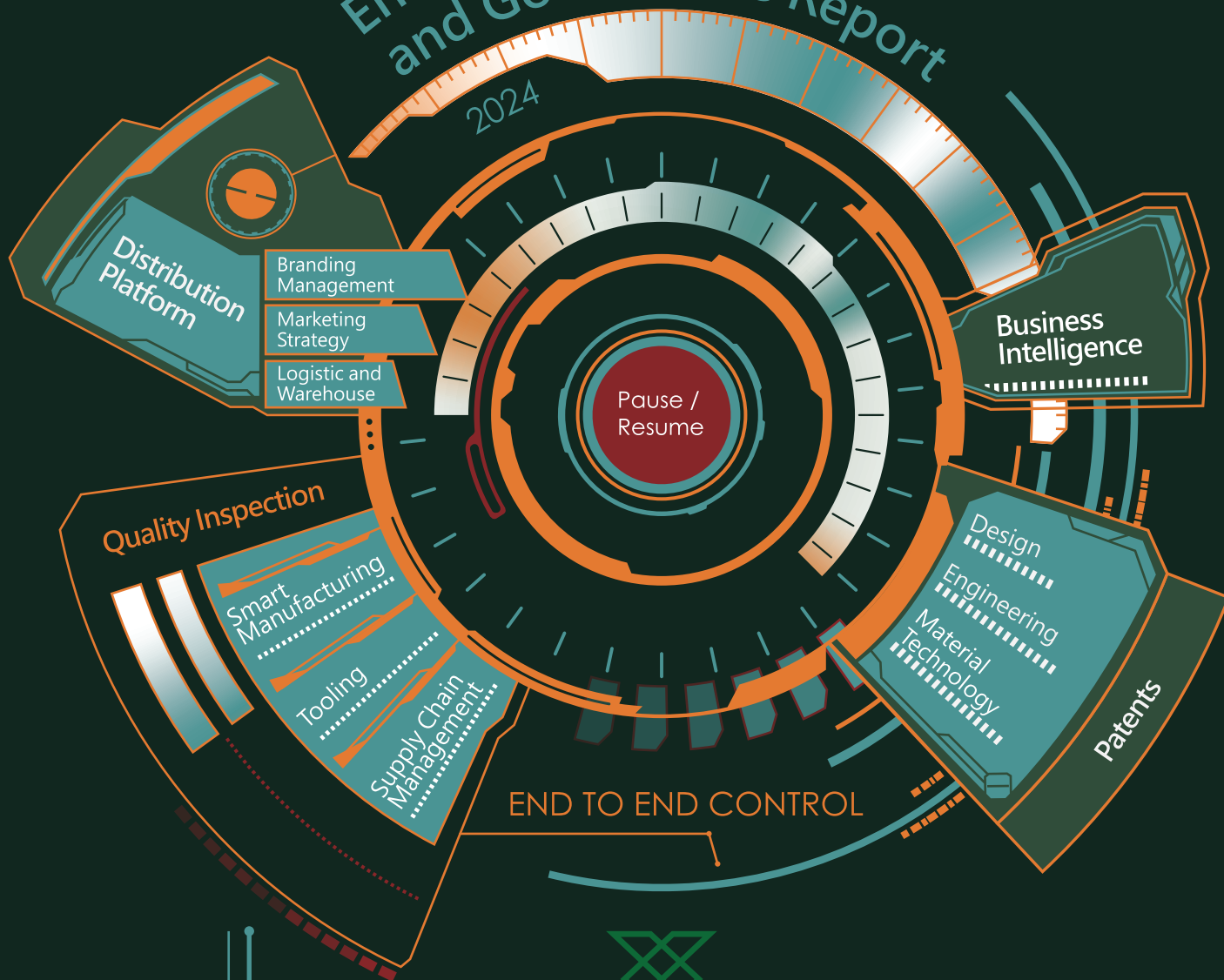


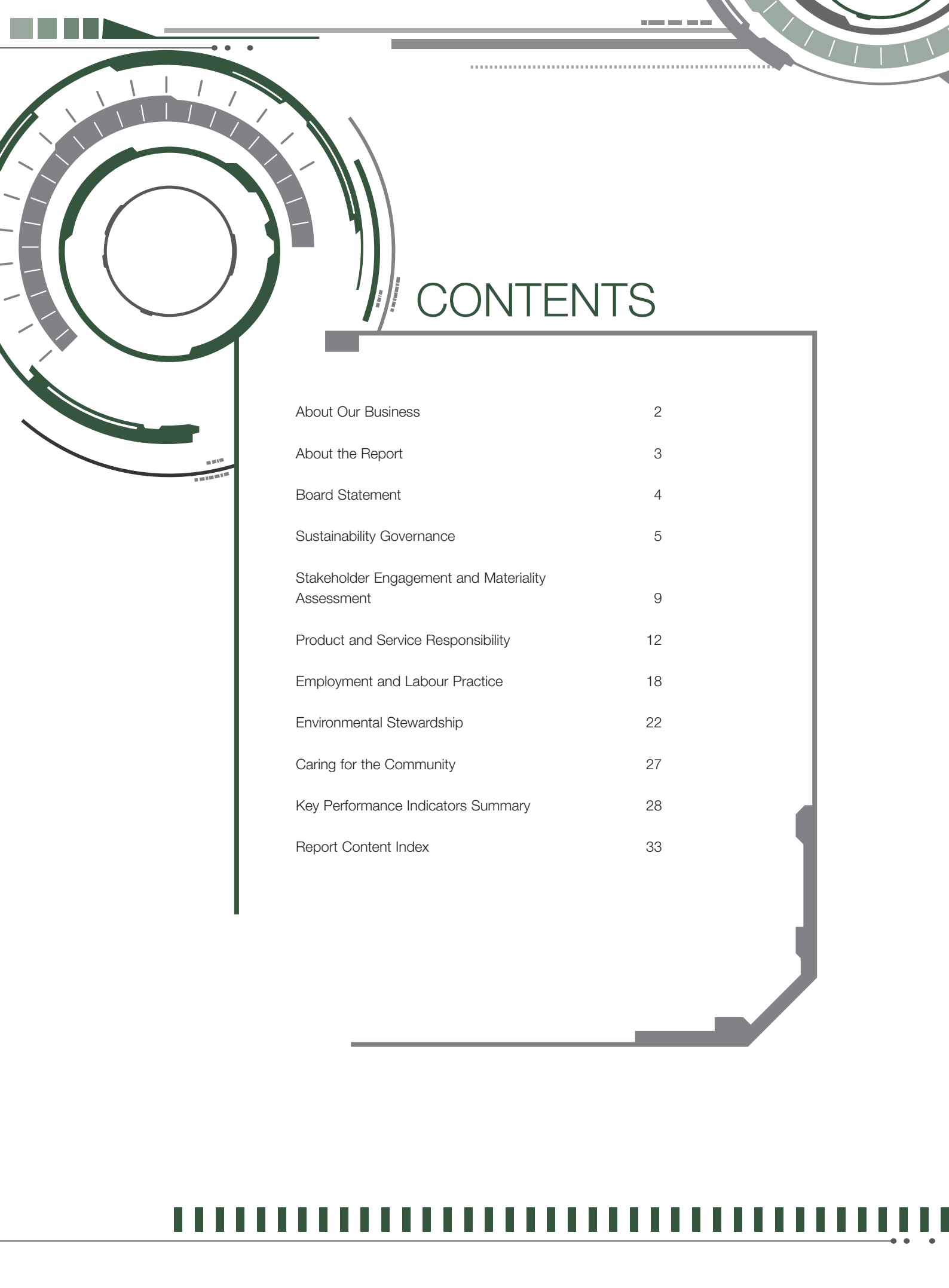
Environmental, Social and Governance Report



King's Flair International (Holdings) Limited

科勁國際(控股)有限公司

Incorporated in the Cayman Islands with limited liability Stock Code : 6822



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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2024

ABOUT OUR BUSINESS

Established in 1989, King's Flair International (Holdings) Limited (referred to as "the Company", along with its subsidiaries, collectively known as "King's Flair" or "the Group") has developed into a global provider of integrated solutions for kitchenware and household products. The Group's service portfolio encompasses product design and development, manufacturing, quality assurance protocols, storage and logistics management, and targeted marketing and distribution networks. This comprehensive offering enables King's Flair to serve distinguished brands in the kitchenware and household goods markets across key regions, including North America, Europe, and Asia. The Group aims to provide quality one-stop services adhering to its five core values, including:

Trust

Earning trust is paramount to us. From the initial engagement with our clients to the timely and cost-effective delivery of our services—often surpassing expectations—we are dedicated to fostering confidence in our professional guidance, strategic market insights, transparent communication, and technical expertise. These elements are integral to driving our clients' success and establishing enduring partnerships.

