# Environmental, Social and Governance Report 2024

**Hung Hing Printing Group Limited** 鴻興印刷集團有限公司
**Stock Code** 股份代號：450

**75** YEARS

**75** Years of Making Ideas Matter
**Strengthening Business for Sustainable Growth**

**75** YEARS | HUNG HING

# Contents

# ◆ Corporate Profile

**The Hung Hing Printing Group, listed on the Hong Kong Stock Exchange, is a major global player in book and package printing, consumer product packaging production, corrugated box manufacturing, paper trading, and design innovation in these areas.**

Having produced tailor-made printing solutions for clients around the world for more than 70 years, Hung Hing has a heritage of excellence built on a foundation of craftsmanship and innovation.

Headquartered at the Tai Po Industrial Estate in Hong Kong, China, we have seven manufacturing facilities, including one in Hong Kong, five in mainland China (Shenzhen, Zhongshan, Heshan and Foshan in the Guangdong province and Wuxi, in Jiangsu) and one in Hanoi, Vietnam. The Group's total production floor space spans over 600,000 square meters, with a workforce of around 5,800 in Hong Kong, mainland China and Vietnam.

To grow the business, Hung Hing focuses on building strong partnership, and driving business innovation, and creating sustainable printed products and solutions for clients covering leading local and multinational corporations worldwide. Through its design hub Beluga and investments in new development opportunities, the Group is also pioneering new capabilities including digital+print products to help drive innovation. In addition, building on its years of experience in producing children's books, Hung Hing expands its portfolio around children's education. It includes the Yum Me Play experience platform that provides a variety of workshops and learning experiences, STEM Plus that delivers STEM and AI educational programmes, and Active Minds that distributes children's books.

Hung Hing's financial objective is to deliver consistent returns and long-term growth to shareholders from a leading position in its industry. The strategy to achieve this involves resilience and long-term commitment in fixed and human assets, and an unwavering focus on quality, efficiency and customer service.

# 🟩 Facilities

## Hong Kong
*Established 1950*

- Relocated to Tai Po Industrial Estate in 1989.
- Corporate headquarters.
- 2 production lines for conventional books printing, suitable for printing of sensitive materials.
- 250 full time staff/workers.

## Wuxi
*Established 2003*

- Printing and manufacturing of folding cartons, litho lam and corrugated containers.
- Awarded ISO9001; ISO14001 & BRCGS certifications.
- 250-350 full time workers of which 100-200 hand assembled related.

## Zhongshan
*Commissioned 1993*

- Printing and manufacturing of folding cartons, litho lam and corrugated containers.
- Awarded ISO9001; ISO14001 & BRCGS certifications.
- 480 full time workers.

## Heshan
*Commissioned 2007*

- Established in 2007 for printing children's and conventional books.
- Awarded ISO9001; ISO14001 and ICTI-ESCP certifications.
- 1,600-2,200 full time workers of which 500-1,200 hand assembled related.

## Shenzhen
*Established 1994*

- Printing and manufacturing of folding cartons, children's book, conventional books, litho lam and corrugated containers.
- Awarded ISO9001; ISO14001; ISO5001 & ICTI-ESCP certifications.
- 1,500-2,000 full time workers of which 400-1,200 hand assembled related.

## Vietnam
*Established 2019*

- Awarded ISO9001; ISO14001 ICTI-ESCP certifications.
- Vietnam operation started in Q4 2019.
- 500–700 full time workers.

## Shunde, Foshan
*Established 1998*

- Printing and manufacturing of folding cartons, litho lam and corrugated containers.
- Acquired in 2018 to achieve multi-locations network producing high quality corrugated products.
- 250 full time workers.
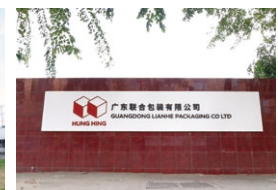
# CHAIRMAN'S STATEMENT ON

## Communication of Progress for United Nations Global Compact

The year 2024 was marked by considerable uncertainty and challenges, particularly in the areas of economic resilience and environmental stewardship. Geopolitical tensions and the evolving landscape of global supply chains significantly influenced our operational goals – most notably, our initiatives to improve energy efficiency and overall financial performance. At the same time, the growing occurrence of extreme weather events further underscored the urgency and importance of our commitment to sustainable development.

For over 75 years, Hung Hing has grown from a small printing factory into a dynamic, future-oriented enterprise. We hold a deep conviction that environmental responsibility and business sustainability are essential pillars of long-term success. Despite the headwinds faced in 2024, we remained resolute in advancing our sustainability agenda. We continued to invest in renewable energy, promoted a healthier work-life balance for our employees, and strengthened our engagement with the communities where we operate.

These actions reflect our alignment with the Ten Principles of the United Nations Global Compact. This report outlines the progress we have made during the reporting period from January 1 to December 31, 2024. It is publicly available on our website: https://www.hunghingprinting.com/sustainability .

I would like to extend my sincere appreciation to our employees, partners, and stakeholders whose dedication and collaboration continue to drive meaningful progress toward a more sustainable and inclusive world.

**Matthew**
*Yum Chak Ming,*
Executive Chairman

# Environmental, Social and Governance Report

## Governance

Sustainability is fundamental to the prosperity of our planet, communities, and business. At Hung Hing, we recognise that long-term growth is only achievable through responsible and sustainable operations. For more than 75 years, we have remained committed to this principle, and we will continue to uphold it as we thrive. While external challenges, such as geopolitical uncertainties and evolving industry landscapes, may occasionally affect our environmental performance, these challenges only strengthen our resolve to accelerate our sustainability efforts.

## Board Oversight and ESG Strategy

Our Board of Directors plays a pivotal role in overseeing the Group's ESG strategy and execution. Regardless of external circumstances, the Board remains steadfast in its support of our ESG initiatives, providing clear and decisive leadership to advance environmental performance, enhance employee wellbeing, and strengthen governance across our operations. Regular updates on ESG performance are provided to the Board, and the ESG report is submitted for discussion and approval during Board meetings.

## Environmental Commitment and Green Energy Initiatives

In 2024, a year marked by record-breaking global temperatures and economic volatility, our energy intensity performance faced significant challenges. However, our commitment to sustainability remained unwavering. We continued to invest in renewable energy by adding 2,561 kWp of solar panel capacity, bringing our total installed capacity to 8,662 kWp. Additionally, we purchased internationally recognised green energy certificates to offset a portion of our carbon emissions, further advancing our decarbonisation efforts.

## Employee Wellbeing and Community Engagement

Our Corporate Social Responsibility (CSR) Committee expanded its initiatives in 2024 to further enhance employee wellbeing and extend engagement activities across borders. This included organising meaningful events at our facilities in China and fostering community contributions, such as hosting a blood donation drive at our Hong Kong headquarters. Heshan site organized family activities during the summer vacation and National Holidays, allowing employees to strengthen their bonds with their children.

To strengthen our ESG execution, we established additional subcommittees within the CSR team. One subcommittee focuses on researching environmentally friendly materials and sharing insights both internally and with customers. Another subcommittee is dedicated to innovation, exploring new applications and designs for sustainable products made from green or recycled materials.

Hung Hing Group ESG administration structure
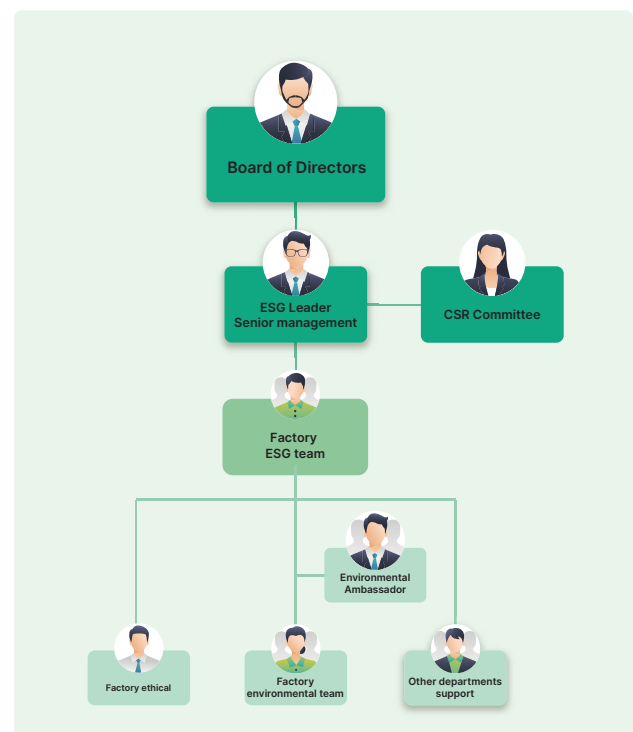
## Transparency and Ethical Standards

Hung Hing is dedicated to maintaining high environmental and ethical standards while ensuring transparency for our stakeholders. To strengthen accountability, we publicly share key environmental and ethical performance metrics of our factories on designated platforms, enabling stakeholders to evaluate our progress in these critical areas. Our ESG initiatives align with the 10 principles of the United Nations Global Compact (UNGC) and the 17 Sustainable Development Goals (SDGs). A reference to the UNGC principles and SDGs, along with their alignment to our activities, is provided in the appendix of this report.

