



Arts Optical International Holdings Limited

(Incorporated in Bermuda with limited liability)

Stock Code: 1120

The background of the cover features a light green and yellow pattern of stylized leaves, flowers, and a sun. A large, semi-transparent white circle is centered on the page, containing the title text.

20  
24

ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT



# CONTENTS

## 2 BOARD STATEMENT

## 4 ABOUT THE REPORT

Scope of Report  
Reporting Standard  
Reporting Principles

## 5 STAKEHOLDER ENGAGEMENT

## 7 RISK MANAGEMENT

## 8 ENVIRONMENTAL MANAGEMENT

Emissions  
GHG Emissions  
Waste  
Use of Resources  
Water  
Packaging Materials  
Environment and Natural Resources  
Climate Change

## 15 EMPLOYMENT AND LABOUR PRACTICES

Employment  
Health and Safety  
Development and Training  
Labour Standard

## 23 OPERATING PRACTICES

Supply Chain Management  
Supply Chain Environmental and Social Risk Management  
Supplier Evaluation and Selection Criteria  
Green Procurement  
Product Responsibility  
Quality Management and Assurance  
Recall Process  
Quality Assurance Process  
Intellectual Property and Data Privacy Protection  
Business Ethics and Anti-Corruption  
Corporate Governance Policy  
Whistleblowing Policy

## 30 COMMUNITY INVESTMENT

## 33 FEEDBACK

## 34 ESG CONTENT INDEX



# BOARD STATEMENT

Arts Optical International Holdings Limited (hereafter referred as “the Group”) is steadfast in its pursuit of elevating sustainability performance, overseen by the Board of Directors (hereafter referred as “the Board”) within the framework of existing business strategies. The Group places paramount importance on environmental, social and governance (ESG) aspects while ensuring compliance with local laws across its operational regions. Stakeholder interests are at the forefront of corporate strategies, addressing their ESG expectations and mitigating operational risks with utmost diligence.

The Group collates information on ESG aspects through various departments and working groups on a periodic basis. This data is analysed and presented in a comprehensive ESG report. During the annual meeting, the Board reviews the disclosed ESG performance, assessing alignment with the company’s strategic vision, ensuring regulatory compliance, and identifying sustainability topics crucial to both the organisation and its stakeholders. This thorough review empowers the board members to make informed decisions and implement necessary adjustments to strategies when required.

Our unwavering commitment lies in delivering top-tier optical products to our customers while actively integrating sustainability practices across our operations. From design to distribution, we consider the environmental impact at every stage, striving to minimise energy consumption and waste generation. It is our duty to reduce our business’s environmental and community footprint to achieve a balance between profitability and sustainability.

Corporate social responsibility has garnered increased attention from different sectors, including consumers, investors, and business partners, as sustainable development emerges as a critical societal concern. Integrity stands as a cornerstone of our internal control mechanisms. The Group reinforces relevant policies and training, particularly for employees engaging with external entities like customers and suppliers, to mitigate corruption risks effectively.

As a responsible entity, the Group remains steadfast in focusing on social responsibility performance within the organisation and its supply chain. While driving innovation and offering quality products and services, the Group actively contributes to sustainable community development. Throughout the year, existing environmental and social policies and measures are effectively implemented, including waste reduction strategies, underscoring our commitment to environmental and societal responsibilities. The Group strives to enhance resource efficiency, maintain a safe working environment, optimise internal governance, and increase community investments.



## Board Statement

The Group's efforts to improve ESG performance have been recognised by the industry, evident in its approval to join the prestigious "ESG Pledge" Scheme organised by The Chinese Manufacturers' Association of Hong Kong and the Hong Kong Brand Development Council.

Due to the ongoing global economic uncertainties stemming from inflationary pressures, geopolitical tensions in Europe and Asia and pricing challenges arising from increased competition, the management anticipates a very challenging and competitive operating environment for the eyewear industry in the coming years. Nonetheless, the distribution and lens divisions exhibit promising profit margins, signalling their growing significance in the Group's future development. Despite these obstacles, the Group remains committed in pursuing business prospects and implementing diverse operational strategies. Leveraging the regional network, particularly in Asia, to mitigate risks and fostering strategic partnerships along the supply chain are key priorities. Maintaining close communication with customers is crucial in achieving essential environmental and corporate social responsibility objectives. The Group adopts a positive outlook towards the challenges ahead, embodying resilience and adaptability in its pursuit of sustainable growth and responsible business practices.





# ABOUT THE REPORT

This Report presented the Environmental, Social and Governance (“ESG”) performance of Arts Optical International Holdings Limited and its subsidiaries (collectively, the “Group”) (Stock code: 1120) in 2024. This is the ninth ESG Report of the Group. The Report is available in both English and Chinese. In case of any discrepancy between the two versions, the English version shall prevail.