Extra Care-and-Control

Supply chain management extends far beyond mere oversight of processes. We adopt a meticulous approach, combining thorough care with precise control. By maintaining rigorous oversight and gaining an in-depth understanding of the production process, we are able to foresee potential challenges and manage risks effectively.

Extra Creativity

We enhance the traditional Original Design Manufacturer (ODM) model by continually striving to think beyond the ordinary. Our focus is on developing innovative design solutions that elevate and differentiate every project we undertake.

Speed

To keep pace with the ever-changing demands of the consumer market, we are dedicated to creating a culture of agility and rapid expansion. Our focus is on ensuring seamless operations and upholding the highest standards of product excellence, all while responding effectively to market shifts.

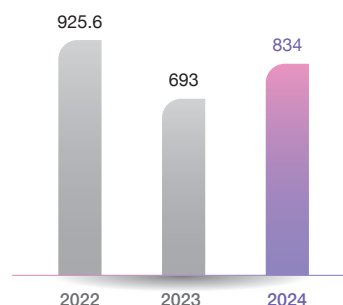
Expertise

We continuously update our knowledge of new technologies and methodologies, stay informed about market developments, and gain insights into the latest market requirements and trends. This enables us to adjust our strategy and strengthen our competitive position in the marketplace.

The Group posted a total revenue of HK\$834 million for the year ended 31 December 2024. The increase in revenue was mainly due to the increase in orders placed by the Group's customers in the US, resulting from shifts in customer spending trends towards more personalized products during the year.

Revenue Analysis

HK\$ million



ABOUT THE REPORT

The Environmental, Social, and Governance (“ESG”) Report (the “Report”) encapsulates the sustainability policies, metrics, and performance of the Group for the financial year from 1 January to 31 December 2024 (“2024” or the “Reporting Year”). The objective of the Report is to fulfil the information requirements of various stakeholders, enabling them to have a comprehensive understanding of the Company’s progress and development direction. The Report is available in both Chinese and English on the websites of The Stock Exchange of Hong Kong (“SEHK”) and King’s Flair (www.kingsflair.com.hk). This Report has been confirmed by the Group’s ESG Committee and approved by the Board of Directors (the “Board”) on 24 March 2025.

Reporting Scope

This ESG Report focuses on the operation of the Group’s primary business segment of trading of kitchenware and household goods, which generated about 94.4% of the Group’s total revenue during the Reporting Year. The Report focuses on King’s Flair’s 3 offices in Hong Kong (“headquarter office and brand offices”), specifically its headquarters office in Sheung Wan, as well as offices in Sheung Wan, Tsuen Wan, and an Advanced Manufacturing Center in Tseung Kwan O Industrial Estate¹.

While the Group’s operations are not fully covered in this ESG Report, King’s Flair is planning to broaden its reporting boundary in the future to better capture the Group’s impact on the environment and society.

Reporting Standards and Principles

This Report has been prepared following the “mandatory disclosure” requirements and the “comply or explain” provisions of the Environmental, Social, and Governance Reporting Guide (the “ESG Reporting Guide”) in Appendix C2 of the Rules Governing the Listing of Securities on SEHK, which has been developed by following the reporting principles listed below:

Materiality

The Group focuses on issues that are important to its stakeholders and have a significant impact on its business, the environment, and society. A stakeholder engagement survey and materiality assessment were conducted to identify the material issues.

Quantitative

The Group ensures the Key Performance Indicators (“KPIs”) are measurable and supplemented by a narrative explaining its purpose, impacts, and calculation methodology following local and international guidelines.

Balance

The Report strives to provide an unbiased overview of the Group’s ESG performance, avoiding presentation formats that may inappropriately influence a decision or judgment by the report readers.

Consistency

The Group adopts consistent data collection and calculation methodologies, and provides historical data where appropriate to enable meaningful comparison of data over time. In order to allow shareholders to fully understand the Group’s ESG performance, this Report discloses both environmental and social aspects KPIs, in compliance with the “comply or explain” provisions of the ESG Reporting Guide. There has been no change from the previous years in the methods or KPIs used to prepare this report, unless otherwise specified.

The Group welcomes and values the feedback from its stakeholders via email (ir@kingsflair.com.hk), and is always looking to improve its ESG management and performance.

¹ The factory located in Taipo and the laboratory located in Shatin were closed in July 2023 and December 2023 respectively. A new laboratory located in Tseung Kwan O started to operate in January 2024.

BOARD STATEMENT

Given the rising incidence of climate-related challenges, the Group acknowledges the significance of sustainability and climate resilience in driving business growth. During the Reporting Year, the Group proudly inaugurated its Advanced Manufacturing Centre in Tseung Kwan O, reinforcing its commitment to innovation in sustainable technologies and materials, as well as advancing carbon reduction efforts to promote new industrialisation.



The Group's approach to sustainability is spearheaded by the Board, which assumes responsibility for all environmental, social, and governance matters. To further enhance the Group's environmental and social performance, an Environmental, Social, and Governance Committee ("ESG Committee") has been formed, with a member of the Board acting as its chairperson. This committee is tasked with managing significant environmental, social, and governance challenges, structuring its efforts around three core pillars: the Environmental Pillar, the Social Pillar, and the Governance Pillar. Each pillar has specific objectives and ongoing initiatives aimed at advancing the Group's sustainability goals.

In addition to its internal efforts, the Group actively stays informed about the latest advancements in sustainability and places great importance on the feedback and expectations of its stakeholders concerning future sustainability initiatives. Upholding honesty and integrity in our operations and management is fundamental to the Group. The Group has implemented a robust compliance management framework that fosters a culture of ethical behaviour and strives to prevent any breaches of laws and regulations. By working closely with its stakeholders, the Group ensures lawful compliance across its entire value chain.

Looking ahead, the Group is determined to tackle upcoming sustainability challenges while seizing emerging opportunities in a dynamic market environment. We plan to continue strengthening our sustainability framework and build strong relationships with our stakeholders. Moving forward, we will leverage our resources and expertise to thrive alongside our stakeholders on our shared sustainability journey.

SUSTAINABILITY GOVERNANCE

The Group recognises that maintaining high governance standards and implementing a robust and transparent reporting framework are vital for ethical and sustainable business operations. Over time, the Group has remained committed to improving its environmental, social, and governance practices, seamlessly incorporating them into its business strategies and daily operations wherever possible.

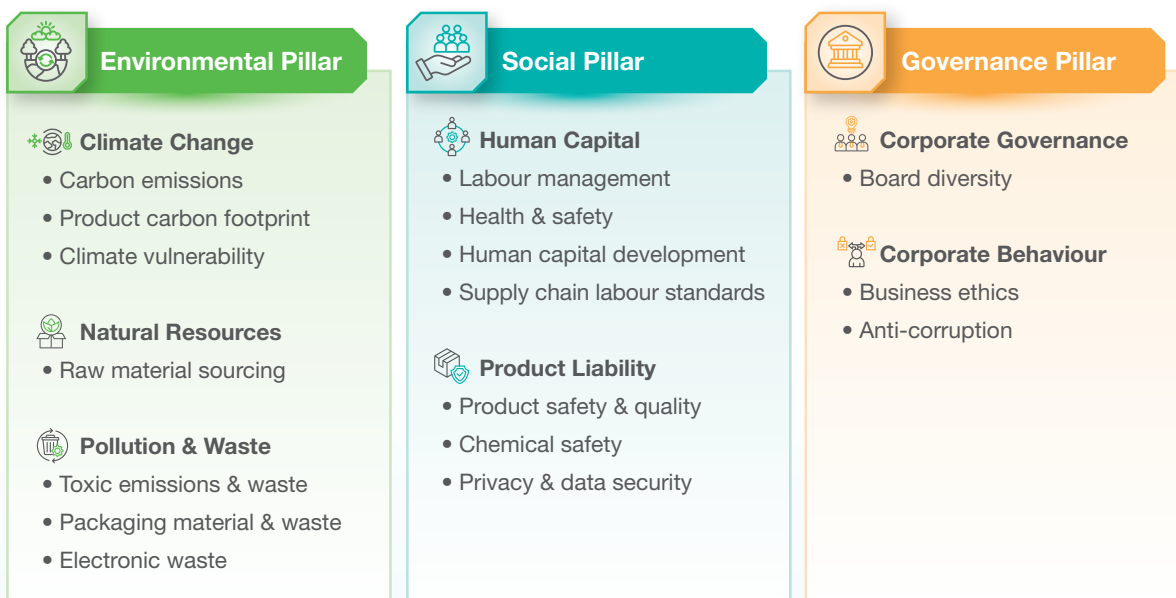
Governance Structure

The Board is responsible for overseeing the implementation of the Group's sustainable development strategy, being the top level governance body under the organizational hierarchy. Its key responsibilities encompass ensuring the Group's adherence to environmental, social, and corporate governance laws and regulations, providing employees with pertinent and comprehensive training, and reviewing and enhancing environmental, social, and governance matters, particularly in response to critical situations. Recognising the advantages of a diverse board for effective decision-making and robust corporate governance, the composition of the Board is subject to annual review by a nomination committee. This evaluation considers factors such as age, background, gender, and skillset to ensure a balanced and inclusive leadership structure.