**Environmental & Ethical audit table**

| | Shenzhen | Heshan | Zhongshan | GDL | Wuxi | HH Dream |
|---|:---:|:---:|:---:|:---:|:---:|:---:|
| *ISO14001* | ● | ● | ● | ● | ● | ● |
| *SMETA[1]* | ● | ● | ● | ● | ● | |
| *ICTI-ESCP[2]* | ● | ● | | | | ● |
| *Inspectorio[3] FEM module* | ● | ● | | | | ● |
| *Higg[4] (rename to Worldly)* | ● | ● | | | | |
| *ISO50001* | ● | | | | | |
| *RBA[5]* | ● | | | | | ● |

The financial data below was extracted from the Group's 2024 Annual Report to compare ESG performance with our financial background.

| HK$'000 | Year 2024 | Year 2023 |
|---|---:|---:|
| Revenue | 2,194,763 | 2,386,862 |
| Operating profit | -51,787 | 177,207 |
| Profit before income tax | -38,704 | 166,883 |
| Non-current assets | 1,553,555 | 1,661,908 |
| Current assets | 1,882,022 | 2,149,305 |
| Current liabilities | 408,048 | 558,118 |
| Non-current liabilities | 68,917 | 77,940 |
| Net assets | 2,958,612 | 3,175,155 |

[1]  Sedex Members Ethical Trade Audit
[2]  International Council of Toy Industries – Ethical Supply Chain Program
[3]  Inspectorio is an online platform that enables U.S. retail chains to meet their strategic sustainability and sourcing objectives in the supply chain by leveraging data-driven insights.
[4]  Higg (now Worldly) is an integrated software platform that helps you take responsibility for your business's environmental and social impact.
[5]  Responsible Business Alliance

## Engaging with our stakeholders – Materiality Assessment

We maintain diverse channels for gathering information, allowing us to identify key areas that require greater focus. In 2024, we dedicated significant time to engaging in dialogue with our customers, suppliers, and certification bodies to discuss the necessary actions to ensure our paper supply chain complies with European Union Deforestation Regulation (EUDR). The discussions revealed that the complexity of the supply chain and the vast amount of data involved posed significant challenges for all stakeholders. Recognising these concerns, the EUDR authority responded by postponing the implementation date to December 30, 2025. This extension has provided us with valuable time to collaborate closely with our suppliers, ensuring a steady supply of compliant paper well in advance of the new deadline.

Additionally, we continue to conduct internal surveys with employees following training sessions, themed campaigns, and recreational activities to gather feedback for ongoing improvements.

By collecting insights from multiple channels, we leverage our established procedures to effectively prioritise key material aspects.

1. Is the concern law- or regulation-related? Is it mandatory or voluntary?
2. Is it a global or national trend; is it related to a certain type of certification?
3. Is there any immediate or potential impact on safety, environmental issues, social conduct, or business operations?
4. Does it come from a particular group of stakeholders?

Company concerns are prioritised according to the following key areas of focus:

1. Effectiveness in addressing the concern,
2. Resources needed to address the concern,
3. Risk level of the concern, and
4. Impact on business operations.

**Communication channels**
**Information covered**

**Investors**

Annual reports; annual general meetings; company emails, company websites, investor enquiries

Business performance; adoption of new technology; geographical diversification; investment strategy

**Customers**

Factory audits; customer requests for information; Video conferences, meetings with global partners and key customers; dedicated Group news website, HH ESG Journals

International environmental and ethical trends; knowledge of new technologies and market trends; material supply stability and material safety; conflict minerals; intellectual property protection; modern slavery prevention; business contingency plan

**Employees**

Regular worker representative meetings; suggestion boxes; suggestion emails; dedicated emails to chairman and independent board director for whistle-blowers; employee interest groups; internal email newsletters; dedicated Group news website; innovative committee, CSR committee, employee survey

Employee benefits; operational, factory and office facility improvements; employee recreational activities; working environment, sustainable lifestyle

**Suppliers**

Supplier questionnaires; site visits; business meetings

Cost impact of higher safety and environmental compliance requirements; procurement management, supply chain stability, green materials

**Community**

Engagement with NGOs and charitable organisations; e-newsletters

Labour rights; employee health and benefits; long-term partnerships and collaboration with charitable organisations, internship opportunities; community improvement activities

**Government, Industry**

Factory visits; seminars; industrial association gatherings; government websites, announcements, subscription-based emails for industrial information; UNGC network; email newsletters from audit and certification bodies

Occupational health and safety; environmental protection and climate change; fire safety; career development opportunities; intellectual property protection; safety regulation updates

After each concern is evaluated and prioritised, the results are categorised according to the following material aspects:

## Environment

A. New regulation on environmental protection – European Union Deforestation Regulation
B. Product carbon footprint and carbon offset options.
C. Measures to fight climate change.
D. New material or technologies for environmental protection.
E. Reduction in the use of plastic materials for packaging.

## Social responsibility

F. Fire safety
G. Occupational health and safety
H. Fair employment opportunities
I. Employee compensation and benefits
J. Training and career advancement opportunities
K. Modern slavery prevention and protection of minors

## Governance and business practices

L. Material and product safety
M. Ethical conduct with business partners
N. Anti-corruption measures
O. Prevention and reporting of misconduct
P. Intellectual properties protection

**Materiality Metrics**
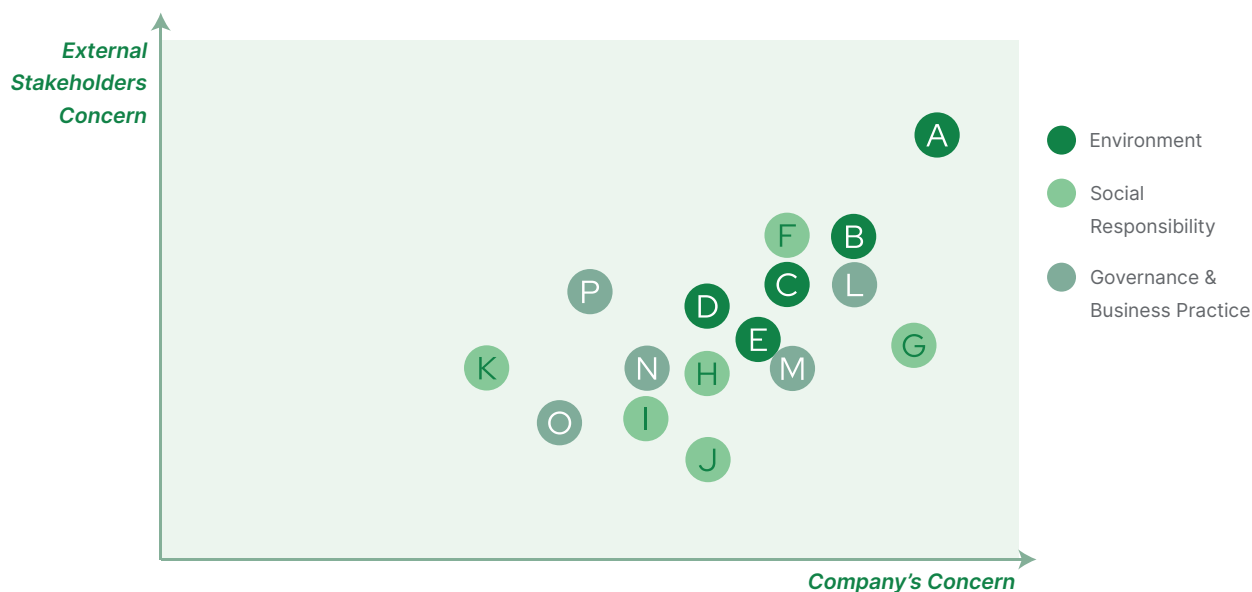


In 2024, we observed some shifts in the level of concern. However, these changes did not indicate a fundamental shift in the importance of the matter. Rather, stakeholders were satisfied with aspects such as ethical conduct and the implementation of the Modern Slavery Act. Meanwhile, concerns about intellectual property protection increased, possibly due to the emergence of new design or products with high intellectual value.

# 🟢 Environment

Environmental concerns remain our top priority among material aspects, with a particular focus on EUDR compliance. Throughout the process, we have provided regular updates to our customers, informing them of our engagement with suppliers to collect EUDR-related information and the tools or systems that will facilitate seamless data transfer once the EUDR comes into effect.