## SCOPE OF REPORT

This report covers the ESG activities of the Group’s headquarters in Hong Kong and Arts Opti Lab (Shenzhen) Company Limited (Shenzhen factory), known as “AOL”, which is the primary operating entity of the Group. These facilities are the main operational sites that contribute a significant portion of revenues to the Group.

The Reporting Period spans from 1 January 2024 to 31 December 2024 (hereafter referred to as the “Reporting Period”). This report is published annually in conjunction with the Group’s annual report.

## REPORTING STANDARD

This Report is compiled in accordance with the Environmental, Social and Governance (“ESG”) Reporting Guide (the “Guide”) under Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## REPORTING PRINCIPLES

The preparation of this Report adheres to the reporting principles encompassing materiality, quantitative analysis, balance, and consistency.

### Materiality

The information disclosed in the Report has been collected, evaluated, and presented based on its materiality to the Company’s operations and its stakeholders. The reporting scope is determined by the significance of operations in terms of revenue contribution and ESG impact.



### Quantitative

All disclosed information, especially statistics on key performance indicators (KPIs), has been organised and calculated using standardised methodologies detailed in the relevant sections.



### Balance

To ensure a balanced reporting content, the Report provides fair disclosure of sustainability performance and challenges concerning the Company and stakeholders, with impartial information made available to the public.



### Consistency

The Report has been prepared consistently in terms of methodology compared to previous years. The business sectors and operating regions align with the reporting scope from the previous year.





# STAKEHOLDER ENGAGEMENT

Communication plays a pivotal role in achieving success. The Group utilises various communication channels to gather views from various stakeholders, such as shareholders, customers, employees, and suppliers. We protect our rights and interests to steer the Group's long-term trajectory and foster close relationships with all stakeholders. The Group's operational information and overall performance are consolidated every six months in the company's Interim and Annual reports and reported to stakeholders through the company's website: <https://www.artsgroup.com/en/index.html>.

To understand the perspectives and apprehensions of stakeholders concerning business operations, the Group has taken steps to identify crucial stakeholder groups. These groups consist of individuals who are concerned about issues that may have a significant impact on our business or those who may be significantly impacted by our operating activities. Furthermore, the Group has regularly interacted with these stakeholders through various communication channels. The table below provides an overview of our ongoing communication activities with key stakeholders:



## Investors & Shareholders

- ✓ Company website
- ✓ Company announcements
- ✓ Annual general meeting
- ✓ Annual & Interim reports
- ✓ Investor relations hotlines



## Customers

- ✓ Company website
- ✓ Customer service hotlines
- ✓ Social media



## Employees

- ✓ Training & Orientation
- ✓ Emails & Opinion box
- ✓ Regular meetings
- ✓ Employee performance evaluation
- ✓ Employee activities



## Suppliers & Business Partners

- ✓ Selection assessment
- ✓ Procurement process
- ✓ Performance assessment
- ✓ Regular communication (e.g. emails, meetings, on-site visits)



## Government authorities & Regulators

- ✓ Documented information submission



## Communities

- ✓ Company website
- ✓ Community activities



# Stakeholder Engagement

The Group's Directors and the ESG working group have undertaken an internal assessment of sustainability disclosure issues. Following thorough deliberation, the following issues have been identified as equally important and possessing a substantial impact on the sustainable development of the Group. Hence, they are outlined as the key areas of focus for the Group's sustainable development.



## ENVIRONMENTAL ASPECTS

- Emissions
- Use of Resources
- Environment & Natural Resources
- Climate Change



## SOCIAL ASPECTS

- Employment
- Health & Safety
- Training & Development
- Labour Standard
- Supply Chain Management
- Product Responsibility
- Anti-corruption
- Community Investment

# RISK MANAGEMENT

Unexpected events like fires, hazardous waste leaks, or wastewater spills can significantly impact the environment and our employees' safety. We have developed an emergency preparedness and response procedure which offers guidelines for addressing emergency incidents and to equip our staff with the skills to handle such situations effectively. Designated employees will receive training to ensure they are well-prepared to take leadership roles during emergencies. Throughout the Reporting Year, drills were carried out to ensure all employees followed guidelines and responded responsibly, effectively, efficiently and promptly during incidents related to pollution, chemical leaks, and operations in confined spaces.





# ENVIRONMENTAL MANAGEMENT

At the heart of our business's longevity lies a commitment to the sustainable development of our society, where environmental preservation plays a pivotal role in ensuring lasting success. We are enthusiastic about propelling our environmental performance to new heights, as we eagerly advance our sustainability initiatives. The Group actively integrates environmental protection practices into its daily operations to embrace environmentally responsible practices, mitigate pollution, and reduce resource consumption.

