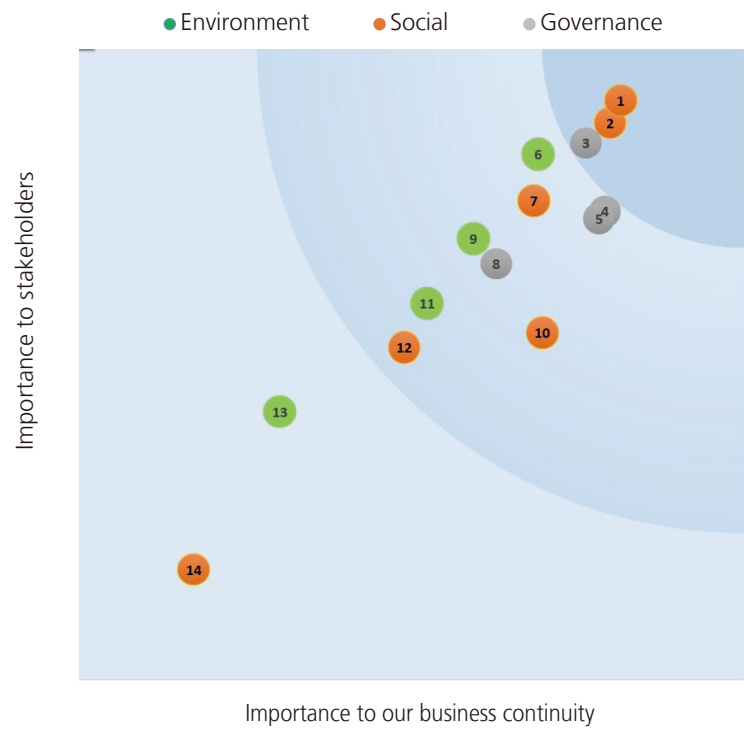
1. **Issue Identification:** Conduct an initial screening of relevant ESG issues by referencing HKEX's ESG Reporting Guide and benchmarking the material ESG issues of the Group's industry peers.
2. **Stakeholder Engagement:** Invite key internal and external stakeholders to participate in surveys to obtain their ratings and insights on each ESG issue.
3. **Prioritisation:** Consolidate the issue identification and stakeholder engagement results to prioritise the ESG risks.
4. **Validation:** Confirm and validate key material ESG issues.

The assessment result covers a variety of material topics, reflecting the Group's strategic focus, mission, resources, industry trends, and stakeholders' concerns. This year, the Group integrated and categorised the old topics, reducing the total number from 36 to 14 to better reflect stakeholder interest. This streamlined approach allowed for a more focused and cohesive understanding of the most critical ESG issues. Notably, several topics saw significant changes in their ranking, and new entries highlighted evolving priorities.

- **Product Safety and Quality, Occupational Health and Safety, Supply Chain Management and Responsible Sourcing, and Waste Management and Packaging Optimisation** all experienced significant rise in rankings. The rise in ranking of these topics highlight an increasing stakeholder emphasis on operational integrity and responsible management practices.
- **Sustainable Growth** emerged as a new entry and was ranked third, underscoring a growing recognition of the importance of long-term economic viability alongside environmental and social considerations.
- Standing out from the list are (1) **Product Safety and Quality**, (2) **Occupational Health and Safety**, and (3) **Sustainable Growth**, which are the top three material ESG topics this year.
- The high ranking of "**Product Safety and Quality**" reflects an increasing demand from consumers and regulatory bodies for high standards in product safety and reliability, signifying the Group's commitment to maintaining the highest quality standards to ensure customer satisfaction and trust.
- The heightened focus on "**Occupational Health and Safety**" can be attributed to the increasing global awareness for workplace conditions, emphasising the traditional yet essential aspect of corporate ESG priorities.
- As a new topic, the high ranking of "**Sustainable Growth**" indicates a shift towards integrating sustainability into the core business strategy, reflecting elevated stakeholder expectations and enhanced recognition of sustainability as a key driver of long-term success.

The following materiality matrix illustrates the level of importance to stakeholders (y-axis) and their significance to the Group’s business continuity (x-axis). Accompanying this matrix is a list of material topics, which serves as a guide to locate the corresponding sections in this report, demonstrating the Group’s efforts to address the concerns associated with these critical issues.

Figure 3. Materiality Matrix



Tier 1	High Importance	Issues that are critical to the Group's core business operations and have substantial impacts on stakeholders and the environment
Tier 2	Moderate Importance	Issues that have a moderate impact on the Group's business and stakeholders and the environment
Tier 3	Relatively Low Importance	Issues that have a relatively low impact on the Group's business and stakeholders and the environment

Material Topics

FY2024 Ranking	Material Topic	Trend	FY2023 Ranking (Relative)	Corresponding sections
1	Product Safety and Quality	↑	2	Social Responsibilities – Product Innovation and Responsibility
2	Occupational Health and Safety	↑	3	Social Responsibilities – Health and Safety
3	Sustainable Growth	NEW	–	Environmental Stewardship – Emissions, Waste; Social Responsibilities – Supply Chain Management
4	Business Ethics and Anti-corruption	↓	1	Social Responsibilities – Human Capital and Anti-Corruption
5	Supply Chain Management and Responsible Sourcing	↑	9	Social Responsibilities – Supply Chain Management
6	Waste Management and Packaging Optimisation	↑	5	Environmental Stewardship – Waste
7	Ethical Employment Practices and Labour Rights Protection	↓	4	Social Responsibilities – Human Capital
8	Sustainability Governance and Risk Management	NEW	-	Sustainability and ESG Governance
9	Resource, Water, and Energy Management	↓	7	Environmental Stewardship – Emissions, Waste, Use of Resources
10	Talent Recruitment, Development and Caring	↓	8	Social Responsibilities – Human Capital
11	Climate Change and GHG Emissions	↑	10	Environmental Stewardship – Emissions, Climate Change
12	Diversity, Equal Opportunity, and Inclusivity (DEI)	↓	6	Social Responsibilities – Diversity
13	Biodiversity Conservation	↑	12	Environmental Stewardship – The Environment and Natural Resources
14	Community Investment and Engagement	↓	11	Social Responsibilities – Human Capital

• Environmental • Social • Governance

Sustainability and ESG Governance

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

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

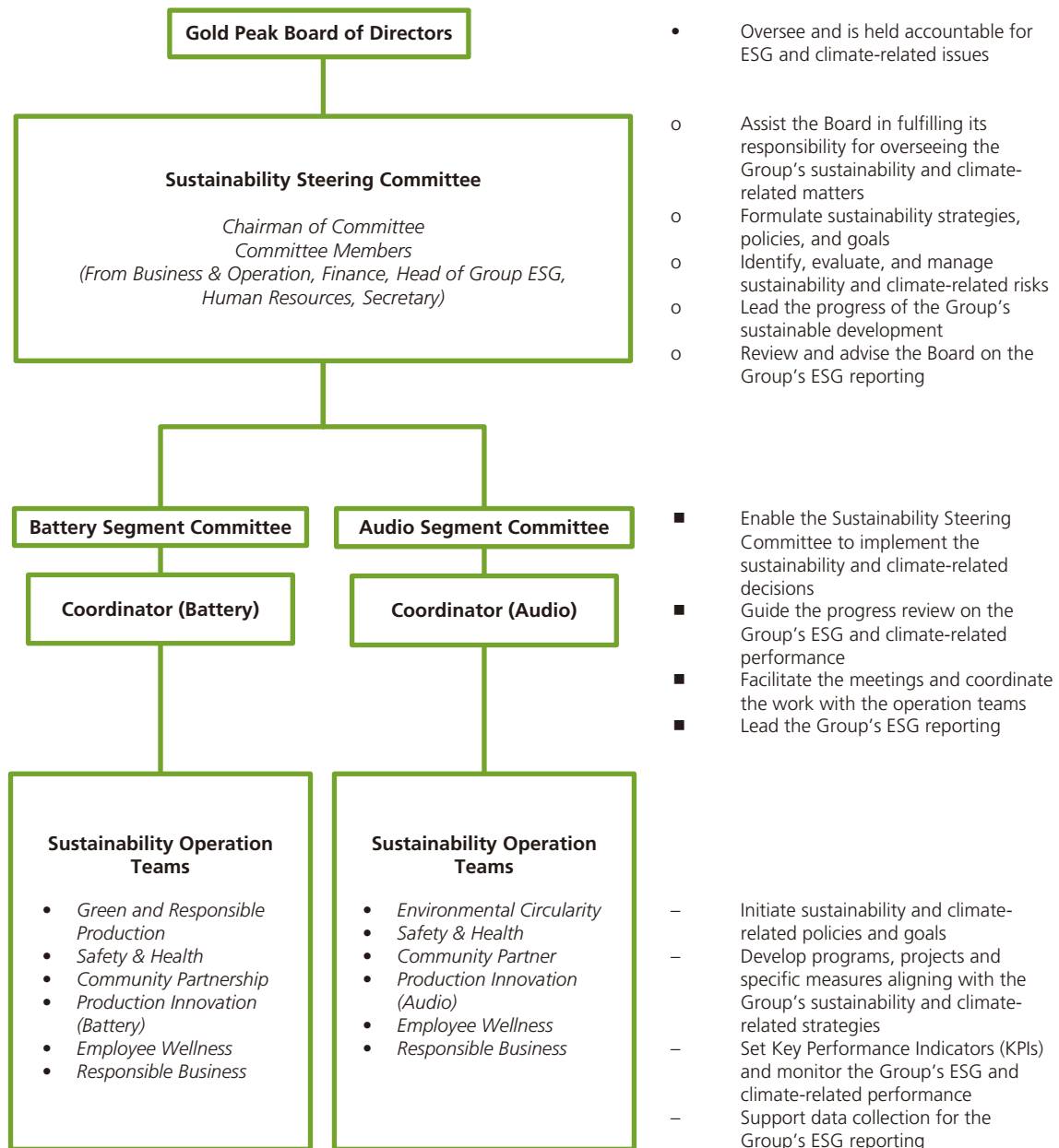
The Group has established a comprehensive Sustainability and ESG governance framework that provides a strong foundation for incorporating sustainability into the Group's businesses and ensuring that the Group's stakeholders' interests and expectations are taken into account in the Group's development strategies and actions. The comprehensive framework facilitates communications and defines the roles and responsibilities of the team to properly address ESG issues, including climate-related risks.

Overview of the Sustainability and ESG Governance Structure

The governance structure of the Group is designed to integrate sustainability into every aspect of its operations. At the top, the Board of Directors provides strategic oversight and support, while the Sustainability Steering Committee focuses on the execution of sustainability initiatives and the management of ESG-related risks.

Below is an overview of the Group's sustainability and ESG governance structure:

Figure 4. Sustainability and ESG Governance Structure



In response to heightened public attention and stakeholder concerns regarding climate-related issues, the Group is committed to enhancing its sustainability governance to enable more systematic oversight and management of climate-related risks and opportunities.