Our efforts have been fruitful. Although the EUDR implementation date has been postponed to December 30, 2025, most of our key suppliers have indicated that they will achieve compliance within the first half of 2025. This progress is a great relief for both our European customers and us.
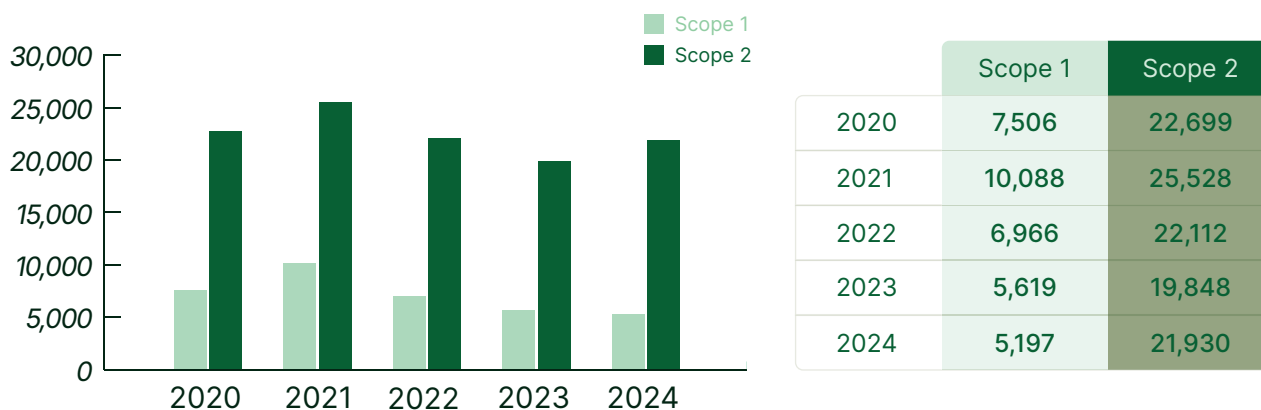
Our suppliers have provided key traceability data, including the geolocation of harvest sites, batch information for purchased pulp, supply chain details, Chain-of-Custody certification for each entity in the supply chain, and risk assessment documentation. Many suppliers have indicated that they are developing digital platforms to enhance information sharing with clients, particularly in preparation for compliance with the EUDR.

## Environmental Management and Emissions Disclosure

All our production facilities operate under the ISO 14001 Environmental Management System standard. With well-established procedures for managing environmental aspects and a dedicated team of environmental specialists, we have successfully implemented Scope 3 emissions data collection. This enables us to disclose emissions associated with the transportation of both raw materials and finished goods.

Our Scope 1 and Scope 2 emissions are based on verifiable transaction records, with emission factors referenced from traceable sources. For Scope 3 emissions related to production, calculations are based on the transport distances between our trading partners and our factories. We utilise the 2021 UK Government Conversion Factors for greenhouse gas (GHG) reporting from the Department for Business, Energy & Industrial Strategy and the Department for Environment, Food & Rural Affairs. Transportation modes include heavy goods vehicles for land transport and container ships for sea freight. Port-to-port travel distances are sourced from Sea Distances, with the nearest available port used if the exact location is unavailable.

**Group Carbon Emissions ($CO_2$ in tonnes)**

|  | Scope 1 | Scope 2 |
|------|---------|---------|
| 2020 | 7,506 | 22,699 |
| 2021 | 10,088 | 25,528 |
| 2022 | 6,966 | 22,112 |
| 2023 | 5,619 | 19,848 |
| 2024 | 5,197 | 21,930 |

*Scope 3 Carbon Emissions by Location (CO$_2$ in tonnes)*

| | Shenzhen | Heshan | HHDream | Zhongshan | Wuxi | GDL |
|---|---|---|---|---|---|---|
| Paper | 987.85 | 1,116.63 | 385.67 | 39.85 | 384.79 | 139.07 |
| Raw Materials (Excl. Paper) | 84.02 | 27.21 | 5.10 | 11.39 | 11.38 | 3.96 |
| Local Delivery | 235.73 | 17.57 | 58.25 | 229.56 | 97.10 | 68.38 |
| Exported Products (Factory to Port) | 297.98 | 644.59 | 0 | 0 | 0 | 0 |

Additionally, Scope 3 emissions from business-related air travel are monitored across the Group. In 2024, business trips resulted in a total of 9.18 tonnes of CO$_2$ emissions, covering 92,779 km of travel.

We adopted the following sustainable practices across our operations to minimise environmental impact while fostering a culture of environmental responsibility within the Group and supply chain.

**Sustainable Production Measures**

- Use of 100% mineral oil-free process colour ink for standard printing and preference for mineral oil-free special colours when available.

- Adoption of water-based or low VOC coatings for product finishing.

- Installation of centralised supply systems for inks, compressed air, vacuum pumps, dampening solutions, and cooling water for printing presses.

- Utilisation of inverter-type motors for machinery to improve energy efficiency.

- Transition to LED lighting across all facilities.

- Implementation of high-efficiency cooling systems for air conditioning.

- Installation of solar panels to enhance renewable energy usage.

- Production waste recycling, including internal upcycling initiatives and partnerships with external recycling organisations.

**Sustainable Office Practices**

- Placement of recycling bins throughout office premises to encourage proper waste separation for beverage containers, office paper, and food waste.

- Collection and professional processing of canteen food waste to reduce landfill impact.

- Regular ESG communications through the 'HH ESG Journal,' providing updates on eco-friendly materials, sustainable design, and ESG-related activities.

- Internal email updates, sharing practical green living tips and promoting sustainable initiatives from time to time.

- Implementation of 'Green Monday', incorporating vegetarian meal options in factory canteens, now widely adopted across sites.

- Integration of eco-friendly materials into production guidelines to encourage sustainable choices among clients.

- Inclusion of estimated carbon emissions data in product quotations, enabling customers to make informed decisions.

- Dedicated sourcing team focusing on identifying and introducing sustainable material alternatives, particularly in reducing plastic use.

- Allocation of green spaces in office areas and establishment of rooftop gardens to promote environmental awareness and improve workplace sustainability.

In 2024, our sustainable practices have earned the Top Prize at the Green Dot Award, presented by Koenig & Bauer AG (KBA), a renowned German print supplier. This recognition highlights our exceptional commitment to sustainability in our printing operations.

In the same year, our green design "MahjongDao" won the Hong Kong Smart Design Awards (HKSDA) Gold Award in the Traditional Toys & Games category, as well as the Green Award.

## Climate Change Risk

The risks associated with climate change are vast and increasingly unpredictable. Extreme weather events, such as typhoons reaching inland areas that were previously considered safe or unexpected flooding in arid regions, are becoming more frequent and severe, leading to significant economic losses and, at times, a rising death toll. While we have carefully factored climate risks into our site selection process, we recognise that new and unforeseen challenges may arise. To enhance our preparedness, we have strengthened our mitigation efforts through a comprehensive Business Continuity Plan (BCP), ensuring our operations remain resilient in the face of extreme weather events.

Our BCP is structured to address various disaster scenarios, which are regularly updated based on emerging risks identified through news reports, industry assessments, and our own evaluations. Each site conducts risk assessments to determine its vulnerability and develops preparedness plans for high-risk situations. By continuously refining our response strategies, we aim to mitigate disruptions and safeguard our people, assets, and operations.

In 2024, we conducted flooding response drills at two of our sites to evaluate the effectiveness of our BCP. The scenario simulated a heavy rainfall event, forecasting a water level rise of up to 50 cm within the facility. The primary objective of this exercise was to identify potential gaps in our emergency response procedures and improve our preparedness.

The drill followed a structured approach, encompassing preparation, execution, and a post-event review. Insights gained from the exercise were analysed, and findings were shared across all sites to strengthen overall resilience. Key takeaways included:

- Establishing a flood alert level: Clearly defining the water level at which emergency actions should be initiated is critical to avoid delayed responses.

- Identifying structural vulnerabilities: Understanding which areas are most susceptible to water ingress helps fortify weak points and direct protective measures effectively.

- Prioritising asset protection: High-value machinery and critical materials must be safeguarded based on a well-defined emergency protection schedule.

These learnings are not limited to flooding but can also be applied to other natural disasters, ensuring a proactive approach to risk management.

Over the past few years, we have made significant investments in energy efficiency projects to reduce our carbon footprint. Many of the feasible improvements have already been implemented, demonstrating our commitment to sustainability. However, in 2024, fluctuating order patterns led to inefficient operations; despite a decline in turnover and production volume, our electricity consumption increased. This highlights the need for further optimisation of energy use.

Looking ahead to 2025, we expect ongoing uncertainty, underscoring the need to consolidate our experience and refine our strategies. Our priorities will center on optimising production capacity and enhancing energy efficiency through advanced monitoring systems and operational improvements. Key initiatives include:

- Retiring inefficient machines: Streamlining production by shifting to high-efficiency equipment.

- Reducing idle machine time: Minimising unnecessary machine running hours to eliminate energy wastage.

- Optimising production scheduling: Aligning operations with demand patterns to improve efficiency.

- Implementing smart monitoring tools: Utilising real-time data analytics to identify inefficiencies and adjust energy usage accordingly.

By integrating these measures, we aim not only to reduce our operational costs but also to strengthen our sustainability journey. As we move forward, we remain committed to innovation and continuous improvement in both climate resilience and sustainable operations, ensuring long-term business viability while contributing to the reduction of our carbon footprint.

To promote environmentally friendly materials, our Green Materials Team has proactively sourced and shared a diverse range of sustainable alternatives with our customers through regular engagement. This initiative has been well received, inspiring innovative applications and fostering sustainability in product development.

Key green materials include:

- Biodegradable starch foam – Customisable in shape, this material provides optimised protective packaging while minimising environmental impact.