To systematically uphold environmental stewardship, the Group has implemented an ISO 14001 environmental management system, designed to monitor and enhance performance. Through regular internal and third-party audits, the effectiveness of ISO 14001 is rigorously evaluated, fostering a culture of continuous environmental enhancement.

Besides, the Group established directional targets to mitigate environmental impacts incurred from the operation (illustrated in the table below). Our environmental initiatives have earned widespread recognition, from government entities, industry, customers and suppliers, affirming our commitment to responsible corporate citizenship and sustainable business practices.

Environmental targets	Directional statements	Measures taken during the Year
 EMISSION REDUCTION	Adopt energy-saving equipment to reduce Scope 2 GHG emissions in the energy indirect category generated by purchased electricity	<ul style="list-style-type: none"> <li>Use of LED lights</li> <li>Phasing out diesel vehicles and fully switching to electric vehicles by 2030</li> </ul>
 WASTE REDUCTION	Reduce paper waste generation from office operations  Reduce waste from the production process	<ul style="list-style-type: none"> <li>Improved computerised operations and file management to minimise paper use in offices</li> <li>Encourage the use of both side printing</li> <li>Arranged scrap paper recycling to minimise paper waste</li> <li>Proactively seeking to discover and integrate new environmentally friendly equipment and cutting-edge technology to replace outdated machinery and systems to minimise production waste</li> </ul>

# Environmental Management

Environmental targets	Directional statements	Measures taken during the Year
 <p>ENERGY USE EFFICIENCY</p>	Gradually transition to electrical appliances with energy-saving labels across all operations to reach 100% adoption	<ul style="list-style-type: none"> <li>Replace obsolete equipment with energy-efficient models</li> <li>Display energy-saving reminders within the office premises to encourage staff to conserve energy</li> </ul>
	Implement alternative solutions to reduce the reliance on company vehicles and reduce fuel consumption	<ul style="list-style-type: none"> <li>Opt for video conferencing for internal meetings and intra-group meetings to minimise the need for business trips, reducing vehicle usage</li> <li>For necessary business trips, public transportation will be used more often</li> </ul>
	Optimise energy usage by minimizing the number of office equipment that consume significant amounts of energy	<ul style="list-style-type: none"> <li>Switch off idle equipment after office hours (e.g. lighting, personal computer, air-conditioners)</li> <li>Maintain office indoor temperature at 24–26 °C in response to the “Indoor Temperature Savings Charter” programme in Hong Kong</li> <li>Optimise office layout and operations to eliminate energy-intensive facilities, enhancing resource efficiency</li> </ul>
 <p>WATER USE EFFICIENCY</p>	Incorporate water-efficiency equipment	<ul style="list-style-type: none"> <li>Install water flow controllers</li> <li>Use of equipment with water efficiency labels</li> </ul>
	Implement wastewater reuse system in Shenzhen factory (AOL)	<ul style="list-style-type: none"> <li>Adopt water supply monitoring measures</li> <li>Reuse treated wastewater that has met specified standards after sewage treatment for non-production purposes</li> </ul>

During the Reporting Period, the Group has not identified any non-compliance with environmental emissions against the relevant regulations of the reporting scope.



# Environmental Management

## EMISSIONS

### GHG Emissions<sup>1</sup>

The Group is dedicated to minimising the carbon footprint brought by business operations and reducing the pollution of harmful air pollutants and greenhouse gases (GHG) across all operational phases.

The calculation of air pollutant emissions is based on fuel consumption and total distance travelled by vehicles. During the Reporting Period, Sulphur oxides (SO<sub>x</sub>) from the use of vehicles in both AOL and Hong Kong offices were the major source of air pollutants, with a total of 713.80 g.