The ESG Committee, established by the Board, is responsible for overseeing and addressing ESG matters of significant importance to the Group and its stakeholders. Led by a Board member, the Committee includes six senior management representatives who collaborate to address ESG challenges. While the Board performs an annual review of ESG performance, the Committee meets quarterly to discuss critical elements, including the overarching ESG policy, key ESG risks and opportunities impacting the Group, and the monitoring of ESG KPIs presented to the Board.

King's Flair conducts extensive evaluation of the Group's ESG landscape regularly, identifying substantial environmental and social impacts linked to the Group's operations. The Group has identified priority areas across specified pillars and will execute tailored initiatives to improve its ESG outcomes.

ESG Landscape of King's Flair



Risk Management

In recognition of the ever-evolving market conditions, the Group has implemented a robust risk management system to navigate the complexities of its operational environment effectively. Central to this approach is the identification and mitigation of ESG-related risks, which extend beyond conventional risk categories and encompass factors such as climate change, workplace health and safety, and labour practices within the supply chain. These elements are subjected to thorough evaluation, particularly when they pose significant threats to the Group's operations, products, or value chain. By proactively addressing these risks, the Group seeks to safeguard its business against potential disruptions while embedding responsible and sustainable practices throughout its operations. To ensure the efficacy of this framework, a compliance officer and designated risk managers conduct quarterly assessments of these risks. Any ESG-related risks deemed to have a substantial impact are formally documented in the Group's risk register and subsequently presented to the ESG Committee for further consideration and action. During the Reporting Year, the following key ESG-related risks were documented in King's Flair's inventory:

Table 1: ESG Risks Identified

Risk Type	ESG Risks Identified	The Group's Response
Policy & Legal	Tightening government policy on environmental protection	Maintain ongoing surveillance of newly introduced governmental regulations pertaining to ecological conservation
	Increased emissions reporting requirements	Continue to keep updated on and adhere to any new reporting standards
	Increased regulations of existing products or services	Maintain regular liaison with customers concerning product development and ensure adherence to all relevant regulatory requirements
	Increased permitting restrictions and hence increase in production cost from suppliers	Engage frequently with suppliers to gather their immediate insights on recent restrictions and formulate adjustment strategies accordingly
Technology	Failure of new technology, resulting in loss of investment	Continue to investigate the practicality of enhancing raw materials through research and development efforts
	Product substitution for lower emissions products (and therefore reduced demand for existing products)	Committed to pioneering advancements in raw materials to enhance performance and environmental efficiency
	Increased stakeholder concern and negative external feedback	Continue to track any adverse feedback and address concerns promptly to ensure stakeholder confidence
Climate Change	Increased frequency and severity of extreme weather events and disease related instances	Continue to monitor the impact of climate risks on business operations and plan preventive and response measures

Compliance Management

The Group has established a rigorous framework to manage internal controls and operational processes, underpinning its commitment to compliance with all applicable laws and regulations. Within this framework, the Group has identified critical legal and regulatory requirements integral to its operations. To safeguard against potential non-compliance, King's Flair has put in place detailed management policies and procedures designed to prevent enforcement actions, fines, penalties, and litigation. During the Reporting Year, the Group maintained an impeccable compliance record, experiencing no breaches of relevant laws and regulations.

Below is a list of laws and regulations categorised by aspects that have a significant impact on the Group's operations:

Table 2: Relevant Laws and Regulations

Aspects	Relevant Laws and Regulations Significant to the Group's Operation
Environment	<ul style="list-style-type: none"> Air Pollution Control Ordinance Waste Disposal Ordinance Water Pollution Control Ordinance Product Eco-responsibility Ordinance Motor Vehicle Idling (Fixed Penalty) Ordinance
Employment	<ul style="list-style-type: none"> Employment Ordinance Minimum Wage Ordinance Employee's Compensation Ordinance
Health and Safety	<ul style="list-style-type: none"> Occupational Safety and Health Ordinance Dangerous Goods Ordinance
Product Responsibility	<p>USA</p> <ul style="list-style-type: none"> Federal Food, Drug, and Cosmetics Act <p>PRC</p> <ul style="list-style-type: none"> General Product Safety Directive, Registration, Evaluation and Authorisation and Restriction of Chemicals Product Quality Law <p>Hong Kong</p> <ul style="list-style-type: none"> Personal Data (Privacy) Ordinance Copyright Ordinance Trade Descriptions Ordinance Registered Design Ordinance
Anti-Corruption	<p>USA</p> <ul style="list-style-type: none"> Foreign Corruption Practices Act <p>Hong Kong</p> <ul style="list-style-type: none"> Prevention of Bribery Ordinance

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Understanding the critical role of ESG considerations in driving sustainable success, King's Flair prioritises the interests of its shareholders and stakeholders. The Group actively collaborates with a diverse array of internal and external stakeholders to gather insights that shape its ESG strategy. By maintaining a close watch on market trends and adjusting its strategic direction accordingly, King's Flair ensures its objectives remain aligned with stakeholder expectations, ultimately supporting the Group's enduring success.

Communicate with Stakeholders

To maintain alignment with the rising expectations of its stakeholders, King's Flair actively engages through multiple communication channels to collect feedback on its ESG practices and performance. These stakeholder perspectives are integral to informing the Group's strategic decisions and operational plans, ensuring coherence between intentions and actions. Additionally, this inclusive approach strengthens the Group's preparedness to respond proactively to emerging sustainability challenges.

Engagement Channels with Key Stakeholders



Materiality Assessment

To identify the sustainability topics which are critical to its business operations and stakeholder interests, we reviewed the material ESG issues identified last year by considering the regulatory landscape, industry practices and stakeholders' interest. Following this review, we determined that the same 10 material topics remained the most material topics for us. The materiality assessment results were acknowledged and endorsed by the Board.

King's Flair 2024 Materiality Matrix

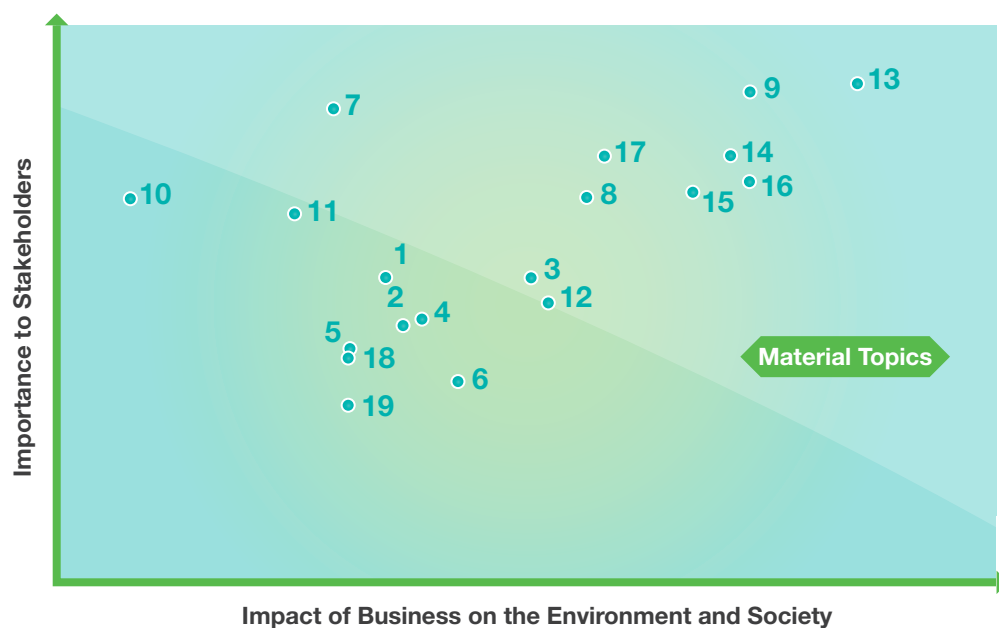


Table 3: Identified sustainability topics

Aspects	Sustainability Topics
Environmental Aspects	1) Air pollution management 2) Greenhouse gas emissions management 3) Energy saving/efficiency * 4) Wastewater/water management 5) Waste management 6) Climate change action
Labour Practices	7) Employee engagement * 8) Equality, diversity & anti-discrimination in the work environment * 9) A healthy and safe work environment * 10) Training and development 11) Respecting human rights along the value chain
Operational Practices	12) Supply chain management * 13) Protecting customer data & privacy * 14) Product quality management * 15) Customer health & safety * 16) Protection of intellectual property rights * 17) Prevention of bribery, extortion, fraud & money laundering * 18) Consideration of community needs & interests 19) Investing in the community

* refer to topics that were identified as material



PRODUCT AND SERVICE RESPONSIBILITY

In addition to upholding the highest standards of business ethics and integrity, the Group commits to incorporating ESG considerations into its operations to ensure a safe, efficient, and ethical environment. Together with the high standard practice, the commitment of King's Flair to maintaining long-term relationships with its customers and suppliers allows us to produce high-quality products to meet the market's changing demands.