- Polyvinyl Alcohol-based material – Soluble in hot water (90°C and above), this material offers a strong and sustainable alternative to traditional plastics such as PP, PE, and PS.

- Crop straw-based biomass materials – These low-carbon, non-toxic materials require no chemical reagents and serve as effective shock-absorbing packaging solutions.



As paper is a key raw material in our operations, we maintain a dedicated policy to ensure its responsible use, safeguarding valuable forest resources and promoting sustainability. In 2024, our consumption of certified paper reached approximately 59,100 tonnes, up from 58,200 tonnes in 2023. Staying true to our commitment, over 95% of the paper used was either certified or contained high recycled content.

To enhance our working environment with greenery, colleagues have decorated office spaces with plants, and a small rooftop garden at our Hong Kong headquarters has been cultivated with vegetables. This initiative not only provides sustenance and shelter for birds and other wildlife but also allows employees to harvest fresh produce, reinforcing our commitment to biodiversity and healthy living.

## Water Conservation & Management

While all our sites receive water from reliable municipal sources, we emphasise on reuse and efficient management. Our centralised dampening fluid and press roller cooling systems exemplify this approach. Any water that cannot be reused undergoes proper treatment before being discharged into the sewage system. As our operations do not extract or discharge water into natural bodies, they pose no risk to aquatic ecosystems. In 2024, our water consumption decreased significantly to 627,500 m³, down from 864,983 m³ in 2023.
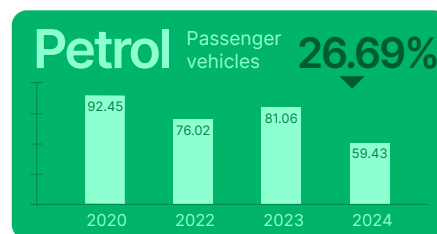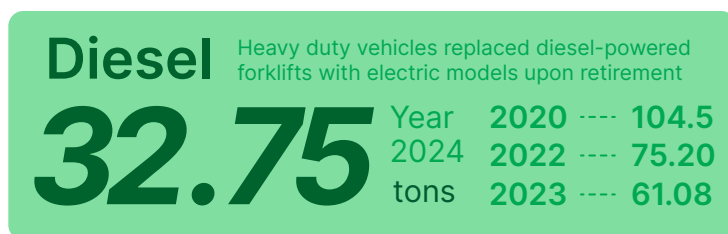
## Use of Energy

Embracing renewable energy remains a cornerstone of our strategy to reduce carbon emissions. In 2024, our Heshan, Vietnam, and GDL facilities installed 1,155 kWp, 1,000 kWp, and 406 kWp, respectively, increasing the total solar capacity to 8,662 kWp from the existing 6,101 kWp. As a result, the Group's green energy production surged to 7,313,499 kWh in 2024, marking a 33% increase from 5,478,133 kWh in the previous year and contributing approximately 11% of the Group's total electricity consumption. At our Hong Kong headquarters, solar panels generated over 1,266 MWh, covering 68% of electricity usage for the year. This shift to renewable energy helped us reduce approximately 2,852 tonnes of $CO_2$ emissions that would have otherwise been produced from grid electricity. Looking ahead, Heshan is set to launch the third phase of its solar system expansion, aiming to add 2,200 kWp of capacity across new solar installations at our Wuxi and Vietnam plants.



Electricity remains our preferred energy source. As part of our sustainability efforts, we have replaced diesel-powered forklifts with electric models upon retirement and have prioritised electric vehicles when purchasing or replacing passenger cars. In 2024, six more electric passenger vehicles were added to our fleet, and all Group sites are now equipped with charging facilities for electric cars and mopeds.

|  | Electric passenger vehicle | Electric forklift | Electric pallet truck |
|---|---|---|---|
| 2024 | 19 | 53 | 543 |
| 2023 | 13 | 50 | 395 |
| 2022 | 12 | 50 | 393 |

Natural gas stands out as our preferred heat source, as it is the cleanest form of fossil fuel. All our factories in mainland China rely on natural gas to power production boilers and for cooking purposes, while in Hong Kong, we use Towngas for cooking. All our energy sources come from reliable suppliers, with no significant interruptions experienced in 2024.

## Diesel
Heavy duty vehicles replaced diesel-powered forklifts with electric models upon retirement

**32.75** Year 2024 tons

| Year | |
|------|------|
| 2020 | 104.5 |
| 2022 | 75.20 |
| 2023 | 61.08 |

## Petrol
Passenger vehicles **26.69%** ▼

| 2020 | 2022 | 2023 | 2024 |
|------|------|------|------|
| 92.45 | 76.02 | 81.06 | 59.43 |

## Natural Gas
rely on natural gas to power production steam boilers and for cooking purposes

| Year 2020 | 3,595,665m³ |
| Year 2022 | 3,384,100m³ |
| Year 2023 | 2,699,513m³ |

Year 2024 — m³
**2,560,628**

## Towngas (MJ)

| | |
|------|---------|
| 2024 | 278,640 |
| 2023 | 270,480 |
| 2022 | 299,040 |
| 2020 | 323,328 |

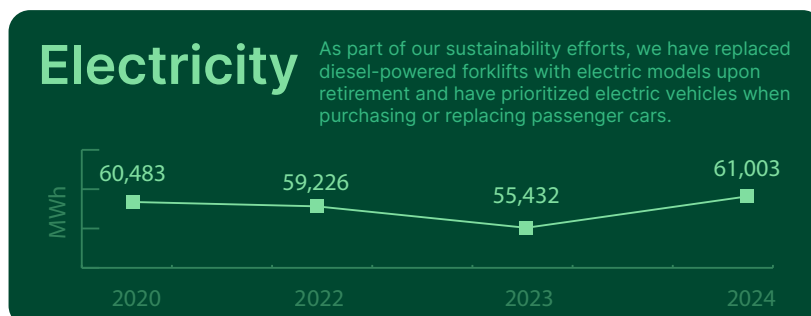## Electricity
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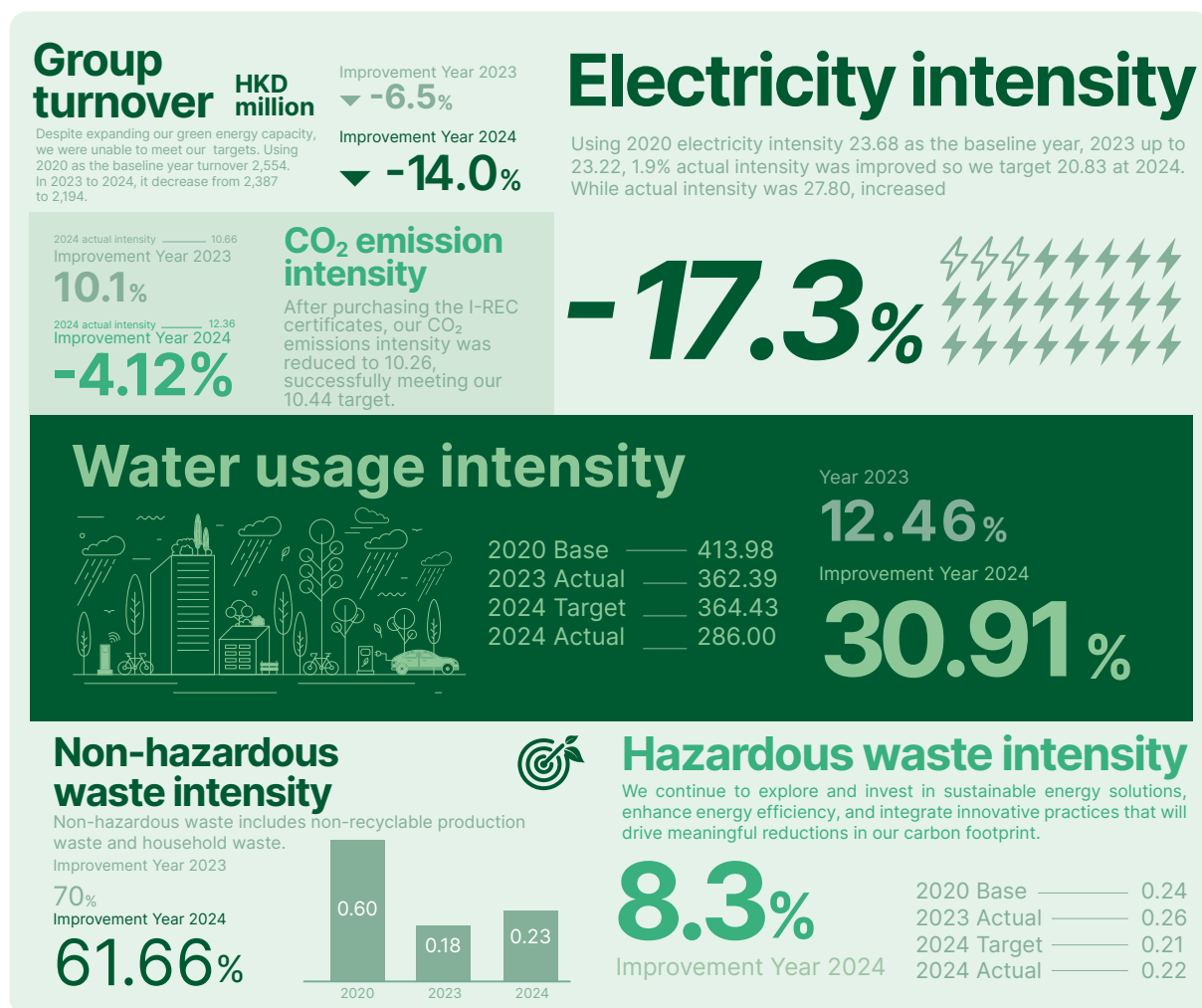| 2020 | 2022 | 2023 | 2024 |
|------|------|------|------|
| 60,483 | 59,226 | 55,432 | 61,003 |

MWh

### Improvement Targets

The year 2024 presented significant challenges for both our business operations and environmental performance. Our sustainability targets are closely tied to our business turnover, which was affected by weak market demand and intensified price competition. Despite expanding our green energy capacity, we were unable to meet our carbon emissions and electricity intensity reduction targets.