### SO<sub>x</sub> Emission (g)

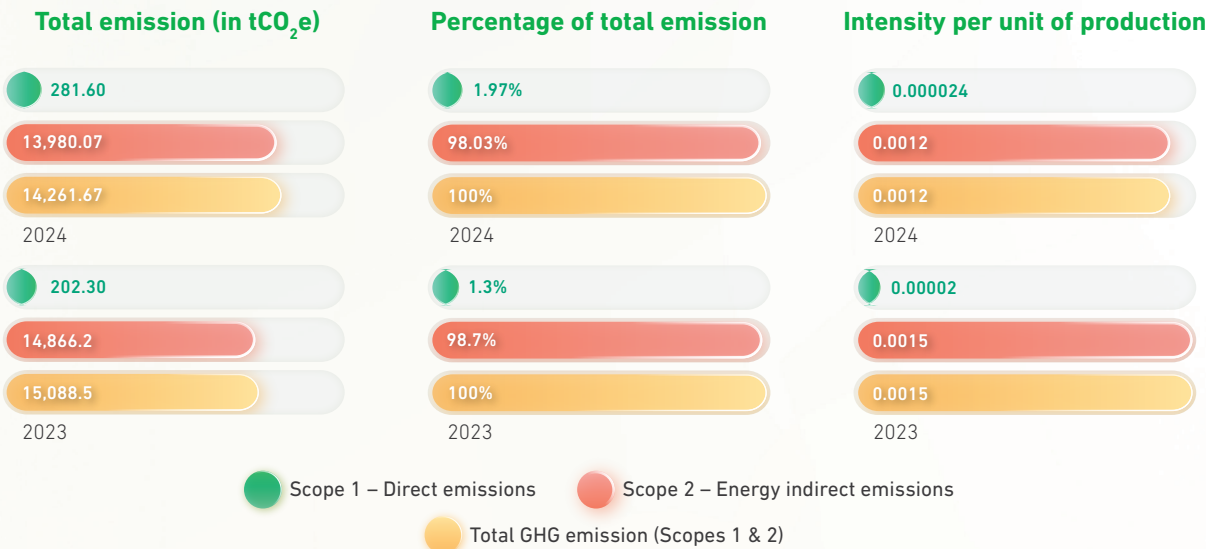
713.80

2024

730.43

2023

In terms of GHG emissions, the major emission source originates from mobile source emissions (Scope 1 Direct) and purchased electricity (Scope 2 Indirect). Throughout the Reporting Period, the total GHG emissions were 14,261.67 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e), with an emission intensity of 0.0012 tCO<sub>2</sub>e per unit of production. Despite the heightened production volumes, a reduction in total GHG emissions compared to previous year (-5.48%) is noticed, with the emission intensity per unit of production decreased from the preceding year (-19%). Such decline signifies that the Group's efforts to curtail GHG emissions have yielded tangible progress and positive outcomes.

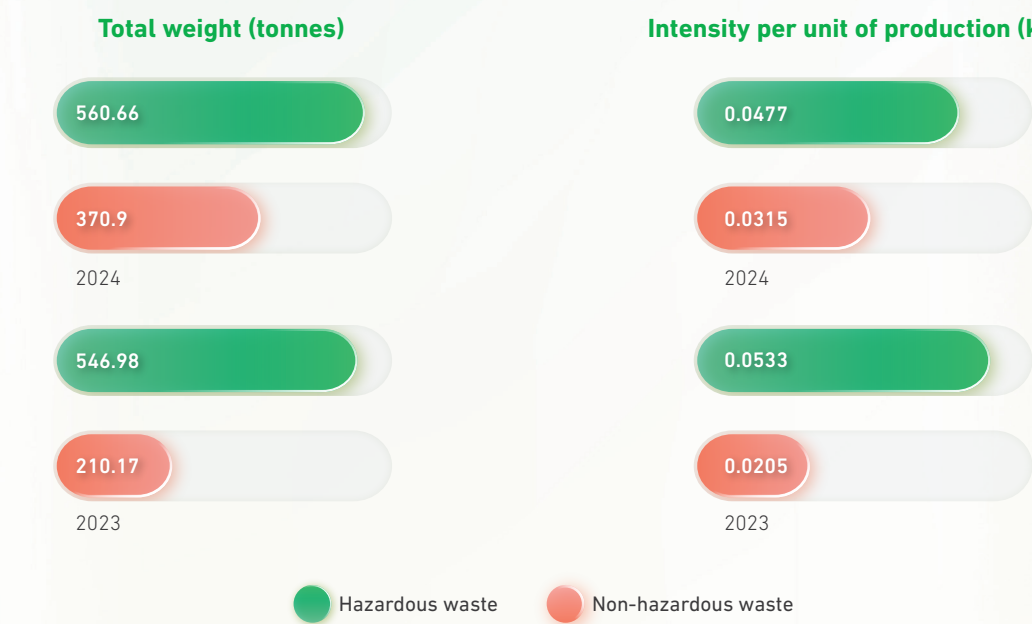


<sup>1</sup> The calculations of Greenhouse Gases Emissions are based on the IPCC Sixth Assessment Report Global Warming Potentials.

# Environmental Management

## Waste

The Group adheres to the principles of Reduce, Recycle, and Reuse for effective waste management practices. For hazardous waste, the Group follows strict regulations for collection, handling, storage, and hand-over to authorised collectors following regional regulations, with distinct and conspicuous labels to prevent leakage and misuse. To ensure proper handling of hazardous waste, the Group evaluate contractor competency through permit verification. Non-hazardous waste, predominantly household waste, is centrally managed by registered waste collectors. We also encourage our employees to reduce the use of disposable plastic through notice board leaflets and emails. Recycling bins for metals, plastics and paper are positioned across office and factory premises to boost recycling rates, accompanied by informative reminders to ensure proper utilisation of recycling facilities.