Governance Mechanism and Frequency of Communication

The Sustainability Steering Committee is tasked with reporting to the Board on sustainability and climate-related issues regularly, ensuring these critical topics receive continuous attention and oversight. The Committee provides updates to the Board annually, but more frequent reporting can occur as necessary. The Convenor of the Sustainability Steering Committee, who is the Head of Group ESG Initiatives, plays a pivotal role in overseeing the Group's ESG-related matters on a daily basis. The Group's top-down governance structure ensures that the governing body is well-informed and capable of making strategic decisions based on up-to-date information about sustainability and climate-related risks and opportunities.

Governance Body and Individual Responsibilities

The Sustainability Steering Committee, endorsed by the Board, is responsible for the oversight of sustainability and climate-related matters. The Board of Directors holds ultimate responsibility for overseeing sustainability and climate-related issues across the Group and its business units, with the Sustainability Steering Committee providing essential support in managing these issues. The duties and responsibilities regarding the oversight and management of sustainability and climate risks and opportunities are clearly defined in Gold Peak's Climate Change Policy and the Sustainability Steering Committee's Terms of Reference.

Specifically, these documents outline the Group's approach to address climate change through mitigation, adaptation, resilience, and disclosure. The Climate Change Policy establishes guidelines for mitigating the impacts of climate change on the Group's operations and sets out principles for adapting to and enhancing the resilience of the Group's business to climate change. The Terms of Reference for the Sustainability Steering Committee detail the specific roles and expectations for Committee members, ensuring clarity and accountability in their efforts to drive the Group's sustainability agenda.

Skills and Competency

Ensuring that its governing body and management possess the necessary skills and competencies to effectively oversee strategies addressing sustainability and climate-related risks and opportunities is a fundamental aspect of the Group's ESG governance framework. The governing body and management receive periodic training on sustainability and climate-related issues. The training sessions are designed to keep our professionals informed about the latest sustainability developments, best practices and regulatory requirements. The Convenor of the Sustainability Steering Committee, who is also the Head of Group ESG Initiatives, has a relevant educational background and extensive experience in overseeing the Group's ESG-related matters, providing crucial guidance.

By fostering a culture of continuous improvement and knowledge enhancement, the Group ensures that its governing body and management have the skills and competencies necessary to navigate the complexities of sustainability and climate-related challenges.

Controls and Procedures

The Group employs a comprehensive set of controls and procedures to oversee sustainability and climate-related risks and opportunities, ensuring these considerations are embedded throughout the Group's operations and decision-making processes. These controls and procedures are integrated with other internal functions, operational processes and compliance frameworks to create a cohesive approach to managing sustainability and climate impacts.

The Group's Climate Change Policy explicitly states the incorporation of climate-related risks into the Company's risk management policy and internal control system, which are overseen by the Audit Committee. This ensures climate risks are considered alongside other significant business risks, providing a holistic view of potential impacts and mitigation strategies. Furthermore, the Group is actively assessing the financial implications of sustainability and climate issues, ensuring that these factors are considered in financial planning and decision-making.

Sustainability Initiatives

The Group is committed to leading the industry in sustainable battery manufacturing, striving for a greener future. The Group recognises its responsibility to minimise environmental impact and are dedicated to achieving this through its Zero-Positive initiatives and a comprehensive product life cycle approach.

The restructuring of GP Energy Tech as a directly held subsidiary of Gold Peak highlights the Group's deep commitment to advancing cutting-edge technologies in sustainable battery and energy storage solutions.

GP Energy Tech is at the forefront of creating sustainable and environmentally friendly battery manufacturing model. The company empowers a sustainable net-zero future by offering secure and dependable energy solutions leveraging nickel-based technology. The company actively pushes the boundaries of technology to foster sustainable and environmental-friendly solutions in energy storage, catering to a diverse range of applications including smart homes, data centres, intelligent transportation systems, uninterruptible power supplies and renewable energy storage solutions. With a clear commitment to sustainable development, the Group is harnessing innovative technologies and environmental-friendly materials to make a positive contribution to the planet.

Figure 5. Initiatives towards "Zero-Positive"

- Established an environmental management system certified with ISO14001 standards, which focus on various environmental topics including product manufacturing, design, research & development and product life cycle management
- Prioritise cleaner manufacturing processes and circular economy
- Improve energy efficiency and deploy renewable energy in factories
- Implement air quality and sewage control measures to minimise environmental impact
- Implement water recycling system to conserve water resources
- Continuously enhance manufacturing process and quality control to minimise waste generation
- Certified under UL's Zero Waste to Landfill program to divert over 95% of waste from landfill
- R&D focuses on using eco-friendly and recyclable raw materials, as well as utilizing recycled materials
- Promote the use of rechargeable batteries by improved features such as increased recharge cycles and shorter charging time
- Support local battery recycling programs to minimise waste and utilise products as raw materials for new ones to create a circular economy
- Explore easily recyclable packaging materials and reduce plastic use in end-product packaging and transportation.

Figure 6. Uninterrupted Power Supply and Emergency lighting



During FY2024, GP Batteries has been awarded Bronze Medal in the latest EcoVadis sustainability assessment, which is exhaustively evaluated across its environment, labour practices and human rights, ethics, and sustainable procurement. This achievement underscores GP Batteries' elevated standards and the resolute efforts invested in ensuring its sustainable development and practices.

Figure 7. Bronze Medal, 2023 EcoVadis Sustainability Rating



The Group's audio factory in Huizhou, China, transitioned to water-based paint for its audio products, achieving water savings and environmental protection. The audio factory also implemented a Smart Logistics System which addresses the challenges of varying packaging sizes and dispersion issues within the factory and optimises inventory management. This exemplifies the Group's commitment to achieve a more sustainable and green supply chain.

The System was awarded the “Hong Kong ICT Awards 2023: Smart Mobility (Smart Logistics) Award – Bronze Award” in November 2023. It was also nominated for the 13th Guangdong-Hong Kong Internet of Things (IoT) Award and was presented “The Best IoT Application Award” in March 2024.

Figure 8. Hong Kong ICT Awards 2023: Smart Mobility (Smart Logistics) Award – Bronze Award and 13th Guangdong-Hong Kong Internet of Things (IoT) Award – The Best IoT Application Award



Decision Making with Sustainability

At Gold Peak, sustainability and climate-related considerations are increasingly integrated into business strategy, major transactions and risk management processes to address the growing importance of environmental resilience and long-term business sustainability. The integration is embodied by the principles outlined in the Group’s Climate Change Policy and involves a comprehensive evaluation of trade-offs associated with the relevant risks and opportunities. Specifically:

1. **Climate-conscious Procurement:** Climate considerations are embedded into the Group’s procurement process to support low-carbon or energy-efficient products and materials throughout the supply chain, ensuring that sustainability is a key factor in all procurement decisions, promoting a more sustainable supply chain and reducing the Group’s overall carbon footprint.
2. **Risk Management:** The Group incorporates climate-related risks into its risk management policy and internal control system, overseen by the Audit Committee. This integration ensures that climate-related risks are considered alongside other significant business risks. The platform for collecting ESG and climate-related information will also play a crucial role in this process by providing timely data and analytics for informed risk management decisions.
3. **Informed Decision-Making:** The exposure to climate-related risks and identification of business opportunities are key considerations in the Group’s business strategy. Senior management continuously evaluates sustainability-relevant information, such as the immediate costs of implementing sustainable practices versus the long-term benefits of risk mitigation and enhanced reputation, to make informed decisions.
4. **Stakeholder Collaboration and Contingency Planning:** The Group collaborates with stakeholders to propose feasible measures for preventing or minimising the impacts of climate-related risks. This includes developing and maintaining effective contingency plans with suppliers, distributors and clients to manage risks induced by more frequent extreme weather events, such as logistical disruptions and supply chain tensions.

Setting and Monitoring Sustainability Targets

The Board of Directors, the Sustainability Steering Committee and the Sustainability Operation Teams work in synchrony to advance works relating to sustainability development across the wider scope of ESG. Their collaborative efforts aim to drive progress and ensure a comprehensive approach to sustainability.

To effectively manage ESG-related data, the Group has adopted an enterprise-wide data management platform. This platform not only allows the management to collate data and review progress across business units but also enables active tracking of key performance indicators, such as carbon emission, energy consumption and waste generation. Through this, the Group can identify opportunities for implementing sustainable practices and minimising environmental impact. The data platform serves as a central ESG data repository, providing valuable analytics to facilitate reporting and decision-making processes.

The Group is actively taking systematic steps towards identifying sustainability-related risks and opportunities. This proactive approach aims to enhance transparency and foster trust in its sustainability initiatives by strengthening communication with stakeholders, including specific climate-related disclosures.

During FY2024, the Group conducted an evaluation of its sustainability performance compared to the FY2022 baseline. In addition, benchmarking and research activities were carried out to gain insights from industry peers and identify best practices. Currently, the Group is working on evaluating the exposure of its assets and activities to identify climate-related vulnerabilities and opportunities for reducing greenhouse gas emissions and transitioning to renewable energy sources. The initial findings from this assessment are presented in the "Climate Change Management" section of the report.

Looking ahead, the Group recognises the importance of education and awareness in promoting sustainability. Training and exchange will keep directors and top management informed about the latest regulatory requirements and business practices for sustainable growth. Additionally, they will empower employees to actively contribute to sustainable initiatives and drive positive change within their spheres of influence.

The Group intends to widen stakeholder engagement in order to gather deeper insights and perspectives. This will help identify priority areas and key sustainability focus areas that require attention and actions. Scope 3 emissions and SMART target setting will be among the areas of focus. The Group also recognises linking executives' remuneration with sustainability-related initiatives as part of its commitment to contribute towards business sustainability.

Environmental Stewardship

The Group's operations are potentially vulnerable to climate-related factors, including greenhouse gas ("GHG") emissions, consumption of natural resources, and waste production. Predominantly, GHG emissions arise from the consumption of grid-supplied electricity during the manufacturing processes. In response, the Group is prioritising the development of energy-efficient production methods, investing in energy-saving equipment, and creating energy-efficient products to minimise GHG emissions.

The Group has also established an effective environmental management system to control and manage its environmental performance. Most of the Group's factories were accredited with the ISO 14001 environmental management system.