Maintained regular communication with employees on the Group's Code of Business Conduct



Regularly monitored the latest update of standards and regulations relating to product quality and safety and data security, and reviewed the relevant internal policies and procedures



Conducted supplier engagement activities to discuss and promote sustainability practices



Providing high-quality and compliant products, while meeting the evolving needs of customers through product research and development

Fair and Honest Operations

As 'Prevention of bribery, extortion, fraud & money laundering' has been identified as one of the critical issues during the Reporting Year, the Group remains steadfast in upholding the highest standards of ethical behaviour and professional integrity across all its operational activities. This commitment is not only integral to internal operations but is also extended to the Group's external business partners. As regulated in the Staff Handbook, any form of corruption activities and conflict of interest are strictly prohibited throughout the Group's operation. Furthermore, adherence to the Code of Business Conduct is required for all business associates to maintain exemplary ethical standards throughout the entire supply chain.

Within the framework of its governance policies, the Group has established a robust Whistleblowing Policy that provides a secure and confidential channel for employees and business partners to report any instances of misconduct or unethical behaviour. All reported incidents are carefully reviewed by a dedicated Whistleblowing Committee, ensuring fairness in investigations and safeguarding the anonymity of whistleblowers. Targeted training sessions were conducted to reinforce awareness and compliance with anti-corruption practices regularly, laying a solid foundation for the Group's continued compliant operations.

Protecting customer privacy and respecting intellectual property rights are fundamental to the Group's operational ethos. The Group achieves this through a structured framework that includes the dissemination of the Code of Business Conduct and the Staff Handbook to all employees. These essential documents detail the policies that protect the interests of both the Group and its customers, ensuring that everyone within the Group understands and complies with these important guidelines.

To mitigate the risk of information leaks concerning patented products, the Group enforces strict confidentiality measures, such as the signing of confidentiality agreements for all potential suppliers submitting quotations. Moreover, the production process for the Group's patented designs is divided among several suppliers, preventing any single external party from gaining complete visibility into the entire production process or raw material specifications. Complementing these measures, the Group has established a Non-Disclosure Agreement ("NDA") policy that applies to all entities within the value chain.

In addition to these initiatives, the Group's Policy on IT Access Control and User Access Management serves as a critical safeguard for customers' intellectual property and data. These policies govern the access rights of employees and business partners to customer data within the Group's systems, stipulating that access privileges must be periodically reviewed to eliminate unnecessary permissions. The Group also stays abreast of developments in data privacy laws and standards, updating its policies accordingly to ensure ongoing compliance and protection.

Responsible Supply Chain Management

Suppliers are integral to King's Flair's ability to provide high-quality products and services, and the Group places great emphasis on building and maintaining strong, collaborative relationships with them. The Group strives to ensure that its suppliers live up to the Group's standards and expectations by establishing policies and requirements. Suppliers are required to follow the Quality Handbook for Suppliers' Products and the Code of Business Conduct, which were developed to regulate supplier performance and to assist the Group in mitigating potential environmental and social risks along its supply chain. These policies outline the Group's clear expectations for suppliers, focusing on key sustainability issues such as safeguarding human rights, eliminating child and forced labour, ensuring occupational health and safety, complying with environmental regulations, and upholding business integrity. Furthermore, during the Reporting Year, the Group organised anti-corruption workshops to educate suppliers on ethical practices and encourage responsible behaviour throughout the supply chain.

Procedures of Supplier Management

The Standard Operating Procedure (SOP) of King's Flair details a thorough process for selecting, approving, and assessing partners, reflecting the Group's commitment to working with suppliers who share its values. Additionally, the Group conducts regular assessments of its suppliers' environmental and social performance.

Supplier Selection

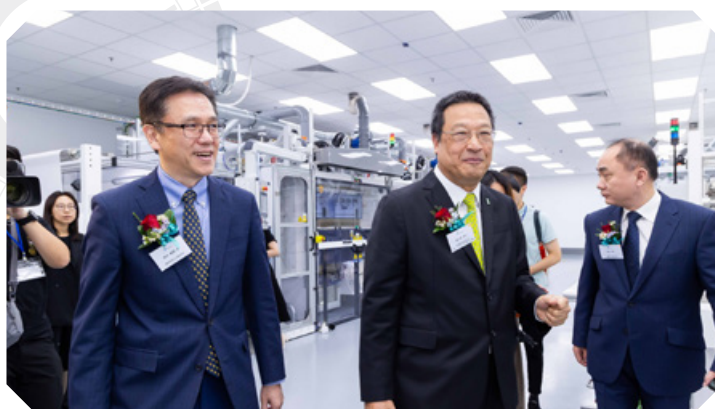
When reviewing proposals from suppliers, King's Flair consults relevant regulatory agencies, international trade organizations, and manufacturers. Suppliers will also be assessed based on their quotations, as well as their engineering and product development capabilities, ability to perform, and quality of materials delivered. To protect the confidential information of potential suppliers, the Confidentiality Supplier Agreement must be signed by the potential suppliers before the quotation process begins.

Approving Suppliers

New manufacturing suppliers must submit a completed Factory Evaluation Form along with supporting documentation to demonstrate their capability in delivering the services outlined in the document. The authority to approve supplier selections lies with the supply chain manager and the Group's senior management. Should a supplier's performance remain unsatisfactory, the Supply Chain Department and Quality Department are authorised to revoke approval and prohibit the use of the underperforming supplier. In such cases, the disapproved supplier will need to resubmit the Factory Evaluation Form for reconsideration if they wish to regain approval.

Supplier Evaluation

King's Flair has introduced a supplier rating system to facilitate a comprehensive evaluation of supplier performance. The Group evaluates existing suppliers at least once a year according to their engineering and product development capabilities, as well as reviewing the supplier's quotations, purchasing policies, shipping and logistics approach, quality control measures, and financial performance. Suppliers who receive a "Poor" rating are obligated to undertake improvement initiatives. The Group maintains close oversight of these suppliers on a quarterly basis until significant improvements are observed. Moreover, suppliers with low ratings are not assigned any new projects, and the Group will seek alternative sourcing solutions.



Review of Suppliers ESG Performance

In accordance with the Group's SOP, suppliers will be selected, approved, and evaluated in accordance with the established procedure. This process incorporates continuous assessments of environmental and social performance metrics. Furthermore, the Group conducts impromptu audits to ensure suppliers comply with the Code of Business Conduct. Regular compliance reviews are also performed to gauge suppliers' adherence to relevant legal requirements and industry standards. During the Reporting Year, we have conducted factory audits for all our key suppliers.

Quality Product and Services

Product Quality and Safety

The Group places a strong emphasis on ensuring the safety and quality of its products. As specified in the Supplier Quality Manual, the Group has listed the specific requirements and expectations for quality, health, and safety, which apply to every stage of the supply chain, from raw material sourcing to production, storage, and final inspection. The Group also undertakes regular reviews of its internal standards and material selections while actively monitoring developments in product safety regulations and quality control frameworks to uphold the highest standards.

In addition, King's Flair works in close partnership with its suppliers to guarantee full compliance with all applicable local and international health and safety standards. Close communication is maintained with suppliers throughout the production process to ensure that all goods meet relevant legal and regulatory obligations. Suppliers are required to exclusively utilise raw materials from an approved list provided by King's Flair for production. Moreover, the Group meticulously verifies product specifications, material safety data sheets, REACH2 reports, and food-grade certification before granting approval for production to begin.

To ensure the production process can reach the standards and requirements of the Group, King's Flair quality assurance professionals are appointed to station at the production plants to oversee the process. Specialised equipment is employed to manufacture BPA-free items independently, thereby precluding any risk of contamination from other materials. A systematic approach to warehousing, governed by a first-in, first-out policy, ensures that finished goods are not subjected to extended periods of storage. Additionally, sensitive materials such as polycarbonate are stored separately in designated areas of the warehouse. Throughout the entire production process, continuous communication between King's Flair and its suppliers guarantees compliance with applicable legislation. Should any non-compliant products or safety incidents occur, the Group is equipped with a clear product recall process encompassing the evaluation of risks and causes, investigation procedures, communications and instructions to customers and associated parties, the consideration of replacement products, and others for immediate actions. During the Reporting Year, the Group received no product recall records.