However, we view this as a temporary setback and remain fully committed to our long-term environmental goals. We have set an ambitious target to achieve a 30% reduction in both carbon emissions and electricity intensity by 2030, using 2020 as the baseline year. To stay on track, we have taken proactive steps, including the purchase of green energy certificates to offset a portion of our emissions. In 2024, we acquired 12,400 MWh of International Renewable Energy Certificates (I-RECs) to help bridge the gap toward our sustainability targets, offsetting our carbon emissions by 4,606 $tCO_2e$.

While these measures support our short-term objectives, our long-term strategy is centered on achieving our environmental goals through our own operational improvements. We continue to explore and invest in sustainable energy solutions, enhance energy efficiency, and integrate innovative practices that will drive meaningful reductions in our carbon footprint. Our unwavering commitment to sustainability ensures that we remain aligned with global climate objectives while fostering resilience in our business operations. Intensity is calculated as units per HKD million of Group turnover.

The table below shows the results achieved from 2023 to 2024 compared to base year 2020.

## Group turnover
**HKD million**

Despite expanding our green energy capacity, we were unable to meet our targets. Using 2020 as the baseline year turnover 2,554. In 2023 to 2024, it decrease from 2,387 to 2,194.

Improvement Year 2023
▼ -6.5%

Improvement Year 2024
▼ **-14.0%**

## $CO_2$ emission intensity

After purchasing the I-REC certificates, our $CO_2$ emissions intensity was reduced to 10.26, successfully meeting our 10.44 target.

2024 actual intensity —— 10.66
Improvement Year 2023
**10.1%**

2024 actual intensity —— 12.36
Improvement Year 2024
**-4.12%**

## Electricity intensity

Using 2020 electricity intensity 23.68 as the baseline year, 2023 up to 23.22, 1.9% actual intensity was improved so we target 20.83 at 2024. While actual intensity was 27.80, increased

**-17.3%**

## Water usage intensity

| | |
|---|---|
| 2020 Base —— | 413.98 |
| 2023 Actual —— | 362.39 |
| 2024 Target —— | 364.43 |
| 2024 Actual —— | 286.00 |

Year 2023
**12.46%**

Improvement Year 2024
**30.91%**

## Non-hazardous waste intensity

Non-hazardous waste includes non-recyclable production waste and household waste.

Improvement Year 2023
**70%**

Improvement Year 2024
**61.66%**

| 2020 | 2023 | 2024 |
|---|---|---|
| 0.60 | 0.18 | 0.23 |

## Hazardous waste intensity

We continue to explore and invest in sustainable energy solutions, enhance energy efficiency, and integrate innovative practices that will drive meaningful reductions in our carbon footprint.

**8.3%**
Improvement Year 2024

| | |
|---|---|
| 2020 Base —— | 0.24 |
| 2023 Actual —— | 0.26 |
| 2024 Target —— | 0.21 |
| 2024 Actual —— | 0.22 |

After purchasing the I-REC certificates, our $CO_2$ emissions intensity was reduced to 10.26, successfully meeting our target.

The Group's turnover includes its paper trading business, which consumes significantly less energy and generates less waste. The table below provides comparisons of the targets after excluding data from the paper trading business.
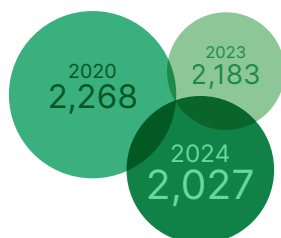
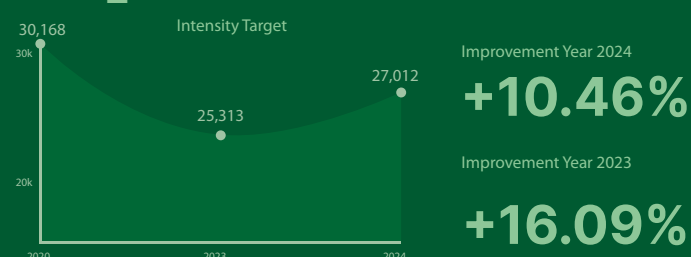[6]  Non-hazardous waste includes non-recyclable production waste and household waste.

2023 and 2024 intensity result, excluding paper trading, in comparison to the base year 2020.

## Group turnover
Exclude paper trading HKD million

2020 2,268
2023 2,183
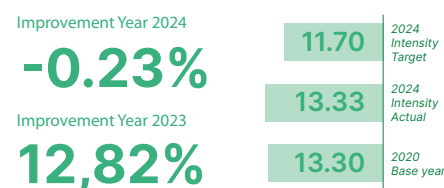2024 2,027

## $CO_2$ emission in tonne

Intensity Target

30,168
27,012
25,313

Improvement Year 2024
**+10.46%**

Improvement Year 2023
**+16.09%**

30k
20k
2020      2023      2024

## Electricity usage MWh

| | | |
|---|---|---|
| | Improvement Year 2024 **-0.82%** | 2024 Intensity Actual **60,687** |
| 2020 Base year **60,192** | Improvement Year 2023 **+8.32%** | 2023 Intensity Actual **55,182** |

## $CO_2$ emission intensity

Improvement Year 2024
**-0.23%**

| 11.70 | 2024 Intensity Target |
| 13.33 | 2024 Intensity Actual |
| 13.30 | 2020 Base year |

Improvement Year 2023
**12,82%**

## Electricity intensity

Improvement Year 2024
▼ **-12.81%**

Improvement Year 2023
▲ **4.75%**

26.54    25.28    29.94
30
25
20
15
10
5
0
2020    2023    2024

## Hazardous waste in tonne
2020 Base Year 607.30

**20.36%** Improvement Year 2024

2024 Intensity Actual
483.65

2023 Intensity Actual
609.90

**-0.09%** Improvement Year 2023

## Hazardous waste intensity
2020 Base Year 0.27

**11.11%** Improvement Year 2024

2024 Intensity Actual
0.24

Intensity Target
0.28

2023 Intensity Actual
0.27

**-3.99%** Improvement Year 2023

## Water usage

| | 2024 Improvement in M³ **-40.57%** | 2024 Improvement intensity **-33.50%** |
|---|---|---|
| | 2023 Improvement in M³ **+21.62%** | 2023 Improvement intensity **-1.68%** |

Intensity Actual    2024 Intensity Target: 408.17

| | | | | |
|---|---|---|---|---|
| in M³ | 1,051,986 | 13.89 | 625,176 | 2020 |
| intensity | 463.84 | 864,983 | 308.42 | 2023 |
| | | | | 2024 |

## Non-hazardous waste in tonne

Improvement Year 2024
**67.40%**

| Intensity Actual 2024 **496.74** | 2020 Base year **1,524.20** |
| Intensity Actual 2023 **423.52** | Improvement Year 2023 **72.21%** |

## Non-hazardous waste intensity

Improvement Year 2024
**62.69%**

| Intensity Actual 2024 **0.25** | 2020 Base year **0.67** |
| Intensity Actual 2023 **0.23** | Improvement Year 2023 **71.13%** |
| Intensity Target 2024 **0.59** | |

## Waste Handling

Our core principle is to minimise waste generation as much as possible, ensuring that resources are utilised efficiently and sustainably. A substantial portion of the waste produced in our manufacturing process is recyclable, and we take proactive steps to categorise and separate it accordingly. By systematically sorting waste into different material types, we make it easier for recycling companies to collect and repurpose them into new products, reducing environmental impact and promoting circular economy practices.

In addition to general waste management, we handle hazardous waste with the utmost care. Materials such as liquid chemicals, chemically contaminated containers, cleaning rags, and sludge from wastewater treatment are collected and disposed of responsibly. We work exclusively with authorised agents who possess the necessary expertise and qualifications to manage these materials in compliance with regulatory standards.