Figure 9. ISO 14001 Accreditations



During FY2024, the Group has complied with relevant laws and regulations that have a significant impact related to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Emissions

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

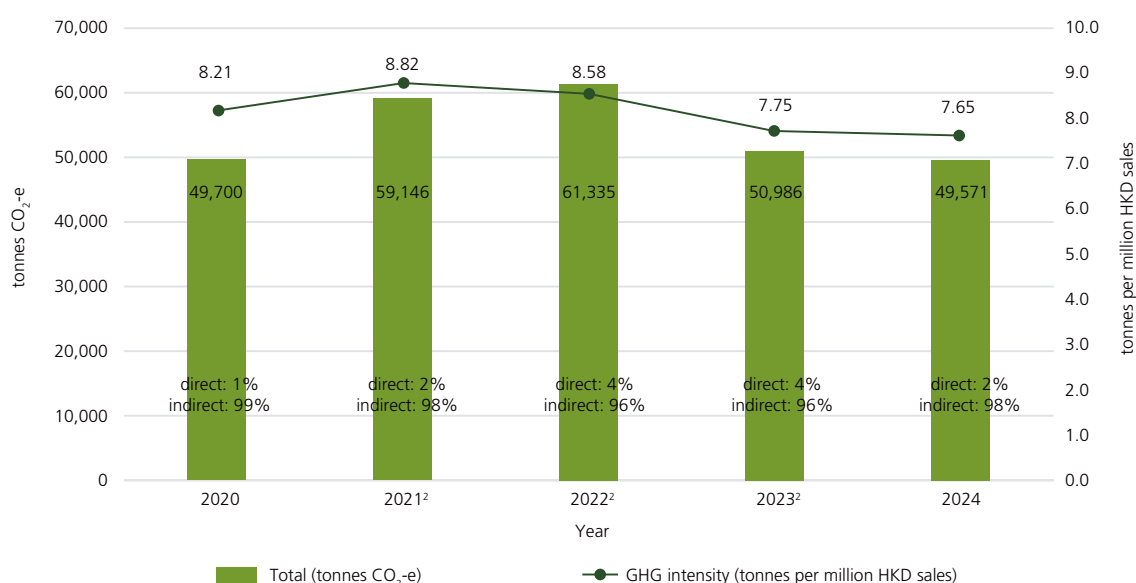
Carbon dioxide ("CO₂") is the major GHG emission of the Group. Direct CO₂ emissions mainly arise from the direct consumption of diesel for generators, forklifts and petrol and diesel for owned vehicles. The Group monitors its CO₂ emissions regularly and controls the use of diesel generators and company cars to lower direct CO₂ emissions. In addition, a progressive shift from diesel forklifts and vehicles to electric ones is underway to minimise CO₂ emissions. Indirect CO₂ emissions mainly arise from the use of grid electricity. The Group monitors its electricity consumption, implements energy-saving initiatives and improves energy efficiency to reduce electricity consumption. A small amount of indirect CO₂ emissions is also emitted from the usage of outsourced vehicles and business air travel. Aligned with its commitment to reducing the carbon footprint from its operations, the Group encourages online meetings to reduce business travel and advocates paperless operations.

During FY2024, total direct GHG (Scope 1) and indirect GHG (Scope 2) emissions amounted to 49,571 tonnes CO₂-e (2023: 50,986 tonnes*). Scope 1 and Scope 2 emissions represented approximately 2% (2023: 4%) and 98% (2023: 96%) of the total GHG emissions, respectively.

Scope 1 emissions decreased by 1,149 tonnes CO₂-e due to the continued effectiveness of the fire suppression agents introduced in FY2023 throughout FY2024. The Group consistently inspects its fire suppression systems to prioritize employee safety and stakeholder interests. Scope 2 emissions decreased by 266 tonnes, attributed to the increased utilization of solar energy in FY2024.

* FY2023 GHG emission was restated due to the official retrospective revision to Mainland China's national level grid emission factor.

Figure 10. GHG Emissions for the Year ended 31 March ¹



¹ GHG covered in this report include CO₂, methane, and nitrous oxide.

² GHG emissions for FY2021 to FY2023 were restated due to the official retrospective revision to Mainland China's national level grid emission factor.

To ultimately achieve net-zero carbon emission goal, the Group is taking steps to reduce carbon emissions, most importantly promoting the use of renewable energy sources to replace grid electricity. In FY2024, the Group has increased the usage of solar energy by installing additional solar panels in its factories. The Group is also employing solar heaters, which harness solar energy and convert it into heat, and employing air-to-heat pumps to extract heat from the air to warm water.

The Group puts emphasis on energy efficiency measures. These include adopting LED lighting, installing inverters in discharge facilities, replacing centralised air conditioners by smaller zonal air conditioners to increase flexibility adjusted according to staff needs. By taking these measures, the Group aims to make a meaningful contribution to the fight against climate change while continuing to operate in a sustainable and responsible manner.

GP Energy Tech has recently been certified by the esteemed Carbon Trust Assurance Limited for achieving carbon neutrality in Scope 1, Scope 2, and Scope 3 (business air travel under Category 6) emissions in accordance with the internationally recognised PAS 2060 standard. This significant achievement marks another milestone in the Group's ongoing commitment to sustainable manufacturing. This certification also creates new opportunities for GP Energy Tech to provide environmental-friendly products to global customers who are at the forefront of sustainability development.

Figure 11. Carbon Neutrality Label in Scope 1, Scope 2 and Scope 3 category 6 (air travel)



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

Waste

Waste Generated during Manufacturing

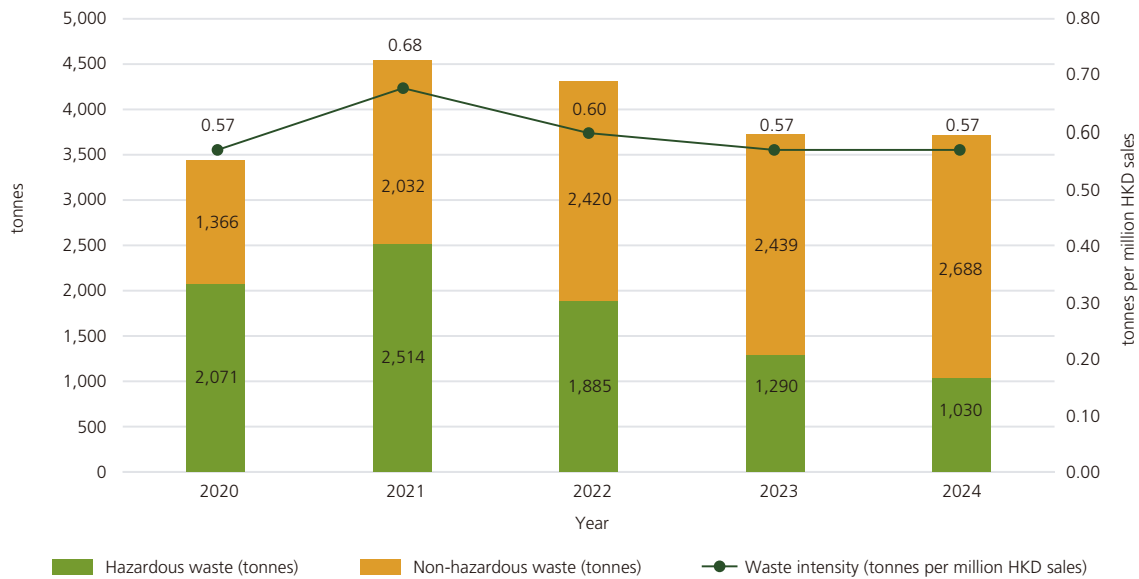
In accordance with the Group's Environmental Policy, the Group has established standardised methods for managing hazardous waste, preventing waste generation, and encouraging resource recycling. The Environmental Policy mandates the frequent monitoring, separation, and disposal of solid waste in a manner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

Hazardous waste mainly includes nickel, manganese, metals and waste mineral oil-water emulsion from scrap and unqualified batteries, as well as rags and containers which were contaminated by oil and paints, organic solvents, and a trace of metals. In accordance with the standardised management approach, all hazardous waste to be disposed of are centrally stored in special warehouses with labels according to distinct categories. The amounts of waste generated are measured and recorded in ledgers by assigned workers. The collection, storage and handling of hazardous waste are properly carried out to reduce the negative impacts on soil, water and air. Hazardous waste is regularly collected and sent to qualified recycling companies for proper treatment.

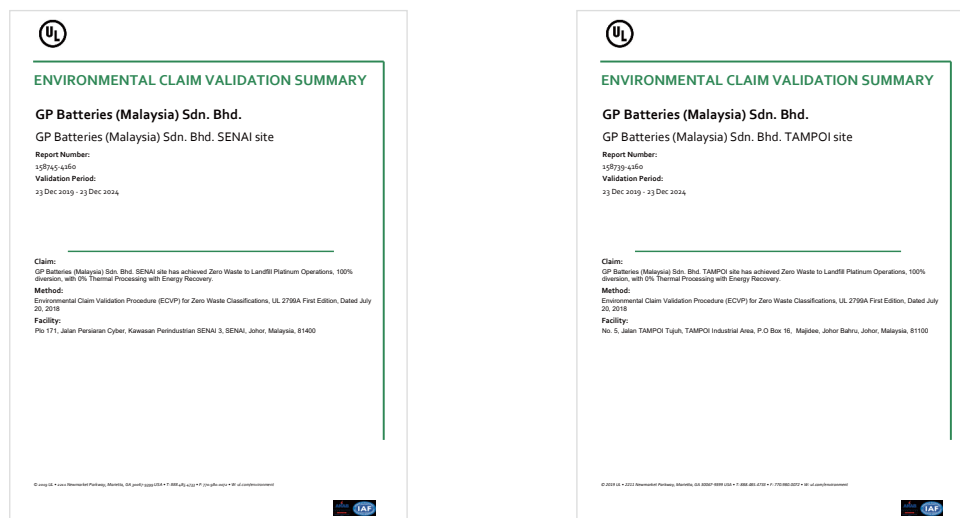
Non-hazardous waste mainly includes scrapped cardboard, wood, plastics, metals, kitchen waste and office waste. Non-hazardous waste is classified into non-recyclable and recyclable wastes. To minimise waste produced, waste segregation is implemented to turn waste into reusable resources. Non-reusable waste is collected by recycling and refuse treatment companies. Recyclable waste such as cardboard, solder oxide waste and copper wire scraps will undergo recycling treatment and diverted away from landfill. Food waste is reduced by outsourcing canteen vendors for soil enrichment, fish, and pig farms. In the Group's factory in Xiegang, China, kitchen waste was recycled by qualified companies to breed black soldier flies for conversion into insect protein and organic fertilisers.

During FY2024, a total of 3,718 tonnes of waste were generated (2023: 3,729 tonnes), with 1,030 tonnes hazardous waste (2023: 1,290 tonnes) and 2,688 tonnes non-hazardous waste (2023: 2,439 tonnes).

The Group is devoted to minimising waste production and redirecting a higher proportion of waste away from landfills. By prioritising reuse and recycling, the Group continuously seeks opportunities to improve waste diversion rate. To expedite the reduction of packaging waste, the Group collaborates with suppliers to not only redesign its packaging but also encourage suppliers and industry peers to adopt sustainable packaging innovations. Additionally, the Group strives to raise awareness among its customers about the importance of the 3R (reduce, reuse and recycle) principle.