Product Research and Innovation

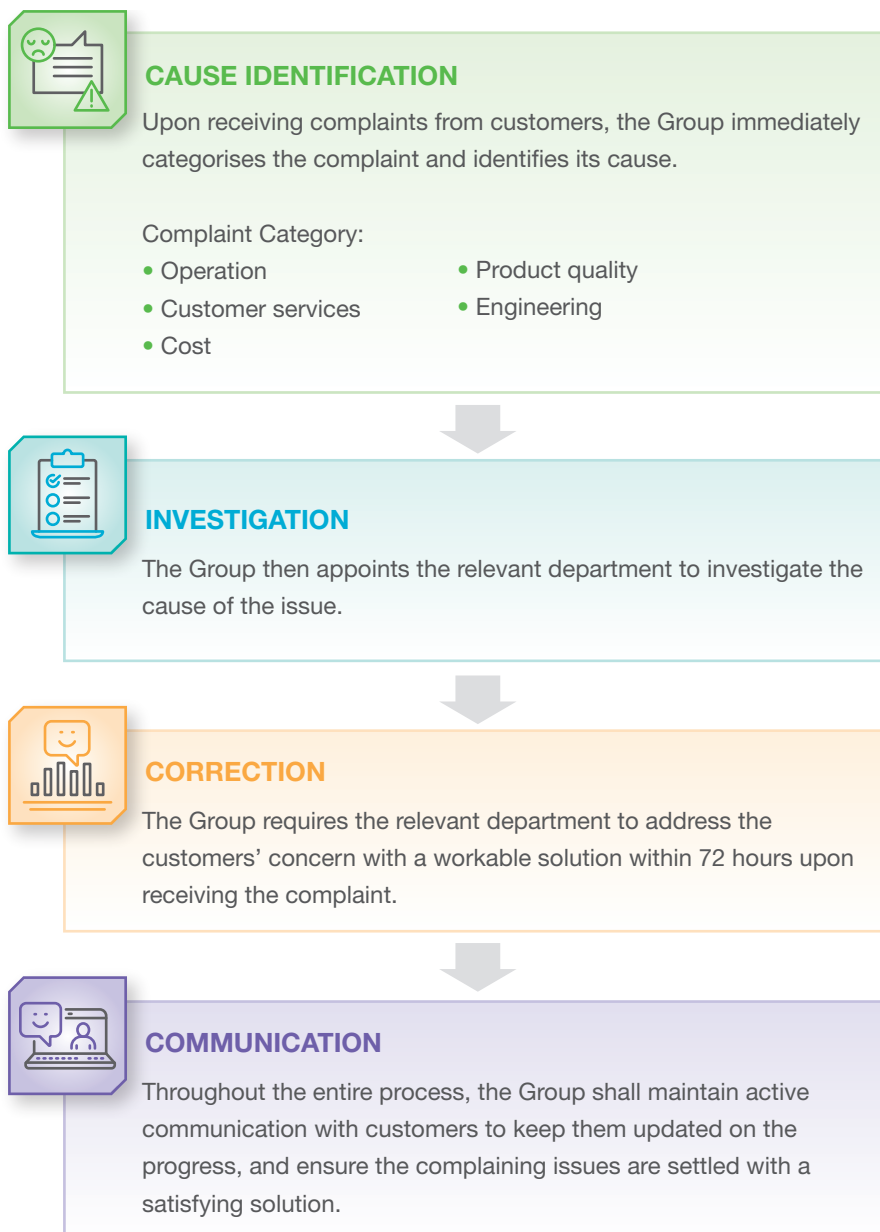
King's Flair is dedicated to meeting evolving consumer demands through continuous research, development and innovation, particularly in the applications of nanotechnology. To support our product research and development efforts, the Group has established a state-of-the-art Nano Material Manufacturing Centre at the Advanced Manufacturing Centre in Tseung Kwan O InnoPark. The new facility, supported by the New Industrialisation Funding Scheme, represents a significant milestone of our innovation and sustainable development journey. Equipped with world-class facilities such as smart sensors and real-time monitoring systems, the facility enhances our capability for rigorous quality control and operational adaptability. With the transition to this advanced production environment, the Group anticipates substantial enhancements in operational efficiency, including reductions in labour costs exceeding 40%, a multiplication of production efficiency by over six-fold, and a decrease in production conversion time by nearly 50%, when compared to a single line of production. Additionally, the facility's 4 production lines are capable of yielding more than 10 tonnes of nanomaterials per annum, serving the global marketplace.

For example, realising the deficiency of existing filtration technologies in removing detrimental contaminants such as bacteria, viruses and heavy metals from water, we have introduced nanofiber technology to our water filtration products. This innovation achieves unparalleled filtration efficacy without compromising water flow velocity. Furthermore, we are exploring the feasibility of applying nanotechnology in the medical and beauty fields to expand our impact.



Customer Feedback Handling Procedure

King's Flair dedicates efforts to refine product quality and optimise operational processes, with a keen focus on incorporating customer insights. The Group has instituted a structured Customer Feedback Handling Procedure as part of its SOP framework, thereby guaranteeing that all customer input is meticulously addressed and leveraged. During the Reporting Year, there were no material customer complaints recorded in relation to the Group's products or services.



EMPLOYMENT AND LABOUR PRACTICE

King's Flair is committed to ensuring a professional setting that upholds values of equity, ethics, security, diversity, and camaraderie, thereby enabling staff members to pursue career progression that resonates with their competencies and passions.



Nurturing Employees

The Group places a great emphasis on talent management, acknowledging that employees form the core of its operations. With a human-centric approach to human resources, the Group has outlined its policies, covering aspects such as remuneration, recruitment and promotion, dismissal, working hours, holidays, anti-discrimination, benefits and welfare, within the King's Flair Staff Handbook. Staff are encouraged to familiarise themselves with the contents of the Handbook to comprehend their entitlements and responsibilities.

Dedicated to fostering open and continuous dialogue with its workforce, the Group facilitates multiple open and effective communication channels for seeking feedback proactively. This approach to effective communication is pivotal in cultivating a collaborative environment rooted in the common principles of partnership, transparency, respect, and diversity. If any potential compliance issues or concerns arise, King's Flair encourages employees to report such occurrences through accessible channels, such as a dedicated hotline, email, or a written report form. Each report is meticulously recorded, followed by investigation procedures and disciplinary action if necessary. To ensure a fair, efficient, and equitable mechanism to handle and resolve issues arising in the workplace, the informant's identity will be kept confidential throughout the entire investigation process.

Remuneration and Benefits

The Group is committed to offering its employees competitive salaries and a wide range of benefits, aimed at both attracting and retaining top talent. Salary packages and benefits are designed to reflect individual contributions and are benchmarked against current market standards. Regular evaluations are carried out to ensure that the Group's human capital aligns with its operational demands and future growth objectives. The Staff Handbook delineates clear policies and guidelines concerning working hours and leave entitlements. Beyond statutory holidays, employees enjoy a range of leaves, including paid annual leave, wedding leave, maternity leave, paternity leave, birthday leave and other holidays, which vary based on rank and tenure. Recognising the importance of employee well-being and family life, King's Flair has introduced parental care leave to assist employees in their transition to parenthood and to provide additional family support. Additionally, the Group offers interest-free educational loans of up to HK\$200,000 to employees with a minimum of ten years' service to support their children's tertiary education.

Workplace Inclusiveness and Diversity

Fostering a diverse, inclusive, and equitable workplace is integral to cultivating a productive and agreeable professional atmosphere. King's Flair is committed to establishing an environment where all employees are afforded respect and dignity, irrespective of their gender, ethnicity, religious beliefs, health conditions, disabilities, family circumstances, sexual orientation, or political affiliations. The Group's Staff Handbook explicitly states its dedication to combating discrimination and harassment, and guarantees that the recruitment process is conducted in accordance with the principles of equal opportunity. Should instances of discrimination or harassment come to light, senior management is fully engaged in the investigative process, treating such matters with the utmost gravity.

Human and Labour Rights

The Group prioritises a proactive approach to compliance and ethical labour practices, safeguarding human and labour rights throughout its value chain. Central to this commitment are formalised policies outlined in employment contracts, the Code of Business Conduct, and the Staff Handbook. These documents are developed in line with international labour regulations, emphasising employment equality, labour rights, and stringent health and safety standards. During the Reporting Year, no instances of human rights violations were identified.