Food waste is another critical area of focus. All food waste generated within our operations is collected and treated, either for conversion into animal feedstock or for other sustainable purposes. In Hong Kong, food waste is collected by the Environmental Protection Department and processed for recycling into renewable energy. In 2024, our food waste collection efforts amounted to 7.7 tonnes, contributing to a reduction in greenhouse gas emissions equivalent to 3.9 tonnes of $CO_2$.
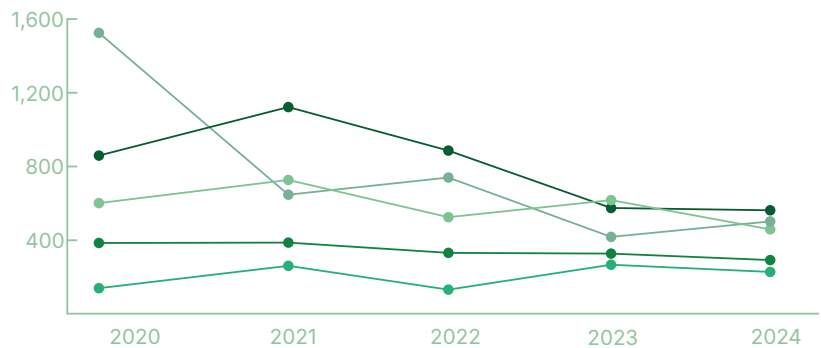
The table below provides data on waste materials generated over the past three years.

## Paper (recycled) in Tonne
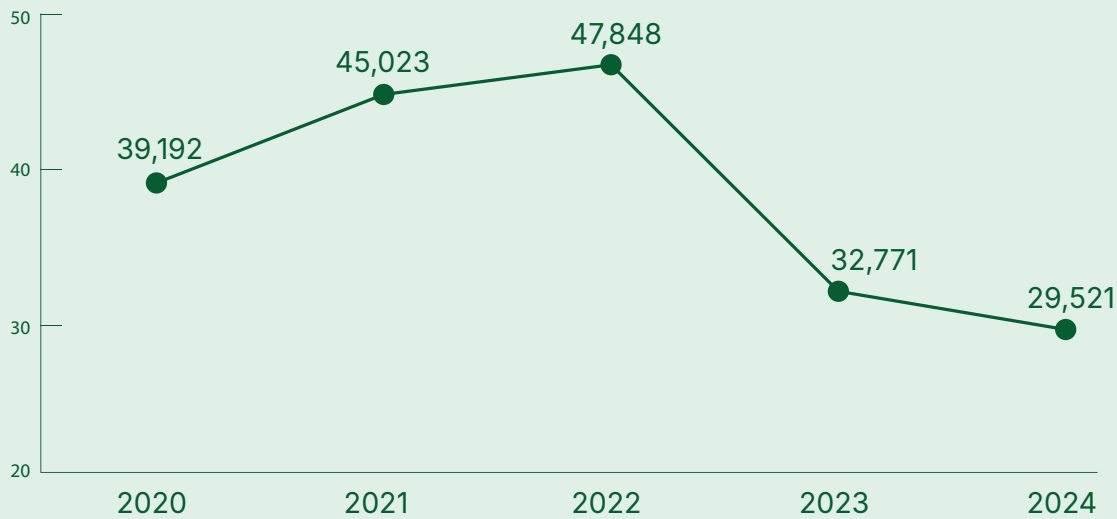


## Other waste materials



| Wood (recycled) in Tonne | | |
|---|---|---|
| **2024** | | **2023** |
| **567** | | **590** |
| **2022** | **2021** | **2020** |
| **889** | **1,126** | **863** |

| Plastic (recycled) in Tonne | | |
|---|---|---|
| **2024** | | **2023** |
| **300** | | **322** |
| **2022** | **2021** | **2020** |
| **339** | **398** | **393** |

| Metal (recycled) in Tonne | | |
|---|---|---|
| **2024** | | **2023** |
| **237** | | **281** |
| **2022** | **2021** | **2020** |
| **142** | **271** | **149** |

| Non-hazardous waste in Tonne | | |
|---|---|---|
| **2024** | | **2023** |
| **496** | | **424** |
| **2022** | **2021** | **2020** |
| **744** | **653** | **1,524** |

| Hazardous waste in Tonne | | |
|---|---|---|
| **2024** | | **2023** |
| **483** | | **609** |
| **2022** | **2021** | **2020** |
| **530** | **731** | **607** |

# 🌐 Social Responsibility

## Our Employees

Over the past few years, Hung Hing has been transitioning from labour-intensive manufacturing to automated, high-value-added production. As a result, our full-time workforce has decreased from a peak of over 15,000 to less than 5,000. With the adoption of advanced automation and machinery, attracting and retaining skilled talent has become increasingly critical. Our remuneration and employee benefits are strategically aligned to support this shift, fostering a positive and supportive work environment. By upholding fair employment practices and encouraging innovation, we empower our employees to tackle daily challenges effectively. Additionally, our commitment to continuous training enhances workforce productivity, enabling us to maintain a similar level of turnover with a significantly smaller team.

All our production sites strictly comply with our core labour policy, supported by documented procedures that outline daily practices and compliance measures. To uphold ethical labour standards, each site undergoes at least two ethical audits annually, conducted by either customers or independent third-party audit firms. These standard audits, conducted each year, are listed on Ethical Audit Table on page x. The results are shared with our stakeholders, demonstrating our commitment to transparency and reinforcing our dedication to fair and responsible labour practices.

> Hung Hing Labour Policy
>
> 1. **Zero Tolerance for Child Labour** – We strictly prohibit child labour (under the age of 16) and take full responsibility for safeguarding children's welfare, including their education, until they are returned to a safe environment.
>
> 2. **No Forced Labour** – We do not tolerate any form of forced labour, including modern slavery.
>
> 3. **Commitment to Non-Discrimination** – We uphold a workplace free from discrimination of any kind throughout employment and foster a culture of diversity, equity, and inclusion.
>
> 4. **Fair Working Hours & Overtime** – We ensure reasonable working hours, with overtime compensated at a higher rate.
>
> 5. **Fair Compensation** – Employee wages will always meet or exceed regional minimum wage standards to support a decent standard of living.
>
> 6. **Freedom of Association** – Employees have the right to form and join lawful associations.
>
> 7. **Safe & Healthy Workplace** – We provide a safe and healthy work environment for all employees.
>
> 8. **Ethical Reporting Channels** – Employees have access to confidential channels for raising concerns or reporting misconduct, ensuring fair and discreet investigations.

## Employee Wellbeing

Bringing vibrancy to life beyond the demands of production, our company has organised a variety of activities to promote work-life balance and strengthen family bonds.

### February (Hong Kong) – New Year Hiking for Good Fortune

To start the year with health and wellness, employees embarked on a refreshing hike along the Tai Po Kau Nature Trail, enjoying the cool and invigorating weather.



### March (Hong Kong) – Spreading Appreciation

On Employee Appreciation Day, we shared popcorn treats as a heartfelt gesture of gratitude for our colleagues' dedication and hard work.



### June (Hong Kong) Dragon Boat Race

After weeks of dedicated training, our dragon boat team proudly secured first runner-up in the Small Boat Mixed Race at Tap Mun during the Dragon Boat Festival – despite the heavy rain! We were incredibly proud of the team's teamwork, perseverance, and the spirit they showed throughout the competition.



### September (HH Dream) – Happy Family Day

In celebration of the Mid-Autumn Festival, we hosted Happy Family Day to emphasise the importance of family in our employees' lives and to foster a supportive, harmonious workplace.



### November (HH Dream) – 5th Anniversary Celebration

A small yet meaningful gathering was held to commemorate HH Dream's 5th anniversary, expressing gratitude for the collective efforts that have driven the company's significant growth over the years.

**November (Hong Kong) – Having Fun at Halloween**

For the first time, we celebrated Halloween in the office with festive decorations by the CSR team and a Best Costume Competition. Colleagues joined the fun by dressing up or voting for their favorite costume, with prizes up for grabs and spooky vibes all around!



**December (Heshan) – Parent–Child Activities (Heshan Factory encourages parent-child interaction for employees' wellbeing)**

Recognising the challenges of balancing work and family, we organised parent-child activities during the summer and National Day holidays, with 100 families participating to strengthen family connections.



**December (Hong Kong) – Year-End BBQ (Winter warm-up: Company BBQ brings everyone together!)**

Closing the year on a high note, we hosted a BBQ event attended by more than 140 employees – exceeding last year's participation – as a warm and celebratory finale to the year's activities.

## Health and Safety

To strengthen health and safety measures, we have established a comprehensive set of work instructions outlining precautionary steps for each operation. Additionally, our factory safety department conducts regular inspections of machinery, fire prevention systems, and electrical safety to ensure a safe working environment. Most importantly, we organise regular refresher training sessions and safety campaigns to reinforce a safety-first culture within the organisation. Furthermore, all production sites undergo audits by at least one of the following ethical standards, ensuring our practices align with international best practices.

Formerly the 'Electronic Industry Citizenship Coalition' and now focused on 'Advancing Sustainability Globally'

https://www.rba-online.org

**RBA Responsible Business Alliance**

**ICTI-ethical supply chain program**

Ethical Supply Chain Program (ESCP) is a specialist responsible sourcing program founded by ICTI

https://www.ethicalsupplychain.org/

A platform that promotes responsible supply chain management

www.sedexglobal.com

**Sedex**

In 2024, the Total Incident Rate (TIR) remained low at 0.15, showing a significant improvement over last year's rate of 0.22. Notably, over the past three years, no work-related fatalities have been recorded across the Group.