Figure 12. Waste Produced for the Year ended 31 March

Two of our factories located in Malaysia were granted the UL Zero Waste to Landfill Platinum Validation (i.e. 100% waste diversion) and four factories located in China, Malaysia, and Vietnam were granted the Gold Validation (i.e. over 95% waste diversion) in recognition of our efforts and success in maximising waste diversion during the production processes. This distinction has demonstrated the Group's continuous dedication to promoting sustainable development.

Figure 13. UL Environmental Claim Validation ("ECV") certificate for Zero Waste to Landfill

Raw Materials and Recyclability for Products

Circularity of products is the centric of the Group's design concept. The Group always strives to improve the recyclability of its products, and at the same time use more recycled or sustainable materials in its products and packaging. For instance, GP Recyko rechargeable batteries and chargers feature user-centric paper packaging. Also, 90% of materials by weight are recyclable for GP Recyko batteries at the end of life. The Group is constantly looking for ways to increase the use of recycled materials in its battery products. Certain GP Recyko battery models have obtained the UL Environmental Claim Validation ("ECV") certificate (UL ECVP 2809) for containing at least 10% recycled contents. The Group is planning to further increase the recycled contents in its batteries. By implementing such an approach, the Group has been able to transform discarded materials at the end of their lifecycle into valuable components, conserving natural resources and aiming to achieve a circular economy.

To raise colleagues' awareness of waste reduction, a wide range of recycling activities are held regularly within the Group. At the Mid-Autumn Festival in 2023, the Group organised the "Mooncake Tins Recycling Programme". Recycling boxes were set up at the office cafeteria to collect mooncake tins. Collected containers were sent to recycling stations for further processing.

Use of Resources

Energy Consumption

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

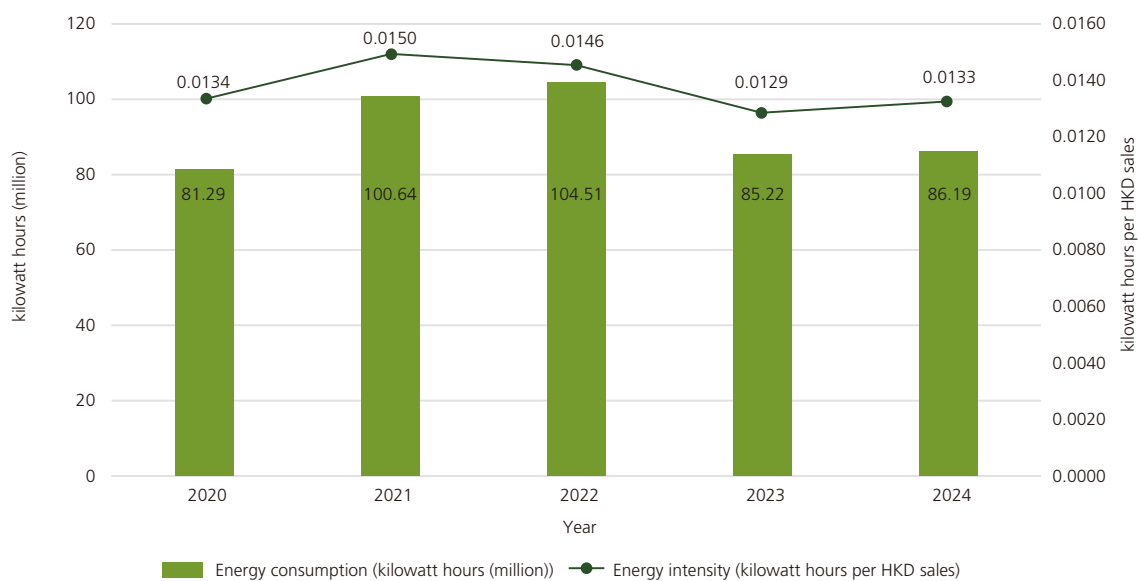
The Group puts great emphasis on evaluating the environmental impact of its products "from cradle to grave". Apart from the aforementioned measures which focus on the stages before sending out to its customers, the Group also takes care of the impact during their use phase. To enhance energy efficiency during charging, the Group constantly refines product features to minimize self-discharge and energy loss while in standby mode. This demonstrates the Group's dedication to creating environmentally responsible and energy-efficient solutions for its customers.

The Group diligently monitors and evaluates energy consumption to ensure lean and efficient operations. Energy efficiency is factored into capital investments, particularly when selecting equipment. In the deployment of manufacturing equipment, the Group incorporates energy-saving technology and employs energy-efficient components. The Group also actively advocates green energy usage, such as implementing solar equipment.

Numerous green building features are adopted at the Group's factories to enhance building energy efficiency, including utilising natural lighting from windows and courtyard glass, installing utilities underground to increase headroom, using glass partitions whenever feasible, replacing various light sources with LED tubes and adopting zonal lighting system. To foster energy-saving habits among its employees, the Group has placed reminder stickers near switches and have created an educational video that highlights green office initiatives to raise awareness among its colleagues.

During FY2024, total energy consumption slightly increased, attributed to rise in production levels. The increase was mostly covered by solar energy generated from the additional solar panels installed in our factories during the year. Scope 2 emissions from use of grid electricity slightly decreased. The Group remains resolute in its commitment to advancing the adoption of renewable energy in the future.

The Group has sought third-party assurance for GHG emissions in FY2024, which will serve as the foundation for establishing emission targets in the future.

Figure 14. Energy Consumption for the Year ended 31 March³

³ Energy consumption mainly includes electricity purchased from external parties and determined by direct measurements based on metre readings, as well as the city gas purchased from external parties.

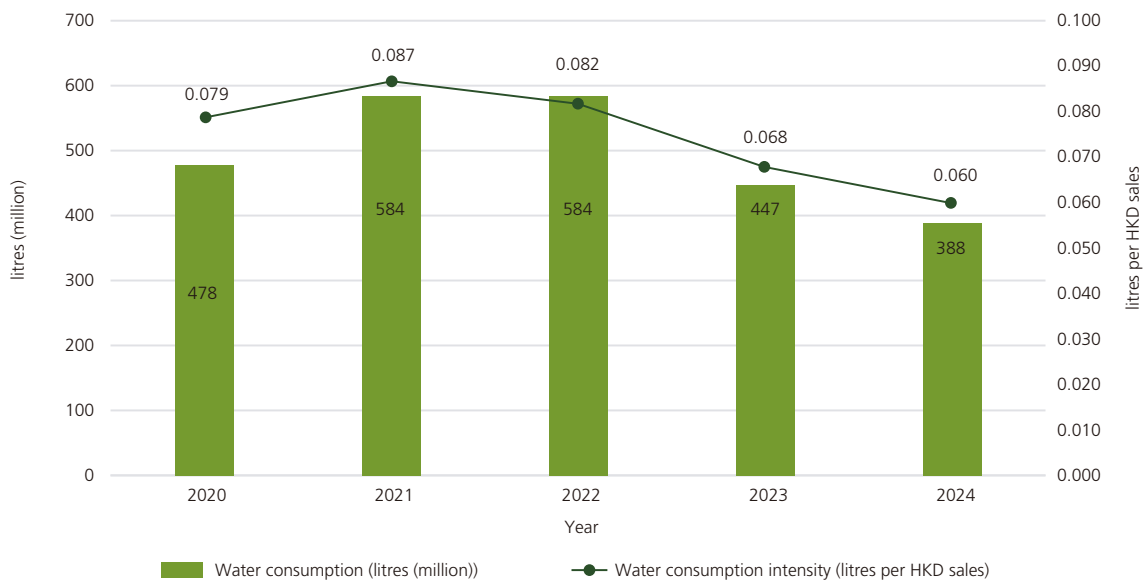
Water Consumption

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

The Group properly maintains water supply facilities and equipment and employs water-saving washing systems to enhance water efficiency. In some production plants, water is recycled for various operational uses, such as floor cleaning, battery washing, water spray dedusting, and washing dusty uniforms and containers. During FY2024, no occurrence of poor water quality cases that negatively impact the Group's manufacturing process was noted. There is no issue in sourcing water that is fit for the Group's manufacturing purpose.

During FY2024, besides water-saving measures, the Group's audio factory in Huizhou, China made a transition to using water-based paint for its audio products. This change reduced water consumption associated with cleanup processes which contributed to a decrease in total water consumption and environmental protection.

Figure 15. Water Consumption for the Year ended 31 March



Packaging Material Usage

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

Common packaging materials include cartons, plastics, metals, and plywood pallets. The Group reduces the use of plastics, and utilises biodegradable packaging materials to replace single-use plastics. For selected consumer alkaline battery products, the Group uses soy-based ink, which is biodegradable and more environmentally friendly, in packaging printing.



GP Batteries received the "Transform Awards Asia – Best Use of Sustainable Packaging (Gold)" from Transform Awards Asia in FY2024. The recognition from Transform Awards Asia is a clear demonstration of the Group's dedication to environmental responsibility and design-for-sustainability methodology.

Figure 16. Transform Awards Asia – Best Use of Sustainable Packaging (Gold)



During FY2024, usage of packaging materials increased, which was attributed to higher production levels, changes in the product mix and packaging design.

Figure 17. Packaging Material Usage for the Year ended 31 March

The Environment and Natural Resources

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

The Environmental Policy also reflects the Group's commitment to minimising its potential impact on the environment from its end-products. The Group stringently adheres to international and local regulations regarding chemical substances, including those listed as restricted substances. The Group surpasses basic requirements by minimizing the use of hazardous materials in its products to reduce potential environmental impacts at the product's end-of-life and to safeguard the well-being of the public.

The Group pays close attention to how its operations and products impact the local environment and biodiversity. The Group advocates the concept of a circular economy by designing products with higher recyclability and degradability to reduce the burden on landfills. This initiative also helps conserve natural resources, minimizes pollution to wildlife and their habitats, thereby safeguarding natural ecosystems, promoting biodiversity, and fostering a healthier environment.

GP Batteries was recognised as “Hong Kong Green Organisation” and awarded the “Energywi\$e Certificate – Good Level” and “Wastewi\$e Certificate – Good Level” by the Environmental Campaign Committee. These honours highlight the Group’s commitment to conserving energy, minimising waste, and reducing its environmental impact.

Figure 18. Hong Kong Green Organisation



During FY2024, the Group’s audio factory in Huizhou, China, implemented a Smart Logistics System designed specifically for multi-storey facilities spanning 120,000 square feet. Key components of this innovative logistics solution include advanced equipment such as automatic reciprocating conveyors, spiral conveyors, pallet automated guided vehicles (AGVs), roller AGVs, intelligent material box layered conveyors and high-speed conveyors. This smart system is seamlessly integrated and controlled by a centralised warehouse control system, interconnected with its resource planning system. This integration supports lean production management, facilitating streamlined operations, efficient resource allocation, and optimised inventory management.