During the Reporting Year, the AOL factory was the major source of both hazardous and non-hazardous waste. The hazardous waste generated amounted to 560.66 tonnes, with an intensity of 0.0477 kg per unit of production, while the non-hazardous waste produced totalled 370.90 tonnes, with an intensity of 0.0315 kg per unit of production. Notably, since June 2024, in compliance with the general solid waste regulations stipulated by the Shenzhen Municipal Ecological and Environmental Protection Bureau, waste wood and two additional general solid wastes were incorporated into the calculation of non-hazardous waste. Consequently, there was a substantial increase in the cumulative weight of non-hazardous waste compared to previous year.



# Environmental Management

## USE OF RESOURCES

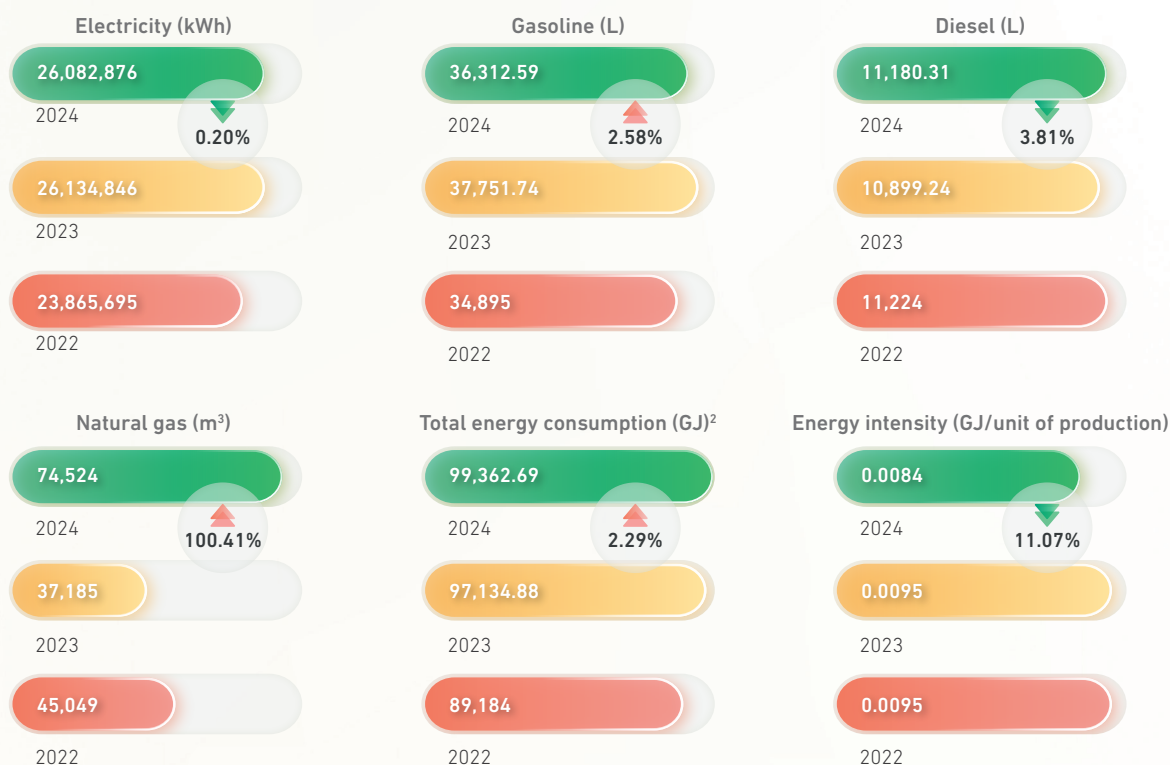
The Group strictly complies with all relevant laws and regulations in its operational jurisdictions. Committed to valuing resources, the Group actively develops and implements energy-saving and water-saving initiatives to optimise resource utilisation efficiently, thereby minimising waste and promoting sustainability within its operation.

The Group is dedicated to maximising clean and sustainable energy sources whenever possible. We adopt LED energy-saving lighting and transition from conventional switches to automated ones. Besides, we prioritise engaging local subcontractors and suppliers in our procurement procedures. This not only minimises GHG emissions but also bolsters resource efficiency concurrently.

During the Reporting Period, the Group's energy consumption comprised purchased electricity, gasoline, diesel, and natural gas. Purchased electricity constituted 95% of the total energy consumption and served as the primary energy source for the Group. The total energy consumed amounted to 99,362.69 GJ, with an intensity of 0.0084 GJ per unit of production. Commencing in April 2024, a Regenerative Thermal Oxidizer (RTO) waste gas treatment facility which use natural gas to operate was introduced. Consequently, the total natural gas consumption in the Reporting Year significantly exceeded that of the previous year, exhibiting a noteworthy increase of 100.41%. Moreover, the total energy consumption experienced a slight uptick of 6.05% due to the increase usage of natural gas and production volume.