## Development and Training

Training is crucial in sustaining a strong talent pool, which is essential for the company's ongoing growth and success. Beyond traditional classroom lectures focused on knowledge building and regulatory compliance, we have introduced more interactive training sessions to enhance experience sharing and safety education.

As we transition from a labour-intensive manufacturing to automated operations, cultivating a workforce with innovative thinking and the ability to thrive in a diverse, equitable, and inclusive environment is key to our success. To support this, we have integrated innovation and DE&I (Diversity, Equity, and Inclusion) training into our regular refresher programmes. Additionally, senior production staff have received advanced training in production management methods such as lean management.

In 2024, we delivered over 120,000 training hours to 55,000 participants, demonstrating our commitment to employee development and continuous learning.



## Our Community

The Group actively encourages our employees to support charitable causes and engage in community service. Leading by example, the Group has participated in the Hong Kong Council of Social Service's Caring Company scheme for more than 15 years, earning the prestigious "15 Years Plus Caring Company Logo" in recognition of our commitment to community welfare.

In April 2024, the CSR Committee collaborated with the Red Cross to organise a blood donation drive at the Hong Kong headquarters. A total of 37 employees participated in the initiative, which provided a convenient and comfortable setting for them to donate life-saving blood without disrupting their work or personal time. This meaningful effort contributed to the wellbeing of the wider community.

Additionally, in 2024, the Group donated a total of HK$230,000 to support charitable initiatives across mainland China, Hong Kong, and Vietnam, reinforcing our dedication to social responsibility.

# Governance

## Our Suppliers

We collaborate closely with our suppliers to enhance the sustainability of raw materials and promote responsible sourcing practices. By sharing our sustainable business philosophy, we emphasise three core principles: ethical operations, environmental responsibility, and conducting business with the highest integrity. To ensure alignment with these values, all key suppliers have completed and signed a comprehensive questionnaire assessing their ethical and environmental practices. This initiative helps reinforce our commitment to sustainability across the supply chain.

In 2024, we took a significant step towards reducing our environmental impact by collecting transportation data from all major raw material suppliers to analyse carbon emissions. The data covered over 95% (by weight) of all raw materials received at the Group's production sites throughout the year, amounting to more than 139,000 tonnes. Our analysis found that transportation-related carbon emissions totalled 4,846 tonnes $CO_2e$, delivered from 342[7] suppliers. Most of these suppliers are located in China and Vietnam, with fewer than five operating outside these two countries.

This initiative provides valuable insights into our supply chain's carbon footprint, enabling us to explore strategies for emission reduction, such as optimising logistics, sourcing closer to production sites, and collaborating with suppliers on greener transportation solutions.

## Business Integrity and Anti-corruption

We are dedicated to maintaining business integrity and combating corruption through continuous education and awareness initiatives. In 2024, our induction and refresher training programmes include comprehensive anti-bribery sessions, totalling 9,012 training hours delivered to 90,12 participants.?

To reinforce our commitment, we implement precautionary measures such as displaying anti-bribery policies in all factory meeting rooms and distributing our anti-corruption policy to employees annually. We also conduct internal audits on procurement processes and arrange regular meetings with supplier management teams who are not directly involved in transactional activities.

Our company upholds high standards of corporate governance, ensuring best practices and accountability. All Group directors participate in professional seminars, conferences, or forums relevant to their roles. Additionally, our website provides access to our whistleblower policy and a confidential reporting mechanism, allowing employees to report misconduct directly to our independent non-executive directors.

In 2024, we received no complaints at the Group level, and to the best of our knowledge, there were no legal proceedings related to corruption involving the Group or our employees.

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[7] Some suppliers were counted multiple times as they supply to different companies within the Group.

## Our Customers

We prioritise our customers' interests, strictly adhering to their requirement for ethical conduct, product safety, environmental sustainability, and intellectual property protection. Our ethical policies are fully transparent, and we conduct regular audits to ensure compliance, as detailed in the "Our Employees" section.

To maintain the highest quality and safety standards, we actively collaborate with customers to address concerns. Our products undergo routine laboratory testing to ensure compliance with relevant regulations[8]. In the event of any complaint, we conduct thorough investigations and implement corrective actions, all of which are documented within our ISO 9000 quality management system.

Our facilities in Shenzhen, Heshan, Wuxi, and Vietnam, which serve numerous international clients, have been audited under the SCAN[9] standard. This certification ensures that our operations and export procedures meet stringent requirements, preventing product tampering. Additionally, we have established internal protocols to safeguard customer intellectual property, ensuring that product information remains confidential until the agreed release date.

Furthermore, we strictly comply with data protection regulations, using customer contact details solely for legitimate business purposes. This commitment ensures adherence to relevant legal requirements[10] and safeguards customer privacy.

To the best of our knowledge, the Group does not hold any consumer data.

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[8] EN71 European Union toy safety regulation; ISO 8124 Safety of Toys Standard; European Union RoHS (Restriction of the use of certain hazardous substances in electrical and electronic equipment) regulation (Directive 2011/65/EU); European Union Packaging and Packaging Waste regulation (Directive 94/62/EC); US ASTM F963 Standard Consumer Safety Specification for Toy Safety; US and EU Conflict minerals regulation, namely tin, tantalum, tungsten and gold (3TG), are primarily mined in conflict zones in Africa.

[9] The Supplier Compliance Audit Network (SCAN) is an industry trade association that provides a systematic approach whereby mutually acceptable global compliance standards for supply chain security.

[10] UK and EU General Data Protection Regulations

# ESG Performance Data

## Subject Area A – Environment

**Aspect A1: Emissions**

| Performance Indicator | | 2024 Data | 2023 Data | 2022 Data | 2021 Data | 2020 Data | HKEx ESG Report Guide KPI |
|---|---|---|---|---|---|---|---|
| Emission* | Total Sulphur Dioxide $SO_2$ emission (tonne) | 1.81 | 2.78 | 2.96 | 6.35 | 3.85 | KPI A1.1 |
| | Total Carbon Monoxide CO (tonne) | 0.01 | 0.02 | 0.02 | 0.06 | 0.03 | KPI A1.1 |
| | Total Volatile Organic Chemicals emission (tonne) (From production) | 12.36 | 6.69 | 27.05 | 33.03 | 50.43 | KPI A1.1 |
| | Total Carbon Dioxide emission ($CO_2$) (tonne) | 27,127.68 | 25,442.96 | 29,076.93 | 35,871.76 | 30,324.30 | KPI A1.1 |
| | Direct emission (Fuel, natural Gas, Towngas, fire extinguishers) | 5,197.62 | 5,619.87 | 6,964.09 | 10,085.35 | 7,503.26 | KPI A1.1 |
| | Indirect Emission (Electricity consumed, Towngas) | 21,930.07 | 19,823.09 | 22,112.84 | 25,786.41 | 22,821.04 | KPI A1.1 |
| | Total nitric oxide NOx emission (tonne) | 0.10 | 0.13 | 0.13 | 0.20 | 0.16 | KPI A1.1 |
| | Total greenhouse gas emission per million HKD of goods sold (tonne $CO_2e$) | 12.36 | 10.66 | 9.87 | 10.19 | 11.89 | |
| | Carbon emissions from upstream and downstream transportation in the supply chain (tonne $CO_2e$) | 4,845.80 | | | | | KPI A1.1 |
| Hazardous Waste | Solid and liquid hazardous from production and water treatment | 483.65 | 608.9 | 530.37 | 731.07 | 607.30 | KPI A1.3 |
| | Total hazardous waste produced per million HKD of goods sold (tonne) | 0.22 | 0.26 | 0.18 | 0.21 | 0.24 | KPI A1.3 |
| Non-hazardous Waste | Non-hazardous waste (tonne) (Office waste, paper, plastic not suitable for recycle, household waste from canteen and dormitories) | 496.74 | 423.52 | 743.88 | 653.37 | 1,524.20 | KPI A1.4 |
| | Total non-hazardous waste produced per million HKD of goods sold (tonne) | 0.23 | 0.18 | 0.25 | 0.19 | 0.60 | KPI A1.4 |

| Performance Indicator | | 2024 Data | 2023 Data | 2022 Data | 2021 Data | 2020 Data | HKEx ESG Report Guide KPI |
|---|---|---|---|---|---|---|---|
| **Aspect A2: Use of Resources** | | | | | | | |
| Energy | Fuel and gas (MWh) | 25,427 | 27,343 | 33,935 | 48,334 | 36,496 | KPI A2.1 |
| | Electricity (MWh) | 61,003 | 55,432 | 59,226 | 68,075 | 60,483 | KPI A2.1 |
| | Energy consumed per million HKD of goods sold (MWh) | 40 | 35 | 32 | 33 | 38 | KPI A2.1 |
| Water | In M³ (Consumption by production, canteen and dormitory) | 627,500 | 864,983 | 1,041,474 | 1,093,661 | 1,057,315 | KPI A2.2 |
| | Water consumed per million HKD of goods sold (M³) | 286 | 362 | 353 | 310 | 414 | KPI A2.2 |
| Paper | Total paper consumed by production (tonne) | 136,000 | 148,000 | 157,000 | 217,665 | 142,027 | KPI A2.2 |
| Packaging material | Packaging materials are mainly nylon tape and PP shrinkage film (tonne) | 255.10 | 268.12 | 314.65 | 425.98 | 325.48 | KPI A2.5 |
| | Packaging materials consumed per million HKD of goods sold (tonne) | 0.12 | 0.11 | 0.11 | 0.12 | 0.13 | KPI A2.5 |