Figure 19. Smart Logistics System in audio factory in Huizhou, China



Climate Change Management

The Group is acutely aware of the evolving global climate and the potential implications of climate-related risks and opportunities for its business. This year, in response to the release of the inaugural IFRS S2 standard of the International Sustainability Standards Board (ISSB) and the HKEx's enhanced climate-related reporting standard, the Group now systematically discloses climate-related information in alignment with the four-pillared framework developed by the Task Force on Climate-related Financial Disclosures (TCFD). By adopting the TCFD framework – Governance, Strategy, Risk Management, and Metrics and Targets – the Group aims to provide its investors and other stakeholders with a more comprehensive and nuanced understanding of its climate practices and the potential impacts of climate change on its operations.

Governance

The oversight of ESG-related, including climate-related, risks and opportunities is managed on an integrated basis within the Group. This approach ensures that all critical aspects are seamlessly embedded into the overall sustainability governance framework. The detailed information regarding the Group's climate governance, including the roles and responsibilities of its governing bodies and individuals, is included in the "Sustainability and ESG Governance" section of this report. This section provides comprehensive insights into how the Group incorporates sustainability and climate considerations into its decision-making processes and strategic planning.

Strategy

Referring to the HKEx's Guidance on Climate Disclosures, the Group has utilised the Turquoise and Brown climate scenarios to assess the impact of climate change on the Group's business operations. The Turquoise scenario represents a strongly declining emissions trend and global mean temperature increase well below 1.5 to 2.0 degrees Celsius by the end of the century. The Brown scenario represents a rising emissions trend and a global mean temperature increase of above 3 degrees Celsius by the end of the century. Additionally, the Group has undertaken a comprehensive city-level scenario analysis for key asset locations in Hong Kong, Mainland China, and Malaysia to understand the specific impacts of these scenarios on these regions.

Climate-related Risks

The Group examined the potential impacts of a number of physical and transition climate risks that are likely to affect the Group in the future. Physical climate risks refer to the direct impacts of climate change on the Group's operations, assets, and infrastructure, such as changes in temperature, precipitation patterns and sea levels. Transition climate risks, on the other hand, involve the risks associated with the shift towards a low-carbon economy, including regulatory changes, market shifts and technological advancements.

The following physical and transition risks are considered potentially material to the Group's business and value chain:

- Short-term: 2030
- Medium-term: 2050
- Long-term: 2090

Physical Risks			
Risk Categories	Potential Risks	Time Horizon	Potential Business Impact
Acute	Increase in highest temperature and hot days above 35 degrees Celsius.	Medium – Long	Higher temperatures can lead to increased cooling costs for manufacturing facilities, impact employee health and productivity, and strain energy resources.
Acute	Increase in extreme rain days.	Medium – Long	Extreme rainfall can cause flooding, disrupt supply chains, damage infrastructure, and lead to production downtime.
Acute	1-in-100-year extreme sea level.	Long	Higher sea levels can threaten coastal facilities, increase the risk of flooding, and necessitate significant investments in flood defence systems and infrastructure resilience.
Acute	Increase in longest dry spell days.	Medium – Long	Prolonged dry spells can affect water supply for manufacturing processes, increase the risk of wildfires, and impact the availability of cooling water for facilities.
Chronic	Increase in annual mean temperature.	Medium – Long	Rising mean temperatures can lead to higher energy consumption for cooling, affect employee health and safety, and exacerbate wear and tear on equipment.
Chronic	Increase in total annual rainfall.	Medium – Long	Increased rainfall can lead to flooding, disrupt transportation and logistics, and cause delays in production and delivery schedules.
Chronic	Relative sea level rise.	Long	Rising sea levels can threaten coastal manufacturing sites, increase the risk of saltwater intrusion, and require substantial investments in protective infrastructure.

Transition Risks			
Risk/ Opportunity Category	Potential Risks/ Opportunities	Time Horizon	Potential Business Impact
Policy and Legal	Increased production costs due to carbon pricing and carbon tax.	Short – Medium	The most direct impact of carbon pricing is the increase in production costs for businesses reliant on carbon-intensive processes. This can lead to higher operational costs as companies pay more for carbon emissions, potentially reducing profit margins.
	Reliance on non-renewable electricity sources leading to higher costs and regulatory risks.	Short – Medium	Businesses that continue to rely on non-renewable energy sources may face increased costs as these resources become more expensive due to diminishing availability, increased regulation, and taxes on emissions. The potential increase in costs can be exacerbated by price volatility, making financial planning more challenging.
Market	Carbon pricing and tax may incentivise companies to early comply with the potential regulations and innovate on low-carbon technologies and products.	Short – Long	Companies that proactively comply with carbon regulations, seek innovations, and lead in sustainability can enhance their market positioning. Early compliance and innovative low-carbon products can provide a competitive advantage, attracting customers, partners, and investors who prioritise sustainability.
	Opportunities in energy efficiency improvements and renewable energy adoption.	Short – Long	In the long-term, implementing energy-efficient technologies is likely to substantially reduce energy consumption, leading to lower utility bills. Over time, the cost savings generated can be substantial, particularly for industries such as manufacturing.
	Opportunities to transition to renewable electricity sources, reducing carbon footprint and operational costs.	Medium – Long	Utilising renewable energy sources helps companies stay ahead of regulatory requirements, reducing the risk of non-compliance penalties. By transitioning to renewable energy, companies can attract green financing options, including bonds and grants dedicated to sustainability projects.

Transition Risks			
Risk/ Opportunity Category	Potential Risks/ Opportunities	Time Horizon	Potential Business Impact
Market	Costs of raw materials may rise due to climate change impacts on supply chains, such as increased frequency of extreme weather events disrupting mining and transportation. Regulatory changes aimed at reducing carbon emissions may also lead to increased costs for carbon-intensive materials.	Short – Long	As the prices of raw materials increase, whether due to climate change impacts on supply chains or regulatory changes aimed at reducing emissions, production costs for manufacturers inevitably rise, which may compress profit margins and potentially affect the financial health of the company.
	Opportunities in supply chain optimisation, circular economy practices, and developing alternative materials with a lower carbon footprint.	Short – Long	The pressure to reduce raw material costs can drive innovation in supply chain management, pushing firms to optimise logistics, reduce waste, and improve inventory management. Alternative materials that are less carbon-intensive may also be developed, potentially opening up new business opportunities.
	Shift towards sustainable and eco-friendly products (which may lead to increase in production and procurement costs in the short to medium term).	Short – Medium	Transitioning to products with sustainability features often entail initial increases in production and procurement costs. These can arise from sourcing more expensive sustainable material, investing in new manufacturing processes, or complying with environmental certifications and standards.
Technology	Fluctuating electricity costs affecting manufacturing expenses.	Short – Long	Fluctuations in production costs such as the price of electricity may lead to unstable product prices.
Reputation	Opportunities in capturing new market segments and investor interest through sustainability initiatives.	Short – Medium	As consumer demand for sustainable products grows, companies that effectively meet this demand can sharpen their competitive edge and access new segments of the market. Companies that successfully adapt to changing consumer preferences often see enhanced reputation and brand loyalty, leading to increased customer acquisition and retention.

The identified climate-related risks and opportunities may affect the Group's operations, revenue streams and cost structure. In particular, these risks and opportunities may have impacts on the following key areas within the Group's business model and value chain:

- **Supply Chain Sustainability:** Risks arising from the sourcing of key chemicals, metals and electronic components used in the Group's products, necessitating responsible procurement practices to ensure environmental and social compliance.
- **Product Lifecycle Management:** Managing sustainability and climate-related risks throughout the entire product lifecycle is crucial. This involves designing products for energy efficiency, recyclability and durability, and establishing take-back programmes for recycling or proper disposal at the end of the product's life.
- **Renewable Energy Integration:** Opportunities exist in capitalising on the growing demand for renewable energy solutions. The Group is actively developing battery solutions for data centre uninterrupted power supply (UPS) systems, intelligent transportation systems and renewable energy storage systems.

During FY2024, the Group observed no potential material adjustments to the carrying amounts of assets and liabilities for the next reporting period arising from the risks and opportunities mentioned above.

Mitigation and Adaptation Plans

To address the identified climate risks, the Group is integrating sustainability and climate-related considerations into its business strategy and decision-making frameworks. Specifically, the Group has developed a comprehensive set of mitigation and adaptation measures below in response to specific risk items:

- **Infrastructure Resilience:** Upgrading and reinforcing manufacturing facilities to withstand extreme weather events, including elevated cooling systems, flood defences and stormwater management systems.
- **Employee Health and Safety:** Implementing measures to protect employee health during extreme temperature events, such as providing adequate cooling, hydration and rest areas.
- **Diversification of Manufacturing Locations:** Strategically set up multiple locations for each of the products to make sure manufacturing ability is maintained for each kind of product even if there is disruption in a certain location due to climate events.
- **Diversification of Supply Chains:** Reduce dependency on single suppliers by establishing multiple sourcing options to enhance resilience against disruptions.
- **Investment in Renewable Energy:** Further increase investment in renewable energy sources such as solar to stabilise energy costs and reduce carbon footprint.
- **Enhancement of Energy Efficiency:** Implement advanced energy management systems and energy-efficient technologies to reduce overall energy consumption and costs.
- **Long-term Strategic Partnerships:** Form long-term partnerships with key suppliers and stakeholders to ensure stability and collaborative innovation.
- **Research and Development in Sustainable Materials:** Invest in R&D to discover and adopt alternative, sustainable and recycled materials that can replace carbon-intensive ones.
- **Adoption of Circular Economy Practices:** Further enhance recycling and reuse strategies to minimise waste and better manage waste stream in manufacturing processes, and reduce reliance on virgin raw materials and improve recyclability of products and packaging.
- **Regular Monitoring and Compliance:** Continuously monitor regulatory changes and ensure compliance with evolving carbon pricing and market regulations.
- **Stakeholder Engagement and Transparency:** Engage with consumers, investors and other stakeholders to align business practices with their sustainability expectations and enhance transparency.
- **Climate Risk Assessment and Planning:** Conduct regular climate risk assessments to identify vulnerabilities and develop robust adaptation plans.

The Group, on a strategic level, anticipates a shift towards a circular business model by designing products that emphasises durability, repairability and recyclability, and at the same time support end-of-life recycling.