To prevent the occurrence of forced or child labour, robust recruitment procedures are in place, including the verification of candidates' ages and identities. Regular audits and annual declarations, conducted by both the Company and its clients, further reinforce these measures. If there is any discovery of forced or child labour, immediate investigation and corrective action will be conducted, with legal intervention sought when necessary. Additionally, the Group has established agreements with suppliers to ensure compliance with both local and international labour laws. This comprehensive framework underscores our dedication to ethical labour practices. During the Reporting Year, no case of child labour and forced labour incident was identified in the Group.

Occupational Health and Safety

The Group ensures the health, safety, and well-being of its employees by strictly adhering to occupational health and safety laws and regulations. In accordance with this, the Group has established its Environmental, Health and Safety Policies, as well as implemented various health and safety measures. This includes introducing regular environment disinfectant services, providing air purifiers, conducting regular inspections of safety equipment, and conducting fire drills in the office.

King's Flair adheres to the principle of "prevention comes first" when it comes to occupational safety. Therefore, we aim to equip employees with the necessary knowledge to prevent occupational hazards. The Group provides regular safety training to all employees regarding responsible practices within factory operations and general safety guidelines for laboratory professionals to continuously enhance employee awareness. Group employees are encouraged to report any work-related injuries to their supervisors immediately in the event of an injury. The department head will then determine the severity of the incident and arrange appropriate handling procedures.

Employee Training and Development

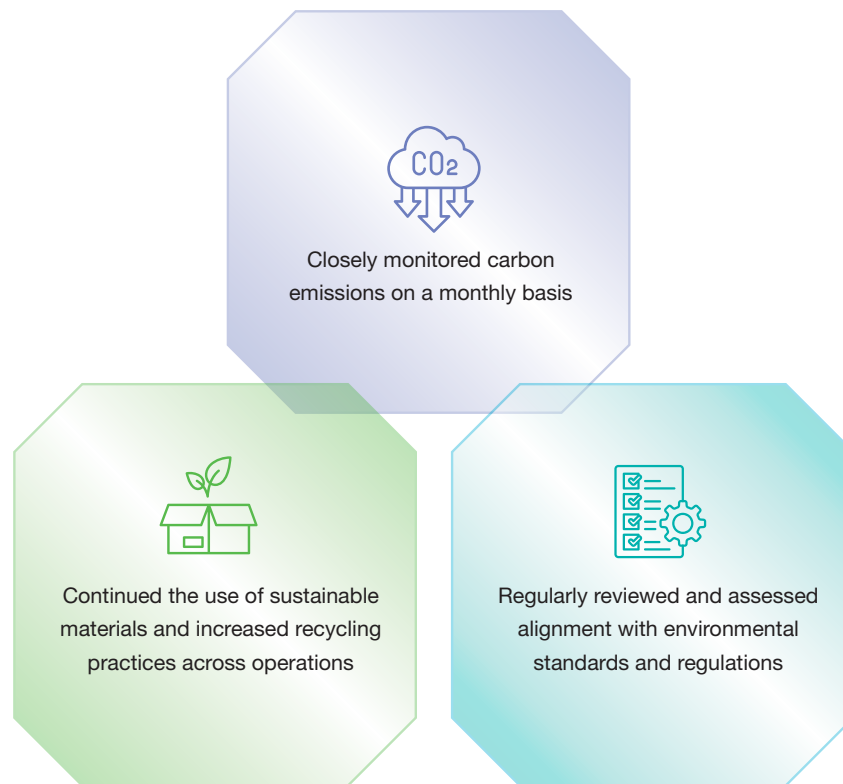
King's Flair recognises its employees as its most valuable asset, dedicating significant efforts to their career advancement and continuous learning. The Group stipulates its training commitment and guidelines in the Staff Handbook, as well as introduces different programmes in place for employees to obtain continuous professional education. Also, the Group invests in the continuous education of its workforce. Employees who have worked for the Group for two or more years are eligible for financial sponsorship of up to HK\$150,000 towards pursuing higher education qualifications, reflecting our commitment to nurturing talent. During the Reporting Year, the Group conducted an array of training activities tailored to different roles. For example, the Group hosted a diverse range of training sessions and workshops throughout the year to keep up with industrial updates and the prevailing economic landscape within the industry. In August, management training was provided specifically for senior staff.

Performance Management System



ENVIRONMENTAL STEWARDSHIP

King's Flair is dedicated to reducing and managing the adverse environmental impacts associated with its value chain through the adoption of various strategies and environmental protection measures. The Group's commitment to sustainability is articulated through distinct policies on energy conservation, water management, and waste minimisation, as outlined in the Environmental, Health and Safety Policy Statement. Furthermore, specific provisions concerning greenhouse gas emissions are incorporated into the Climate Change Policy, thereby ensuring a holistic approach to environmental stewardship.^{2,3}



Emission Reduction

King's Flair is committed to transitioning into a low-carbon organisation by reducing its carbon emissions and environmental impact. The primary contributors to the Group's carbon footprint are electricity usage at its headquarters, branch offices, and production facilities. To address this, the Group has allocated substantial resources toward enhancing energy efficiency and implementing energy-saving measures across its offices and production facilities. Further details regarding the Group's energy management strategies can be found in the "Resource Optimisation" section.

Aligned with the Hong Kong's Climate Action Plan 2050, King's Flair has been refining its environmental targets. In 2022, the Group set a qualitative target to drive continuous improvement in environmental performance.

² Air emissions are considered relatively insignificant to King's Flair's operations, and hence no corresponding policies and targets have been developed.

³ Discharges into water and land are considered relatively insignificant to King's Flair's operations, and hence no corresponding policies and targets have been developed.

During the Reporting Year, the total GHG emissions of the headquarter office and branch offices were 347.5 tonnes of CO₂-e. Scope 2 emissions from purchased electricity, which accounted for 241.6 tonnes of CO₂-e or 70% of total emissions, was the main source of emissions. This is followed by Scope 1 emissions from the combustion of fossil fuels, contributing 42.4 tonnes of CO₂-e or 12% of total emissions. Scope 3 emissions, which accounted for 63.6 tonnes of CO₂-e, or 18% of total emissions, comprised business travel by air, paper waste disposal and the electricity used for freshwater processing.

Table 4: GHG Emissions in 2024 vs 2023

Scopes	GHG Emissions	
	Emissions (tonnes of CO ₂ -e) 2024	2023
Scope 1: Direct GHG emissions	42.4	38.8
Scope 2: Indirect GHG emissions	241.6	129.8
Scope 3: Other indirect GHG emissions	63.6	27.3
GHG emissions in total	347.5	195.9
GHG intensity (per square foot floor area)	0.007	0.009

When compared to 2023, Scope 1 and 2 emissions were increased by 9% and 86% respectively, which were mainly due to the increase in electricity consumption following the opening of our Advanced Manufacturing Center in Tseung Kwan O. For Scope 3 emissions, it increased to 63.6 tonnes this year due to the increase of business travel associated with business growth. This year, the Group released 226.66 kg of respirable suspended particles, 3.39 kg of sulphur oxides, and 18.11 kg of nitrogen oxides during the Reporting Year which were mainly contributed by the increase in the use of mobile vehicles and yacht as more customers arriving to Hong Kong.

Responsible Waste Management Practices

Waste management holds significant importance for the Group and is considered a critical area of focus within its broader strategy for sustainable development. To mitigate the environmental impact of waste, the Group prioritises the use of sustainable materials in its operations and actively implements responsible waste-handling practices across the entire supply chain.

Sustainability is a cornerstone of King's Flair's operations, with a particular focus on reducing waste at its source. To achieve this, the Group has implemented a series of initiatives, such as replacing disposable tableware with reusable options and fostering the use of reusable catering utensils among staff. Specific personnel have been tasked with managing domestic waste collection and handling, ensuring that disposal practices align with environmental responsibility. Waste separation bins have also been installed across the Group's head office and branch locations to encourage structured recycling efforts. Recognising the unique challenges associated with discarded computer equipment, King's Flair has adopted an environmentally friendly approach by donating such items to reputable organisations. This not only reduces potential ecological harm but also supports the circular economy principles. The administration and personnel department maintain detailed records of this process to ensure compliance and traceability. We have also established a dedicated storage facility for hazardous waste generated during our manufacturing processes and contracted with professional disposal services to ensure proper handling and regulatory compliance. During the Reporting Year, the Group also ensured that all operational waste resulting from internal events was thoughtfully processed for recycling, further demonstrating its commitment to eco-conscious practices.