**Subject Area B – Social**
**Employment and Labour Practices**
**Aspect B1: Employment**

| Performance Indicator | | 2024 Data | 2023 Data | 2022 Data | 2021 Data | 2020 Data | HKEx ESG Report Guide KPI |
|---|---|---|---|---|---|---|---|
| Workforce | Total | 4,966 | 5,752 | 6,227 | 6,493 | 6,612 | KPI B1.1 |
| | By gender | | | | | | KPI B1.1 |
| | Male | 2,648 | 2,987 | 3,204 | 3,279 | 3,293 | KPI B1.1 |
| | Female | 2,318 | 2,765 | 3,023 | 3,214 | 3,319 | KPI B1.1 |
| | By employment category | | | | | | KPI B1.1 |
| | Senior Management – male | 86 | 102 | 101 | 108 | 139 | KPI B1.1 |
| | – female | 41 | 45 | 47 | 48 | 57 | KPI B1.1 |
| | Middle management – male | 387 | 419 | 421 | 379 | 344 | KPI B1.1 |
| | – female | 375 | 442 | 481 | 411 | 410 | KPI B1.1 |
| | Worker – male | 2,189 | 2,467 | 2,688 | 2,792 | 2,812 | KPI B1.1 |
| | – female | 1,841 | 2,277 | 2,489 | 2,755 | 2,850 | KPI B1.1 |
| | By age Group | | | | | | KPI B1.1 |
| | At and below 30 | 628 | 867 | 957 | 954 | 1,200 | KPI B1.1 |
| | > 30–50 | 3,406 | 4,015 | 4,505 | 4,798 | 4,857 | KPI B1.1 |
| | over 50 | 932 | 870 | 765 | 741 | 555 | KPI B1.1 |
| | By geographic location | | | | | | KPI B1.1 |
| | Eastern China | 245 | 287 | 287 | 355 | 380 | KPI B1.1 |
| | Southern China | 3,871 | 4,601 | 5,152 | 5,475 | 5,804 | KPI B1.1 |
| | Hong Kong | 280 | 234 | 266 | 292 | 290 | KPI B1.1 |
| | Vietnam | 570 | 630 | 522 | 371 | 138 | KPI B1.1 |

| Performance Indicator | | 2024 Data | 2023 Data | 2022 Data | 2021 Data | 2020 Data | HKEx ESG Report Guide KPI |
|---|---|---|---|---|---|---|---|
| Employee turnover % | Total | 48 | 49 | 57 | 72 | 30 | KPI B1.2 |
| | By gender | | | | | | KPI B1.2 |
| | Male | 54 | 52 | 60 | 76 | 29 | KPI B1.2 |
| | Female | 39 | 44 | 53 | 66 | 31 | KPI B1.2 |
| | By age Group | | | | | | KPI B1.2 |
| | At and below 30 | 84 | 76 | 80 | 91 | 55 | KPI B1.2 |
| | > 30–50 | 38 | 34 | 46 | 58 | 20 | KPI B1.2 |
| | over 50 | 20 | 24 | 26 | 19 | 9 | KPI B1.2 |
| | By geographic location | | | | | | KPI B1.2 |
| | Eastern China | 33 | 38 | 20 | 35 | 39 | KPI B1.2 |
| | Southern China | 55 | 54 | 61 | 75 | 31 | KPI B1.2 |
| | Hong Kong | 15 | 14 | 21 | 16 | 17 | KPI B1.2 |
| | Vietnam | 0 | 16 | 17 | 14 | 6 | KPI B1.2 |
| **Aspect B2: Health and Safety** | | | | | | | |
| Incident | Number of incidents | 10 | 16 | 12 | 26 | 20 | KPI B2.1 |
| | Number of work-related fatalities | 0 | 0 | 0 | 0 | 0 | KPI B2.1 |
| | TIR (Total Incident Rate = number of incidents per 200,000 work hours) | 0.15 | 0.22 | 0.15 | 0.28 | 0.25 | KPI B2.1 |
| Lost days | Number of days lost due to work injury | 567 | 1,065 | 674 | 1,613 | 959 | KPI B2.2 |
| | LTIR (Lost Time Injury Rate = number of hours lost per 200,000 work hours) | 70.33 | 119.41 | 67.12 | 139.38 | 95.69 | KPI B2.2 |

| Performance Indicator | | 2024 Data | 2023 Data | 2022 Data | 2021 Data | 2020 Data | HKEx ESG Report Guide KPI |
|---|---|---|---|---|---|---|---|
| **Aspect B3: Development and Training** | | | | | | | |
| Attendee | Total | 55,113 | 66,556 | 62,863 | 75,327 | 57,483 | KPI B3.1 |
| | By gender | | | | | | |
| | Male | 29,898 | 39,765 | 33,058 | 38,961 | 27,608 | KPI B3.1 |
| | Female | 25,212 | 26,791 | 29,805 | 36,366 | 29,875 | KPI B3.1 |
| | By employment category | | | | | | |
| | Senior Management | 0.40% | 0.49% | 0.58% | 0.55% | 0.74% | KPI B3.1 |
| | Middle management | 4.30% | 4.60% | 4.41% | 2.71% | 3.01% | KPI B3.1 |
| | Worker | 95.18% | 94.91% | 95.01% | 96.74% | 96.25% | KPI B3.1 |
| Training hour | Total | 120,398 | 139,200 | 247,580 | 369,339 | 139,724 | KPI B3.2 |
| | By gender (Average hours) | | | | | | KPI B3.2 |
| | Male | 2.33 | 2.12 | 4.30 | 5.41 | 2.44 | KPI B3.2 |
| | Female | 2.02 | 2.05 | 3.53 | 4.37 | 2.42 | KPI B3.2 |
| | By employment category (Average hours) | | | | | | KPI B3.2 |
| | Senior Management | 2.33 | 2.28 | 2.30 | 1.91 | 2.74 | KPI B3.2 |
| | Middle management | 2.57 | 3.09 | 2.61 | 2.40 | 2.81 | KPI B3.2 |
| | Worker | 2.17 | 2.04 | 4.01 | 4.99 | 2.42 | KPI B3.2 |

| Performance Indicator | | 2024 Data | 2023 Data | 2022 Data | 2021 Data | 2020 Data | HKEx ESG Report Guide KPI |
|---|---|---|---|---|---|---|---|
| **Operating Practices** | | | | | | | |
| **Aspect B5: Supply Chain Management** | | | | | | | |
| Active Supplier | In China | 416 | 593 | 859 | 1,267 | 1,513 | KPI B5.1 |
| | In Hong Kong | 32 | 25 | 26 | 57 | 58 | |
| | In Vietnam | 54 | 52 | 15 | 20 | 9 | KPI B5.1 |
| **Aspect B6: Product Responsibility** | | | | | | | |
| | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | KPI B6.1 |
| | Number of products and service related complaints received | 176 | 125 | 192 | 211 | 470 | KPI B6.2 |
| **Community** | | | | | | | |
| **Aspect B8: Community Investment** | | | | | | | |
| KPI B8.2 | Total value of money and product donation | 230,000 | 205,000 | 71,000 | 85,800 | 260,115 | KPI B8.2 |

\*   Diesel and gasoline emission data according to GHG emission from fuel type, mobile combustions sources in Hong Kong Exchange 'HOW TO PREPARE AN ESG REPORT' 'Appendix 2:Reporting Guidance on Environmental KPIs'
https://www.hkex.com.hk/–/media/HKEX-Market/Listing/Rules-and-Guidance/Environmental-Social-and-Governance/Exchanges-guidance-materials-on-ESG/app2_envirokpis.pdf?la=en

Towngas direct emission data according to Towngas bill data; Towngas indirect emission data according to Towngas 2019 Sustainability Report
https://www.towngas.com/getattachment/84a23e36-8aac-41e4-9df3-126b07a948b6/TGC_ESG_Report_2019

Natural gas emission data according to 2006 IPCC Guidelines for National Greenhouse Gas Inventories https://www.ipcc-nggip.iges.or.jp/public/2006gl/index.html

China electricity emission data according to China Southern Power Grid 2020 Green Development Annual Report 《中國南方電網有限責任公司之2020年綠色發展年刊》
https://www.csg.cn/shzr/zrbg/202108/P020210823416045966061.pdf coal consumption per kWh and convert to $CO_2$/kWh according to 2006 IPCC Guideline for National Greenhouse Gas Inventories

Hong Kong electricity emission data according to information listed in CLP 2023 monthly invoices

Vietnam electricity emission data according to https://www.iges.or.jp/en/pub/list-grid-emission-factor/en Operating Margin EF (average)

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