The table below presents the total consumption and density of key resources by the Group over the past three Reporting Years, including the current Reporting Year:

### Energy Consumption



<sup>2</sup> The conversion factors from volumetric units of fuel consumption to energy units are in reference to CDP Technical note: Conversion of fuel data to MWh.



# Environmental Management

## Water

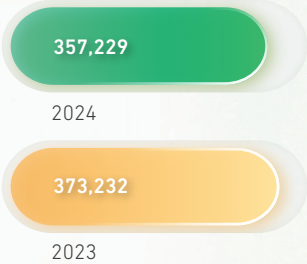
The total water consumption throughout the Reporting Year is 357,229 m<sup>3</sup> with an intensity of water usage of 0.0304 m<sup>3</sup> per unit of production. The operational sites within the reporting scope obtained water from municipal suppliers without encountering any sourcing challenges. All wastewater and sewage generated were responsibly discharged in compliance with pertinent laws and regulations. To reduce the reliance on fresh water, recycled water was used for toilet flushing. Employees are actively encouraged to support water conservation practices in alignment with the company's policy and sustainability objectives.

Concurrently with our water conservation efforts, we actively monitor our water consumption and recycling practices to drive continuous improvements and integrate environmental preservation principles into our daily business routines. For example, we reuse wastewater from packaging material washing in the material grinding process.

## Packaging Materials

The Group primarily utilises packaging materials for AOL finished product packaging. In the Reporting Year, 34.11 tonnes of paper and 3.26 tonnes of plastics were consumed. Notably, there was a significant 40% increase in the consumption of packaging plastics compared to the previous year, attributed to the escalated accessories processing at the Pingdi factory. The Group's dedicated efforts in reducing packaging materials have resulted in a significant 29% decrease in packaging paper usage. Moving forward, the Group remains dedicated to exploring avenues to enhance resource efficiency and continually improve our environmental performance.

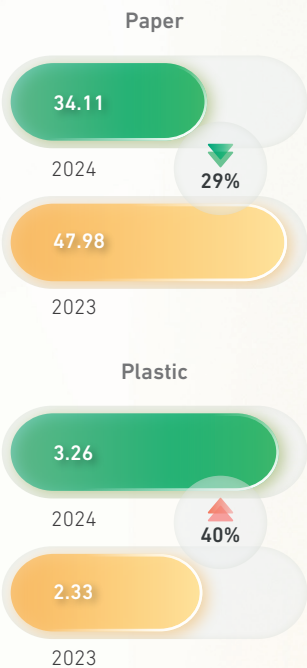
### Total water consumption (m<sup>3</sup>)



### Water consumption intensity per unit of production (m<sup>3</sup>)



### Packaging materials (tonnes)





# Environmental Management

## ENVIRONMENT AND NATURAL RESOURCES

The Group significantly emphasises evaluating its production processes and materials to minimise environmental impact and adhere to certified management systems like ISO 14001. The Group continues to instil an environmental protection mindset among its workforce, emphasising the critical importance of environmental preservation across all operational sites, and strives to positively impact the environment and the communities it serves. Selected employees have been offered opportunities to participate in operator training programs focused on waste gas, wastewater, and hazardous waste management. Such dedication to green operations is deeply embedded in the ethos of top management and employees, establishing a culture where sustainability is paramount.

When pioneering green initiatives, the Group actively involves employees, recognising their engagement in ensuring the success and impact of these programs. Such a collaborative approach not only boosts participation but also maximises the effectiveness of environmental efforts in reducing environmental impact and preserving precious natural resources.

Apart from eco-friendly designs and packaging, the Group implements green procurement policies that prioritise local sourcing, fostering a sustainable supply chain and product life cycle. This strategic alignment ensures that the Group consistently delivers high-quality green products, maintaining a commitment to environmental responsibility from the inception of production to the final product delivery.

## CLIMATE CHANGE

The Group's management consistently conducts thorough evaluations of the exposure to climate change risks, proactively implementing measures to effectively manage and mitigate the impact of climate change and extreme weather events. Given that the Group's production facilities and properties are located away from coastal areas, the likelihood of physical risks (e.g. flooding) and other severe weather conditions is relatively low.

In preparation to mitigate climate change risks, the Group has established a "Climate Change Policy" that delineates the necessary actions to address the multifaceted challenges posed by climate change. This policy undergoes regular review to ensure the Group remains well-informed and equipped with the resources to effectively monitor and assess the impact of climate change on its business operations.