During the Reporting Year, the Group generated 1.86 tonnes of hazardous waste and 6.41 tonnes of non-hazardous waste. To ensure the disposed hazardous waste was handled properly, the Group appointed dedicated hazardous goods treatment supplier to handle the disposal safely. Compared to 2023, the total amount of hazardous and non-hazardous waste increased slightly as our Advanced Manufacturing Centre has been established during the Reporting Year, while the intensity has been decreased.

Table 5: Waste Generation in 2024 vs 2023

Waste Types	Waste Generation (tonnes)	
	2024	2023
Hazardous waste	1.864	1.054
Hazardous waste intensity (per 1,000 square foot floor area)	0.037	0.046
Non-hazardous waste	6.411	4.477
Non-hazardous waste intensity (per 1,000 square foot floor area)	0.126	0.196

Resource Optimisation

The primary resources utilised at the Group's head office and branch locations include electricity, petrol, diesel, paper, and water. In recognition of this, the Group has committed to implementing measures that ensure the efficient use of these resources and minimise unnecessary consumption.

Understanding the pivotal role of personal behaviour in advancing energy conservation, employees are encouraged to adopt habits such as switching off lights, air-conditioning units, computers, and other electronic equipment when not in use. Beyond these behavioural changes, the Group has also taken steps to optimise energy use, including increasing the deployment of LED lighting and introducing flexible working policies to reduce overtime hours in the office for employees.

During the Reporting Year, the Group's total energy consumption was 671 MWh, an 80% increase compared to 2023 which is mainly due to the newly established manufacturing factory. Meanwhile, the energy intensity was 0.013 MWh per square foot of floor area which was 19% lower than last year.

The Group has also adopted various measures to enhance employees' awareness of environmental protection, such as a decrease in activities requiring major water consumption. During the Reporting Year, the Group's total water consumption was 273 m³, a 75% increase compared to 2023. Furthermore, the Group's water consumption intensity was 0.005 m³ per square foot of floor area. The Group has yet to establish water and energy efficiency targets due to the changes of office locations and operations but plans to do so once the Group's operations have stabilised.

King's Flair acknowledges the substantial volume of paper consumed in its business operations and is actively pursuing a gradual transition toward a paperless workplace. As part of this initiative, the Group is promoting the reduced use of paper within its offices and has integrated multiple Enterprise Resource Planning (ERP) systems to streamline internal processes and enhance operational efficiency. Additionally, the Group is encouraging clients to opt for electronic versions of design documents whenever feasible. In line with its commitment to responsible sourcing, the Group ensures that its procurement of paper adheres to environmentally responsible practices. During the Reporting Year, King's Flair further demonstrated its dedication to sustainability by producing its annual report using environmentally friendly paper.

During the Reporting Year, a volume of 955.97 kg of paper usage⁴ was recorded. The increase in the amount of paper used is due to more physical meetings being held with clients. Moreover, 169.60 kg of paper used was collected, treated, and recycled by certified recyclers during the Reporting Year.

Table 6: Paper Usage in 2024 vs 2023

Use of Paper	Paper Usage (kg)	
	2024	2023
A4	850.73	399.2
A3	9.98	34.9
Coloured Paper	24.95	12.5

⁴ Paper usage included A4 paper, A4 coloured paper, A3 paper and other printed paper products such as business cards and annual reports.

Impact on the Environment

Awareness of the environmental consequences stemming from the design and manufacture of new offerings drives King's Flair to actively confront the negative aspects of its value chain. To this end, the Group has instituted a durable supply chain management strategy aimed at minimising environmental harm.

The Group upholds rigorous criteria for its suppliers, having published both the Quality Handbook for Suppliers' Products and the Supplier Code of Conduct. These documents are designed to govern supplier conduct stringently and to diminish the environmental toll of products across their lifespan. Furthermore, these guidelines direct the selection of raw materials, the choice of transport methods, and the handling of waste, chemicals, and production emissions at suppliers' facilities. Additionally, the Group works to decrease the carbon footprint of its products by emphasising sustainability to its suppliers through various engagement efforts, including conducting workshops to brainstorm sustainability-focused initiatives.

The Group has made a dedicated commitment to enhancing the incorporation of eco-friendly materials within its product range. Substantial funds have been directed towards the research and enhancement of sustainable raw materials, such as the innovative uses for spent coffee grounds. In addition, the Group is actively harnessing the research capabilities of local universities to promote global advancements in materials science. For instance, the Group has established an Innovation and Technology Centre in partnership with the Hong Kong Polytechnic University, aiming to facilitate international research collaborations and industry alliances. Furthermore, it has co-founded a "HKUST-KF Joint Laboratory for Sustainable Technologies" with the Hong Kong University of Science and Technology, dedicated to progressing research and practical applications in sustainable technologies, materials, carbon reduction, and state-of-the-art industrial processes. Moving forward, the Group intends to expand its efforts and continue to allocate additional resources to the progression of sustainable materials.

Climate Change Action

The frequency and severity of extreme weather events pose significant challenges to the Group's operations and supply chain. These challenges often manifest as delays in project delivery and financial losses caused by logistical disruptions. Recognising these risks, the Group has adopted a proactive approach to mitigating their impacts.

King's Flair has established a Climate Change Policy. This policy serves to bolster the Group's resilience against extreme weather events while underscoring its commitment to managing climate-related risks effectively. The policy encompasses several climate change mitigation measures, including collaborations with stakeholders to improve energy efficiency, integrating climate considerations into procurement processes, and others.

Additionally, the Group strives to stay informed about developments in environmental legislation and standards to solidify its climate resilience. The Group maintains daily monitoring of climate and disease-related incidents, implementing appropriate procedures and actions based on the severity of extreme weather situations. The Group also reviews and updates its Climate Change Policy every three years. This periodic review enables the Group to adapt to emerging trends and refine its approaches as needed.

Furthermore, the Group is committed to integrating climate change considerations into its overarching enterprise risk management framework. This holistic approach enhances the Group's ability to build resilience and respond effectively to unpredictable extreme weather events.

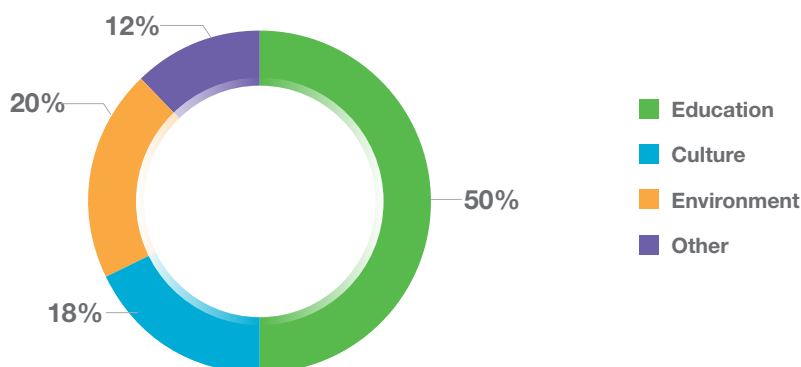
CARING FOR THE COMMUNITY

As a responsible corporate citizen, King's Flair acknowledges the critical nature of contributing to societal development and treasures its connections within the various communities in which it operates. Our dedication to social responsibility extends beyond business objectives, as we actively seek opportunities to support local communities, promote sustainable practices, and enhance the wellbeing of the overall environment.

To reinforce its dedication to fostering beneficial impacts, the Group has developed a formal Community Investment Policy. This policy delineates our obligations towards delivering meaningful and advantageous support to local regions and populations, while simultaneously motivating employees to engage in voluntary efforts that bolster nearby initiatives. Furthermore, this policy acts as a structured guide for determining the sorts of institutions and forms of support that the Group can offer, thereby ensuring that all community-focused endeavours are philanthropically motivated and in synergy with our business objectives, employee interests, and communal requirements. These supporting areas include education, health, culture, and the environment.

During the Reporting Year, we have donated in excess of HK\$4.11 million to entities furthering commendable causes. In the education sector, we support educational institutions across various segments through diverse initiatives. For instance, we support the establishment of the "King's Flair Group Scholarship for Outstanding PolyU Student Athletes" at the Hong Kong Polytechnic University and the "10 Children of Plan International" educational programme at the Plan International. Buddhist Ho Nam Kam College also received our Group's funding to promote its robotics team activities. Culturally, we have supported the Hong Kong Rehabilitation Power through events like Chinese orchestra concerts. We also provided funding to HK Grand Opera to foster its artistic development. In environmental conservation, we supported the World Green Organisation in organising the "ESG for Climate Actions International Conference 2024", aiming to raise public awareness on climate change and advance sustainable development.