Climate Resilience

Climate-resilient business model and strategy are essential for ensuring the long-term sustainability and competitiveness of the Group. By integrating climate considerations into the core aspect of operations, the Group can effectively manage risks and capitalise on new opportunities. The Group demonstrates commitment to building strong climate resilience by continuously assessing and adapting its strategy and business model over the short, medium and long term. Its approach encompasses the following key areas:

1. **Financial Resources and Flexibility:** The Group regularly evaluates its existing financial resources to ensure sufficient allocation for addressing climate-related risks and opportunities. This includes managing physical impacts, regulatory changes and market shifts. Its financial strategy is designed to maintain flexibility, enabling the Group to respond effectively to emerging climate-related challenges and to seize new opportunities for growth in a low-carbon economy.
2. **Asset Management and Adaptability:** The Group considers climate-related risks in its asset management strategies, ensuring appropriate maintenance, retrofitting, or replacement of assets as needed. The ability to redeploy, repurpose, upgrade, or decommission existing assets ensures that it can adapt to changing climate conditions and maintain operational efficiency.
3. **Investment in Climate Resilience:** The Group is committed to investing in climate-related mitigation, adaptation, and opportunities to bolster its climate resilience. Current and planned investments focus on developing eco-friendly and energy-efficient products, improving supply chain resilience, and integrating renewable energy solutions. The initiatives not only aim to mitigate climate risks but also position the Group to capitalise on the growing demand for sustainable products and services.

Risk Management

Climate-related risk management is an essential component of the Group's approach to sustainability and overall business resilience. The Group employs comprehensive processes and policies to identify, assess, prioritise, and monitor climate-related risks and opportunities.

Identifying, Assessing, Prioritising, and Monitoring Climate-related Risks

Processes and Inputs:

To identify the relevant climate-related risks, the Group gathers inputs from various sources, including management, operational teams, external sustainability professionals, suppliers, customers and investors. This multi-stakeholder approach helps identify a comprehensive range of climate-related risks that may affect the Group. Parameters such as carbon emissions, resource scarcity, regulatory changes and stakeholder expectations are considered during the identification process.

Scenario Analysis:

The Group utilises scenario analysis to inform its identification of climate-related risks, assessing both the Turquoise and Brown scenarios to understand the range of emerging risks and their potential impacts on its business. The chosen scenarios help explore different pathways and outcomes, enabling the Group to develop robust strategies for mitigation and adaptation.

Risk Assessment:

The Group leverages publicly available climate databases and third-party consultant inputs to assess the nature, likelihood and magnitude of climate risks. For physical climate risks, the Group analyses the trajectories of severity and intensity compared to global averages under different climate scenarios. For transition climate risks, the Group evaluates the potential business implications by drawing on insights gained from climate databases and the professional inputs elicited from the management of its different business units.

Risk Prioritisation:

The Group integrates and prioritises sustainability and climate-related risks alongside other types of risks by considering their materiality, significance, and potential long-term impact. The prioritisation process involves assessing the alignment of risks with its strategic objectives, stakeholder expectations, regulatory requirements, and industry best practices. This integrated approach ensures that climate risks are managed within the broader context of the Group's overall risk management practices.

Monitoring:

The Group continuously monitors climate-related risks over time – this includes regularly reviewing its Climate Change Policy and evaluating ESG KPIs to promptly identify and address changes in risk profiles or emerging risks.

Identifying, Assessing, Prioritising, and Monitoring Climate-related Opportunities

The Group uses similar processes to identify, assess, prioritise and monitor climate-related opportunities, including leveraging scenario analysis and inputs from third-party sustainability professionals to explore potential opportunities arising from climate-related trends and developments.

Metrics and Targets

The Group recognises the critical importance of setting progressive and achievable climate-related metrics and targets to monitor its sustainability efforts in a systematic way. Currently, the Group is engaged in a comprehensive study to identify and implement the most effective climate-related metrics and targets that align with the long-term sustainability goals of the Group.

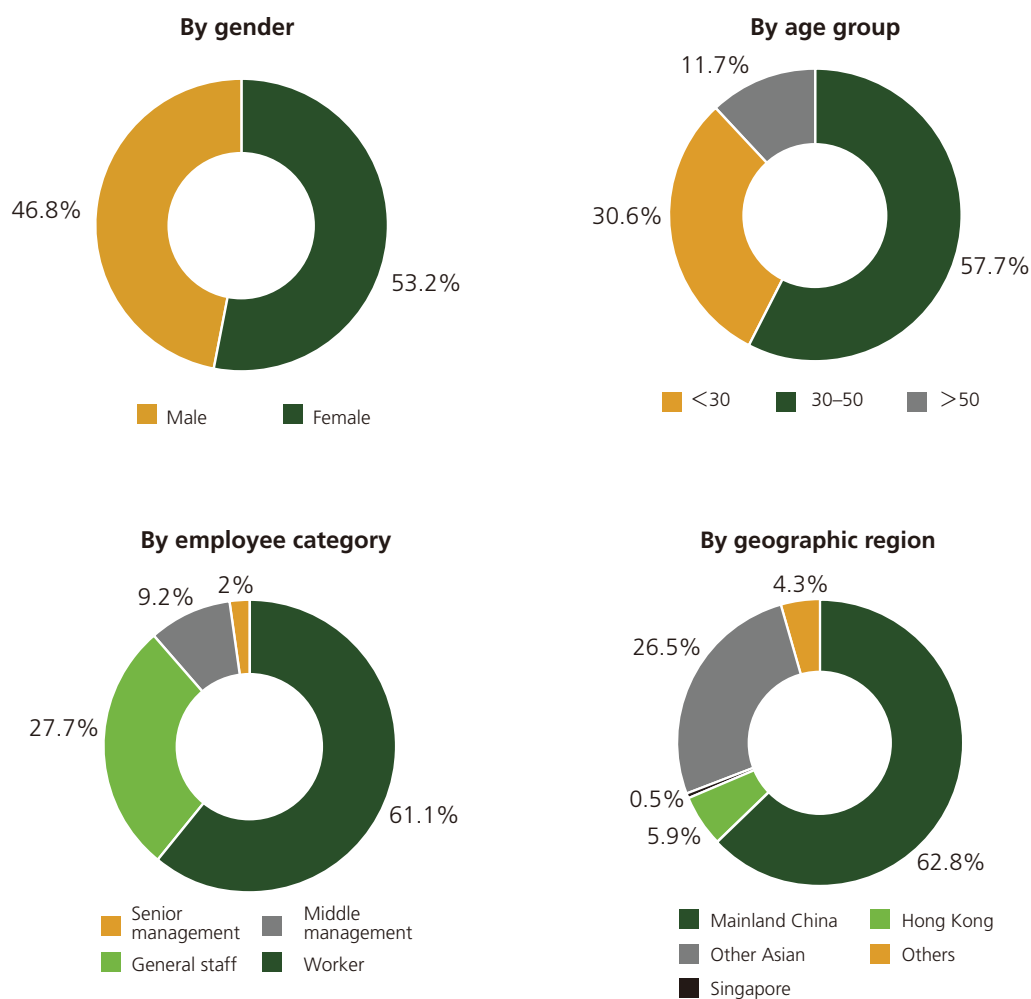
To facilitate the transition towards a low-carbon economy, the Group will study the feasibility of setting an internal carbon pricing mechanism. This structured approach aims to internalise the costs of carbon emissions and align financial considerations with environmental goals. By implementing such a mechanism, the Group aims to drive efforts to reduce emissions, inform strategic decision-making, and proactively manage associated risks.

Social Responsibilities

Human Capital

As of 31 March 2024, the Group was supported by a motivated workforce of about 6,130 employees (2023: 6,650) worldwide. The composition of the Group's workforce as of 31 March 2024 is set out as follows.

Figure 20. Workforce Structure at 31 March 2024



Diversity and Equal Opportunities

The Group seeks every effort to build an inclusive and diversified workplace. With a strong belief that increasing diversity bodes well for attracting and retaining the best talents, the Group has been promoting diversity, anti-discrimination, and equal opportunities, regardless of the employees' gender, race and religion.

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

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

The Group respects and promotes diversity by showing appreciation during international celebration days and local festive periods. On International Women's Day, flowers and gifts are given to female employees across different operational locations to acknowledge their contributions and advocate for gender equality. In Malaysia, during the fasting period, food for consumption outside fasting hours is provided to employees as a means of supporting their religious belief and fostering a sense of community and inclusivity. Through these initiatives, the Group emphasises the importance of employee well-being, diversity and inclusion.

Figure 21. Muslim Fasting Gift and Celebrating Vietnam Women Day



Employee Well-being and Enabling

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

Figure 22. New Year Celebration Parties for Employees in Different Countries



The Group values its employees as its most important assets and provides them with equitable and competitive remuneration packages. The Group regularly reviews its remuneration policies and packages to ensure that compensation and benefits are aligned with the market in each territory. Eligible employees receive discretionary incentives based on the Group's performance and their individual contributions. Contributions to retirement schemes are also included as part of the compensation package. This approach facilitates the recruitment and retention of talented professionals, further strengthening the Group's commitment to its workforce.

Figure 23. Long Service Award Presentation Ceremony



Figure 24. Turnover Rate⁴ for FY2024

Turnover rate by gender		Turnover rate by age group	
Male	28.4%	Below 30	41.2%
Female	25.7%	30–50	25.5%
		Over 50	19.1%

Turnover rate by employee category		Turnover rate by geographical region	
Senior Management	18.3%	Hong Kong	28.8%
Middle Management	26.5%	Mainland China	26.9%
General Staff	28.1%	Overseas	27.1%

⁴ Calculated based on the total number of employees hired by the Group at the end of FY2024 and excluding workers.

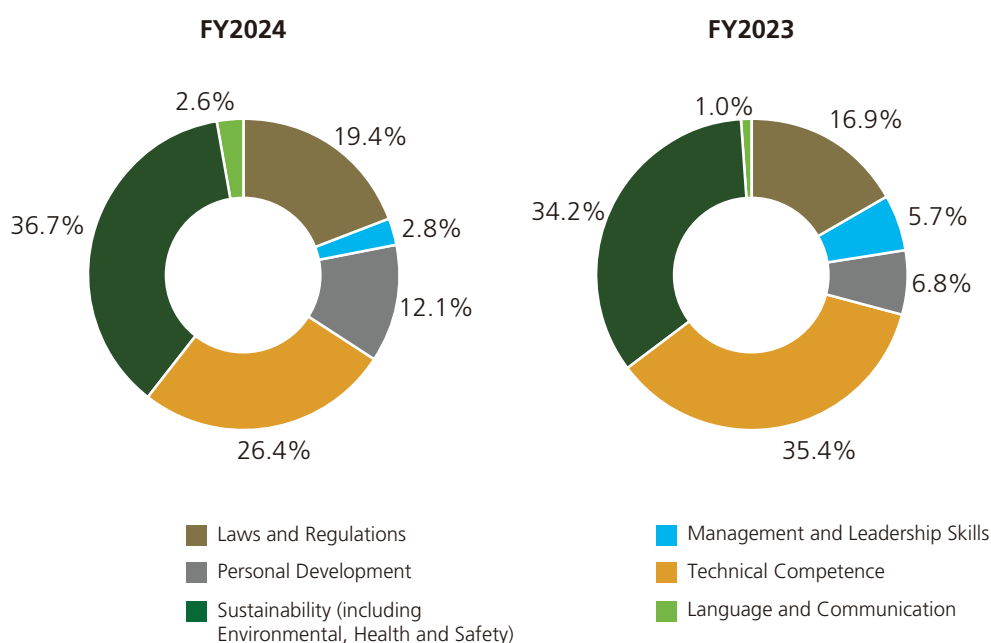
The Group is committed to investing in its employees by offering development programs that aim at improving both their soft and hard skills, as well as their work competence, in preparation for their career growth. A diverse range of work-related and wellness learning activities and trainings are provided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

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

During FY2024, a total of 60,803 (2023: 43,227) hours of training, excluding orientation programs for new employees, were recorded. More trainings are dedicated to sustainability in FY2024, encompassing topics such as responsible practices, employee health and safety, waste management, emergency response, and regulatory compliance.