In tandem with policy development, the Group has implemented comprehensive guidelines, notification procedures, evacuation systems, and accident investigation protocols to ensure employees are adequately prepared to respond swiftly and effectively to climate change-induced emergencies. Besides, the Group has secured property insurance coverage to mitigate potential losses, further fortifying its resilience against unforeseen climate-related adversities.



# EMPLOYMENT AND LABOUR PRACTICES

## EMPLOYMENT

Ensuring equality among all employees is our priority. Compensation packages are intricately tied to individual performance and experience while aligning with industry norms and practices. Regular reviews ensure that our remuneration policy remains relevant and competitive. In Hong Kong, adherence to the Mandatory Provident Fund (MPF) Scheme Ordinance, comprehensive medical coverage, and ongoing training opportunities are extended to all eligible employees.

Our employment framework encompasses a broad spectrum of labour standards, encompassing recruitment, promotion, termination, compensation, diversity, working hours, equal opportunities, anti-discrimination measures, and employee benefits. To ensure a fair and unbiased treatment of all candidates throughout the hiring process, the Group strictly follows these policies, including recruitment practices, diversity initiatives, and anti-discrimination protocols. Applicants are evaluated solely on their qualifications and experiences, free from any form of bias related to ethnicity, skin colour, gender, disability, language, family status, religion, or any other irrelevant criteria.

Committed to being an equal opportunities employer, the Group adheres rigorously to anti-discrimination regulations, fostering an inclusive environment that embraces employee diversity and nurtures a culture of open dialogue and mutual respect. Employees are provided with competitive remuneration packages, comprising basic salary, year-end double pay, and bonuses, along with statutory leaves (e.g. paid leave, sick leave, maternity leave, paternity leave, and marriage leave). As part of our commitment to employee well-being, the Hong Kong office extends optical optometry services to employees, their families, and friends.

The Group regularly organises various social and entertainment activities aimed at alleviating stress and promoting a healthy work-life balance, demonstrating its care for our workforce. During the Reporting Year, employee health remained a priority, with the organisation hosting Sports Day and exercise activities to encourage a healthy lifestyle and enhance a sense of belonging. Additionally, festive activities such as Mid-Autumn Festival celebrations were arranged to provide employees with moments of relaxation and enjoyment.



Mid-Autumn Festival Event – Rope Pulling



Staff Basketball Match



## Employment and Labour Practices



**Work Break Exercise Competition**



**Spring Festival Couplets Giveaway**



**Tea Art Workshop**



**Oil-Paper Umbrella Workshop**

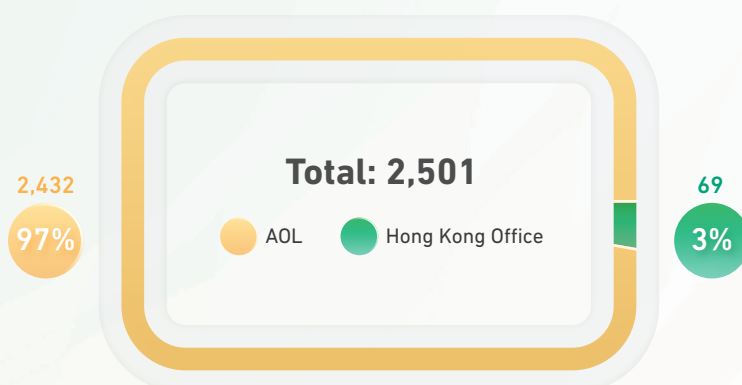
The Group operates its business in strict compliance with the pertinent laws and regulations in both China and Hong Kong. In China, we uphold adherence to key mandates such as the “Labour Law of the People’s Republic of China”, and the “Labour Contract Law of the People’s Republic of China”. In Hong Kong, our operations align with statutes like the “Sex Discrimination Ordinance”, “Disability Discrimination Ordinance”, “Family Status Discrimination Ordinance”, and “Race Discrimination Ordinance”, etc. During the Reporting Year, the Group ensured full compliance with the applicable employment regulations within the scope of our operations. No instances of non-compliance were identified against the regulatory framework during this period.



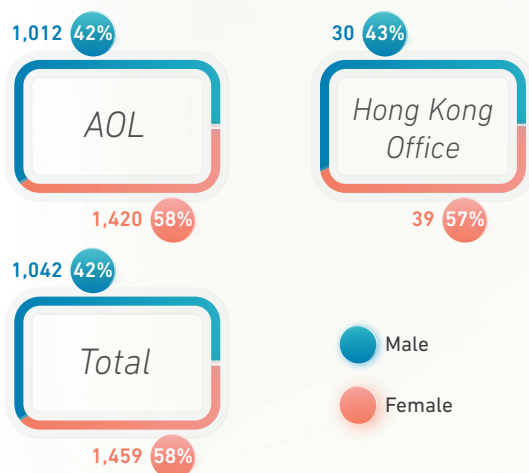
# Employment and Labour Practices

As of 31 December 2024, there were 2,501 full-time employees, with the majority (97% of the workforce) stationed at the AOL factories in Mainland China. The remaining 3% were situated in the Hong Kong Office, contributing to the diverse and dynamic composition of the group's operational staff across different locations.