Monetary Contributions by Focus Area



KEY PERFORMANCE INDICATORS SUMMARY

Environmental Key Performance Indicators

Environmental Data	2024	2023	Unit
EMISSIONS			
Types of emissions and respective emission data⁵			
Nitrogen oxides ("NOx") emissions	226.7	215.9	kg
Sulphur oxides ("SOx") emissions	3.4	3.1	kg
Respirable suspended particulates ("RSP") emissions	18.1	17.2	kg
Total GHG emissions and intensity			
GHG emissions in total	347.5	195.9	tonne(s) CO ₂ -e
Scope 1	42.4	38.8	tonne(s) CO ₂ -e
Scope 2	241.6	129.8	tonne(s) CO ₂ -e
Scope 1 & 2	283.9	168.6	tonne(s) CO ₂ -e
Scope 3	63.6	27.3	tonne(s) CO ₂ -e
Greenhouse gas intensity	0.007	0.009	tonne(s) CO ₂ -e/square foot floor area
	3.48	2.04	tonne(s) CO ₂ -e/employee
HAZARDOUS AND NON-HAZARDOUS WASTE AND INTENSITY			
Total hazardous waste	1.864	1.054	tonne(s)
Hazardous waste intensity	0.037	0.046	tonne(s)/thousand square foot floor area
Total non-hazardous waste	6.411	4.477	tonne(s)
Non-hazardous waste intensity	0.126	0.196	tonne(s)/thousand square foot floor area

⁵ Emissions from vehicles and vessels included, emissions were calculated in accordance with the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong compiled by the Environmental Protection Department and Electrical and Mechanical Services Department of Hong Kong.

Environmental Data	2024	2023	Unit
USE OF RESOURCES			
Total direct/indirect energy consumption by type and intensity			
Total energy consumption	671.0	372.2	MWh
Direct energy consumption	146.6	134.3	MWh
Petrol	90.7	83.4	MWh
Diesel/Gas Oil	55.9	50.8	MWh
Indirect energy consumption	524.3	237.9	MWh
Purchased electricity	524.3	237.9	MWh
Energy intensity	0.013	0.016	MWh/square foot floor area
	6.7	3.9	MWh/employee
Total water consumption and intensity			
Total water consumption	273.0	156.4	m ³
Total water consumption intensity	0.005	0.007	m ³ /square foot floor area
	2.7	1.6	m ³ /employee
Total packaging material amount and intensity⁶			
Packaging material amount	0.143	0.280	tonne(s)
Packaging material intensity	0.003	0.012	tonne(s)/thousand square foot floor area
	0.001	0.003	tonne(s)/employee

⁶ Under normal circumstances, no packaging materials are used in the Group's offices. However, due to the replacement of damaged product packaging in one of our branch offices, packaging material was purchased and used for this independent event.

Social Key Performance Indicators

Employment^{7,8}

Number of Employees ⁹		2024	2023
By Gender	Male	56	56
	Female	44	40
By Rank	Level C Senior Management	3	4
	Senior Management	26	25
	Middle Management	53	53
	General Staff	18	14
By Age Group	30 and below	11	11
	31-40 years old	21	22
	41-50 years old	41	38
	Above 50 years old	27	25
By Employment Category	Full-time	100	96
	Part-time	0	0
Gender Ratio (male to female)		1.27:1	1.40:1

⁷ Based on employees as of 31 December 2024.

⁸ Other than employees employed by the Group, the Group also has workers that provides services for King's Flair and work at the Group's office from time to time. Other workers include consultants, courier staff, auditors, contractors and other maintenance staff. As the Group does not directly employ nor directly manage the activities of such other workers, it does not have records of the exact number of relevant workers, therefore could not be reported.

⁹ All of the Group's employees are located in Hong Kong.

Environmental, Social and Governance Report 2024

New Hire ¹⁰		2024				2023			
By Gender	Male	11				12			
	Female	17				12			
By Age Group	30 and below	8	28	28%		7	24	25%	
	31-40 years old	6				2			
	41-50 years old	9				8			
	Above 50 years old	5				7			
Employee Turnover ¹¹		2024				2023			
By Gender	Male	18	32%			18	32%		
	Female	18	41%			15	38%		
By Age Group	30 and below	12	109% ¹²	36	36%	13	118% ¹²	33	34%
	31-40 years old	8	38%			9	41%		
	41-50 years old	11	27%			5	13%		
	Above 50 years old	5	19%			6	24%		
By Geographical Region	Hong Kong	36	36%			33	34%		

¹⁰ New hire rate = number of new employees during the Year/ number of employees as of 31 December 2024.

¹¹ Turnover rate = total number of employee turnovers or total number of employee turnovers of that particular category/ total number of employees or total number of employees of the particular category as of 31 December 2024.

¹² The Group categorises interns as employees, and thus interns are also included in the calculation of employee turnover rate. The turnover rate observed for the 30 and below age group is partially attributed by interns who have left the Group due to the completion of their corresponding internship programmes. During the Reporting Year, there were 3 interns who have left the Group.

Health and Safety

Fatality or injury rate		2024		2023	
Employees suffering from work-related fatality ¹³ or injury	Male	0	0	0	0
	Female	0		0	
Lost days due to work injury	Full-time	0	0	0	0
	Part-time	0		0	

Training

Number and percentage of employees trained ¹⁴		2024		2023	
By Gender	Male	42	75%	33	59%
	Female	36	82%	23	58%
By Rank	Level C Senior Management	1	33%	78	78%
	Senior Management	24	92%	21	84%
	Middle Management	45	85%	31	58%
	General Staff	8	44%	2	14%
Average training hours (hours) ¹⁵		2024		2023	
By Gender	Male	2.0		3.5	
	Female	1.8		2.2	
By Rank	Level C Senior Management	0.7	1.9	2.9	3.0
	Senior Management	3.0		6.4	
	Middle Management	1.7		2.0	
	General Staff	1.1		0.6	

Supply Chain Management

Number of suppliers ¹⁶		2024	2023
By Geographic Region	Mainland China	200	237

¹³ No employees of the Group suffered from work-related fatalities in the past three years.

¹⁴ Percentage of employees trained = total trained employees of that particular category/ total number of employees of the particular category.

¹⁵ Average training hours = total training hours of the particular category/ total number of employees of the particular category.

¹⁶ All of the Groups suppliers are based in Mainland China and are manufacturing suppliers.

REPORT CONTENT INDEX

Material Aspect	Content	Page Index/Remarks
<i>Mandatory Disclosure Requirements</i>		
<i>Governance Structure</i>		
Board statement	A disclosure of the board's oversight of ESG issues	4-5
	The board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses)	4-5
	How the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses	4-5
<i>Reporting Principles</i>		
Description of the application of the Reporting Principles	Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.	3, 9-10
	Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.	3
	Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison	3
<i>Reporting Boundary</i>		
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report	3

Material Aspect	Content	Page Index/Remarks
Comply or Explain Provisions		
A. Environment		
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.	8, 22 Air emissions and discharges into water and land are considered relatively insignificant to King's Flair's operations, hence no corresponding policies have been developed.
A1.1	The types of emissions and respective emissions data.	23, 28
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).	23, 28
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	24, 28
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	24, 28
A1.5	Description of emission target(s) set and steps taken to achieve them.	22
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.	24
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	25 King's Flair does not have a raw material policy, given that their business model reflects that of a service provider rather than a manufacturer, therefore deemed to be not material.
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).	25, 29
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	25, 29
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	25

Material Aspect	Content	Page Index/Remarks
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.	No issues in sourcing water during the Reporting Year.
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	29
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	22
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	26
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.	26
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.	26
B. Social		
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.	8, 18-19
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	30
B1.2	Employee turnover rate by gender, age group and geographical region.	31
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.	8, 20
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	32
B2.2	Lost days due to work injury.	32
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	20

Material Aspect	Content	Page Index/Remarks
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	20
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	32
B3.2	The average training hours completed per employee by gender and employee category.	32
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.	8, 19
B4.1	Description of measures to review employment practices to avoid child and forced labour.	19
B4.2	Description of steps taken to eliminate such practices when discovered.	19
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	13, 26
B5.1	Number of suppliers by geographical region.	32
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.	13-14, 26
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	13-15, 26
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	13-15, 26
B6 Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	8, 12-17 Product advertising and labelling considered insignificant to King's Flair's operations, so corresponding policies have not been developed.
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	17
B6.2	Number of products and service related complaints received and how they are dealt with.	17

Material Aspect	Content	Page Index/Remarks
B6.3	Description of practices relating to observing and protecting intellectual property rights.	13
B6.4	Description of quality assurance process and recall procedures.	15, 17
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	13
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.	8, 12
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.	There were no legal cases regarding corrupt practices brought against the Group in the Reporting year.
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	12
B7.3	Description of anti-corruption training provided to directors and staff.	12
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.	27
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	27
B8.2	Resources contributed (e.g. money or time) to the focus area.	27