The percentage of staff training hours by topic is shown as follows.

Figure 25. Percentage of Staff Training Hours by Topic⁵



⁵ The presentation excludes the number of training hours attributed to orientation programs for new employees.

The percentage of employees trained, and the average training hours in FY2024 are set out as follows.

Figure 26. Percentage of Employees Trained and Average Training Hours in FY2024

By gender	Male	Female	Total
No. of employees	2,870	3,260	6,130
Percentage of employees trained	97.7%	91.1%	94.1%
Average training hours (Including orientation programs)	15.4	11.7	13.4
Average training hours (Excluding orientation programs)	11.2	8.8	9.9

By employment category	Senior Management	Middle Management	General Staff	Worker	Total
No. of employees	122	563	1,701	3,744	6,130
Percentage of employees trained	39%	70%	69%	100%	94.1%
Average training hours (Including orientation programs)	7.3	14.9	14.3	13.0	13.4
Average training hours (Excluding orientation programs)	7.0	14.3	13.5	7.7	9.9

During FY2024, the Group complied with all relevant laws and regulations that have significant impacts on the Group in terms of compensation and benefits, recruitment, and promotion, working hours, holidays, dismissal, social insurance, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. The Group has set up complaint channels for employees to report any violation cases to dedicated contact persons for investigation. All information and records will be treated with complete confidentiality.

Child and forced labour are strictly prohibited within the Group and are explicitly addressed in the Group's Human Rights Policy & Fair Labour Practices document. During the recruitment process, the Group rigorously verifies the identity documents all candidates to ensure compliance with legal working age requirements as stipulated by local laws. GP Batteries, the Group's battery segment holding company, is a member of amfori, the organisation responsible for the globally recognised Business Social Compliance Initiative (BSCI) social responsibility standard. Consequentially, GP Batteries adheres to the BSCI standard, which includes regular independent audits of its factories to examine labour practices. These audits involve on-site inspections and employee interviews to identify any instances of social responsibility issues, including child or forced labour.

If any non-compliance is discovered, the Group takes immediate and decisive actions to address the situation. Thorough investigation will be conducted to identify the root cause of the violation. Corrective measures will also be implemented to prevent recurrence.

During FY2024, the Group complied with relevant laws and regulations related to preventing child and forced labour.

Operational Health and Safety

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

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

The Group also puts heavy emphasis on the safety and health of visitors. Safety briefings are provided to all visitors who enter the operations areas in the Group's factories. Appropriate personal protective equipment will also be provided. Any visitors who do not want to abide to these requirements will be excused from the operations areas to ensure their safety and health.

Health and safety performance is one of the key factors to evaluate business performance. The Group adopts ISO 45001, Occupational Health, and Safety Management Systems ("ISO 45001") as a framework for its occupational health and safety management system in order to create the best working conditions for employees and to prevent workplace injuries. A number of the Group's factories have been certified with ISO 45001 accreditations.

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

Various measures associated with occupational health and safety are implemented across the Group. Workers are required to conduct regular occupational health checks to detect work-related injuries and diseases. The Group's Hong Kong headquarters and several factories are equipped with Automated External Defibrillator and all operation areas have fire extinguishers in place to tackle emergencies. On-site safety audits are conducted in factories to access the safety issue at the operation level, including dust control, prevention of occupational disease and fire safety.

Training is also an essential component in improving the overall health and safety standard of the Group. First-aid trainings are provided to employees across different operation locations, where the number of employees accredited with certificates exceeds the requirement of local regulations to ensure qualified first aiders are readily available when an emergency occurs. Safety and occupational health courses are mandatory in orientation programs for new employees to join the production plants, including training courses on first aid, and how to safely approach hazardous and chemical materials.

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

During FY2024, the Group complied with all laws and regulations related to providing a safe working environment and protecting employees from occupational hazards. Due to better risk control and machinery maintenance, the Group reported fewer injury cases and loss of working days during FY2024. There were 13 cases (2023: 20 cases) of workplace injury⁶, resulting in a loss of 362 working days (2023: 615 working days). There was no work-related fatality in each of the past three years including this reporting year. The Group will continue to improve staff awareness and create a safer working environment to further reduce work injury cases.

⁶ A workplace injury refers to harm or physical damage that occurs to an employee while performing their job duties or within the work environment.

Value Chain Management

The Group's initiatives in the value chain include:

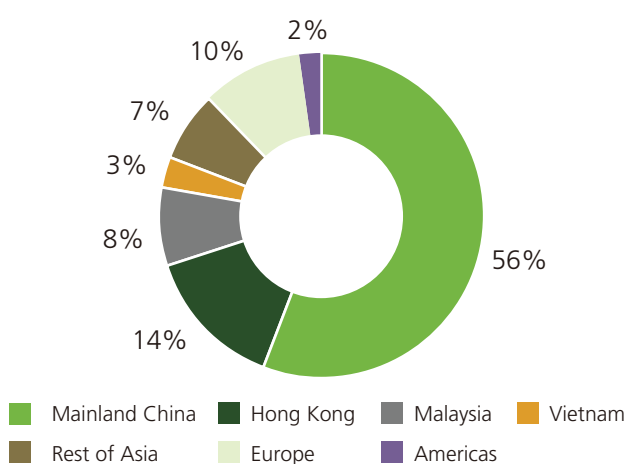
- Working closely with our suppliers and make sure they share our values and standards towards sustainability.
- Focusing on product innovation and responsibility by designing and developing environmentally friendly products.
- Implementing stringent quality control to ensure our products are of high quality and safety standards.
- Practising ethical marketing and advertising by ensuring truthful communication and avoiding any discriminatory or unethical practices.
- Actively engaging with customers to comprehend their needs and preferences, enabling the Group to create products that resonate with customer values.
- Investing in community engagement by working closely with the communities in which the Group operates and addressing social and environmental issues that affect them.

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

Supply Chain Considerations

During FY2024, there were a total of 863 suppliers. The number of suppliers by geographical region is set out as the following.

Figure 27. Number of suppliers by geographical region



	Number of Suppliers	Percentage
Mainland China	486	56%
Hong Kong	119	14%
Malaysia	66	8%
Vietnam	30	3%
Rest of Asia	59	7%
Europe	90	10%
America	13	2%
Total	863	100%

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

To improve governance over its external partnerships, the Group has implemented a rigorous supplier evaluation system within its Responsible Supplier Management System. The Responsible Supplier Management System requires suppliers to fill out a detailed questionnaire assessing their compliance with environmental, safety, and social responsibility standards. The Group's internal teams conduct supplier audits using a structured checklist, evaluate suppliers thoroughly, and grant approvals for sample validation. The regular audits help us monitor compliance and identify potential risks in the Group's supply chain. Additionally, all suppliers must adhere to the Group's Supplier Code of Conduct, which delineates the Group's expectations for maintaining the highest standards in environmental sustainability, human rights, health and safety, and ethical conduct, ensuring these standards extend throughout the supply chain.

Emphasising collaborative relationships, the Group provides targeted environmental and social responsibility training to strategic suppliers. The training sessions address vital topics such as corporate social responsibility, compliance with social norms, environmental regulations and waste management. The Group actively encourages its suppliers to engage with us on its sustainability journey by prioritising those who demonstrate alignment with the Group's sustainability vision and have active initiatives to mitigate their environmental impact. Looking ahead, the Group will deepen the integration of sustainability performance metrics with its supplier evaluation and selection processes to strengthen its commitment to sustainability and drive collective progress towards its sustainability goals.

Product Innovation and Responsibility

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

A Greener Battery

With the Group's extensive manufacturing and distribution network, the Group is committed to responsibly produce and deliver its products across the globe.

The Group leverages the range of GP Recyko, the Group's featured NiMH rechargeable batteries brand, and other GP branded products to encourage consumers worldwide to accelerate the use of rechargeable batteries.

GP Recyko has been designed to foster a circular economy by minimising fresh raw material consumption and waste disposed to landfill. These features help reduce the carbon footprint and environmental impacts of GP Recyko across the whole product lifecycle. Together with its paper packaging and use of recyclable raw materials, GP Recyko helps to avoid the use of plastics and achieves high level of recyclability.

"Charge 10" of the GP Recyko brand showcases the Group's dedication to excellence and innovation. It is the fastest NiMH rechargeable battery system in the world with a 10-minute charge time, which underpins the Group's investment and prowess in manufacturing, engineering, and design.

To make a planet friendly choice, look for the green circle

- All GP Recyko products feature user-centric paper packaging.
- All GP Recyko batteries are made in the Group's manufacturing facilities that have achieved Zero Waste to Landfill (ZWTL) Validation from UL.
- 90%+ of the entire battery pack (including the box) for all GP Recyko battery products can be recycled.
- Selected cell models of GP Recyko batteries are certified as made of more than 10% recycled materials.*

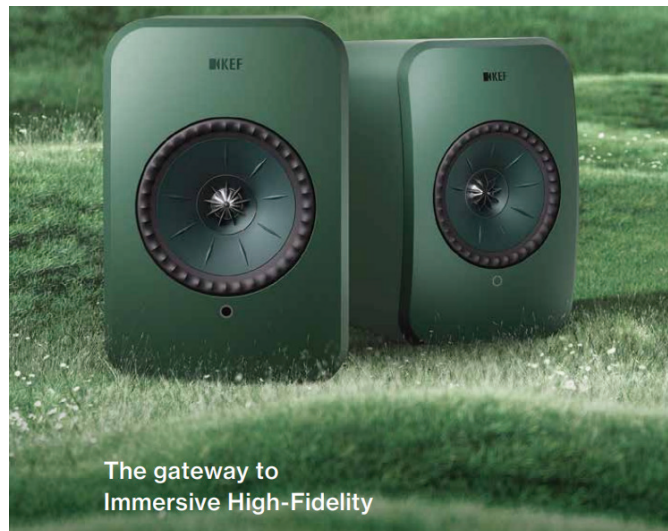


* For Recyko AAA 650/800/850/950 mAh and Recyko AA 1300/2000/2100/2600 mAh batteries.

Sound Technology

In tandem with the Group's commitment to minimising environmental impact, KEF, a trailblazer in high-fidelity audio, continues to push the boundaries of sound technology innovation. KEF's relentless pursuit of perfection is driven by a singular focus: to deliver a truly immersive listening experience with breathtakingly natural sound that lets customers connect with music on a deep level.

From R&D to product design, engineering, and manufacturing, the Group is dedicated to crafting products that consistently exceed expectations, marrying exceptional quality with outstanding performance.




**LSX II LT – The new addition to the award-winning LSX family.
Same great sound, new lower price**

Product Health and Safety

The Group ensures all the policies and operational procedures related to product development and quality controls are followed through to minimise product risks. Quality control data are constantly monitored to unearth any systematic risks. In response to the increasing market demand, the Group has utilised cost-effective automated systems that enhance productivity and quality control.

For example, GP Batteries and GP Energy Tech adopt a quality management system and manufacturing process that are data-driven and follow the continuous improvement philosophy. Product and process parameters that could affect product quality are defined in the related process management plan and have the appropriate controls accordingly. Product Safety and Fail-Safe Design Guideline has been established, which directs product designers to incorporate fail-safe concepts and appropriate controls, offering added safety protection for consumers. A Declaration of Non-use/Banned Substance document was also adopted, which requires related suppliers to manage hazardous substances outlined in the list.

	<p>Safety Design Recyko Everyday Charger (USB) B421</p> <p>The LED indicators tell users the charging progress and whether any single-use or bad batteries are inserted. Another safety detail is the auto power cut-off timer and full charge detection, which helps users avoid over-charging, over-voltage and short circuiting, as well as preventing damage to battery lifespan.</p>
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Comprehensive Quality Certification

To meet compliance requirements, related products must obtain appropriate certificates and reports aligned with national standards or regulations. Examples include IEC 62133-1 (NiMH cells/batteries), IEC 62133-2 (Li-ion cells/batteries), UL 1642 (Lithium batteries), UL 2054 (Household and commercial batteries), UL 217 (Batteries for smoke alarm), IEC 60086 series (Primary batteries), and UN 38.3 (Lithium cells/batteries).

The IEC (International Electrotechnical Commission) 62133 series is a widely recognised safety standard for rechargeable secondary cells and batteries in portable applications, including Nickel and Lithium systems. GP Batteries' IEC 62133-certified Lithium-ion and NiMH batteries facilitate rapid market entry in over 50 Certification Body Scheme participating countries. The UN38.3 certification ensures that all GP Lithium-ion batteries can be easily shipped by air and sea, subject to national deviations and potential additional tests.

Our 9V carbon zinc and alkaline batteries are among the few battery series with UL-recognised components based on UL 217 for smoke alarm applications. Three factories of the Group has obtained BIS ISI licenses, enabling our batteries to penetrate the Indian carbon zinc battery market. The Group has registered related battery models for BIS CRS, which is a mandatory requirement for importing secondary batteries (NiMH and Li-ion) into India.

The Group has also acquired the MC Mark for importing alkaline batteries into Malaysia, obtained the Certificate of Conformity for delivering carbon zinc batteries to Morocco, and successfully completed the product surveillance process to renew the battery certification license for importing Alkaline batteries into Colombia.

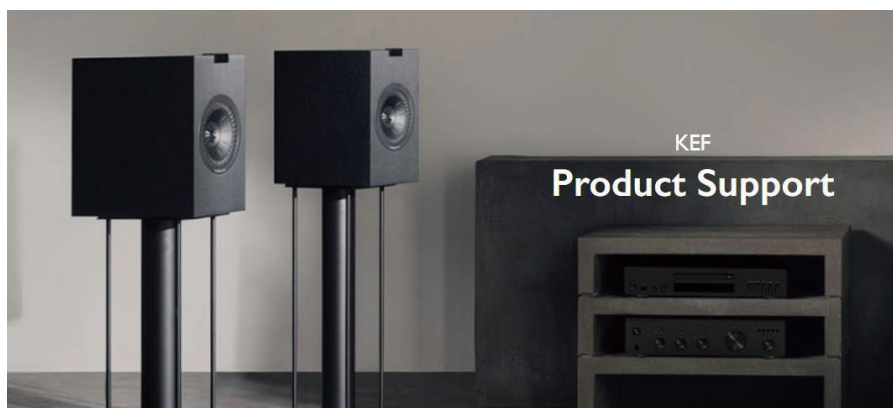
In 2020, the Group introduced new childproof packaging for coin-sized lithium batteries, featuring a tamper-proof design, child safety pictograms, and warning messages. The packaging complies with the latest IEC standards (IEC 60086-4 Edition 5) and Australian ACCC regulations.

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

Figure 28. ISO 9001 Accreditations



Customer Relations and Satisfaction



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

The Group also frequently liaises with its industrial customers to seek their feedback on the product quality and any issues they have on our products and services. For consumers, the Group has various feedback mechanisms such as telephone hotlines and emails publicly available. Any feedback is immediately followed through and resolved. Feedback statistics are constantly reviewed to observe any systematic risks. The Group's management regularly communicates with various business units and collects their feedback on the business operations and attends for any abnormality.

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

During FY2024, the Group received 1,246 cases of product and service-related complaints and promptly addressed them, demonstrating the Group's commitment to customer satisfaction.

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

During FY2024, no products sold or shipped were subject to recalls for safety and health reasons.

Protection of Intellectual Property

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

Information Responsibility, Security and Privacy

The Group is committed to responsible advertising, ensuring that its marketing materials are truthful, accurate, and transparent while emphasising sustainability. The Group prioritises environmentally conscious advertising by considering factors such as reducing carbon footprint through the use of e-advertisements over paper alternatives.

To comply with applicable rules and regulations, the Group stresses the importance of accurate and transparent label content in its advertisements. In addition, effective product labelling is essential for fostering transparency and responsible business practices, as well as establishing trust with customers. The Group diligently works to guarantee that its product labelling is comprehensive, precise, and easily comprehensible, featuring legible text and suitable language while complying with all relevant regulations and standards.

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

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

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

During FY2024, GP Batteries was awarded the "Gold Award, 2023 Privacy-Friendly Awards" by the Office of the Privacy Commissioner for Personal Data, Hong Kong.

Figure 29. Gold Award, 2023 Privacy-Friendly Awards



Anti-corruption

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

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

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

During FY2024, the Group complied with all relevant laws and regulations relating to bribery, extortion, fraud, and money laundering. Anti-corruption training sessions were offered to employees to refresh their knowledge of anti-corruption laws and be aware of corruption loopholes. No legal case regarding corrupt practices was brought against the Group or its employees.

Community Investment

At the core of its operations, the Group places a strong emphasis on sustainability and developing sustainable communities in the regions where the Group operates. To this end, the Group actively engages with local communities to understand their needs and ensure its activities are aligned with their interests. The Group's strategic roadmap has been updated to prioritise "Environmental and Sustainability" as well as "Social and Community Development" as key focus areas.

The Group's approach to achieving sustainable community development starts with cultivating a culture of social responsibility among its employees. This allows us to create long-term, meaningful impact and contribute to the overall well-being of the communities in which the Group operates.

GP Batteries has been the exclusive battery supplier and an official sponsor for the Hong Kong Standard Chartered Marathon since 2014. This strategic partnership aligns with the Group's commitment to promoting healthy lifestyles and work-life balance. Consistent with this objective, the Group has continued to encourage its employees to participate in the running event alongside their families and friends. This multifaceted initiative not only reinforces GP Batteries' brand presence, but also underscores the organisation's dedication to supporting the holistic well-being of its stakeholders. The continued sponsorship and employee participation in the marathon exemplify the Group's strategic focus on corporate social responsibility and its role as a responsible corporate citizen. By fostering a culture of active engagement, the Group aims to empower its workforce and local communities to adopt a balanced approach to personal and professional development.

Staff gatherings and sports events with local communities were organised during FY2024. These activities fostered a strong sense of camaraderie and belonging among employees while also making a positive contribution to local communities.

During FY2024, the Group also implemented a series of professional development workshops focused on holistic wellness for its employees. These classes cover topics such as time management, stress reduction techniques, and fitness training. The goal is to empower its workforce with the knowledge and skills to optimise their health, productivity, and work-life balance.

The Group has remained steadfast in its support of the Corporate and Employee Contribution Programme through ongoing partnerships with Community Chest. The Group has actively encouraged its employee participation in a variety of social responsibility initiatives, including Love Teeth Day 2023, Earth Hour 2024 and the Lai See Packet Recycling Campaign. As a testament of our commitment to community engagement, the Group has been honoured with the prestigious Caring Company Logo by the Hong Kong Council of Social Service for 22 consecutive years.

During FY2024, the Group contributed over 1,800 hours on community activities related to education, environmental concerns, labour needs, health, culture and sport.

Figure 30. GP Marathon Team



Figure 31. Team building activities



Figure 32. Sport activities with local community



ESG Reporting Guide Content Index

Material Aspect	Content	Section Index
A. Environmental		
A1 Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
A1.1	The types of emissions and respective emissions data.	Emissions
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Emissions
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions
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.	Waste
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
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).	Use of Resources
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources
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.	Use of Resources
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources

Material Aspect	Content	Section Index
A. Environmental		
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	The Environment and Natural Resources
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources
A4 Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change Management
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.	Climate Change Management
B. Social		
Employment and Labour Practices		
B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Human Capital
B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	Human Capital
B1.2	Employee turnover rate by gender, age group and geographical region.	Human Capital

Material Aspect	Content	Section Index
B. Social		
Employment and Labour Practices		
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.	Health and Safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
B2.2	Lost days due to work injury.	Health and Safety
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Human Capital
B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Human Capital
B3.2	The average training hours completed per employee by gender and employee category.	Human Capital
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.	Human Capital
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Human Capital
B4.2	Description of steps taken to eliminate such practices when discovered.	Human Capital

Material Aspect	Content	Section Index
B. Social		
Operating Practices		
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Value Chain Management
B5.1	Number of suppliers by geographical region	Value Chain Management
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Value Chain Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Value Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Value Chain Management
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.	Product Innovation and Responsibility
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Innovation and Responsibility
B6.2	Number of products and service related complaints received and how they are dealt with.	Product Innovation and Responsibility
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Protection of Intellectual Property
B6.4	Description of quality assurance process and recall procedures.	Product Innovation and Responsibility
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Information Responsibility, Security and Privacy

Material Aspect	Content	Section Index
B. Social		
Operating Practices		
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.	Ant-corruption
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Ant-corruption
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Ant-corruption
B7.3	Description of anti-corruption training provided to directors and staff.	Ant-corruption
Community		
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
B8.2	Resources contributed (e.g. money or time) to the focus area	Community Investment