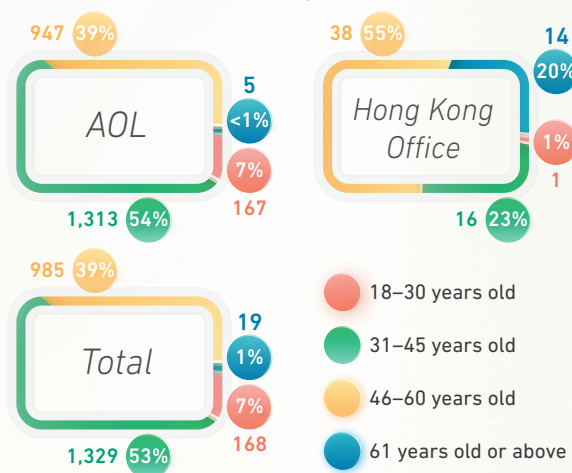
## Total number of workforce



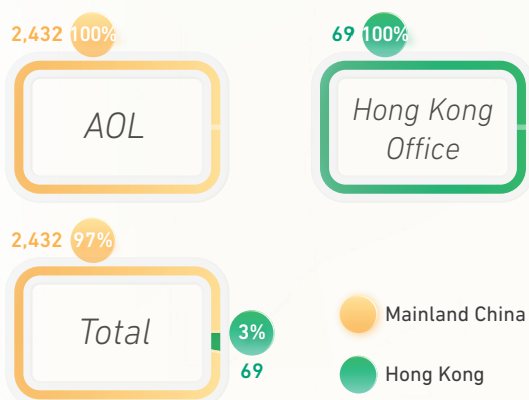
## By Gender



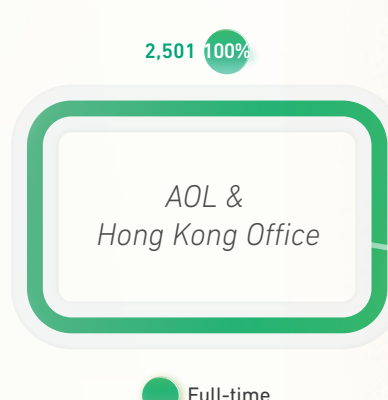
## By Age



## By Geographical Region



## By Employment Type



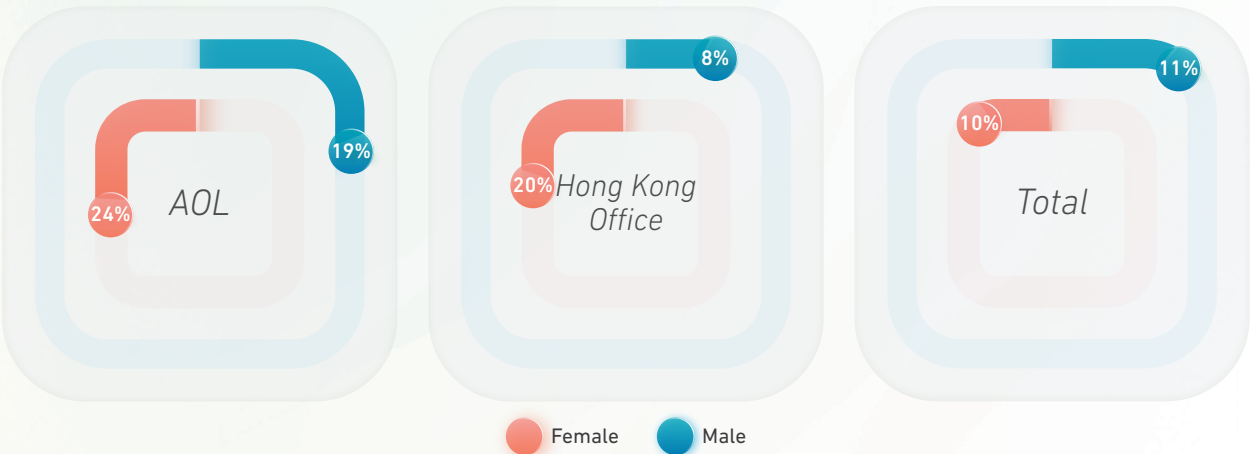


# Employment and Labour Practices

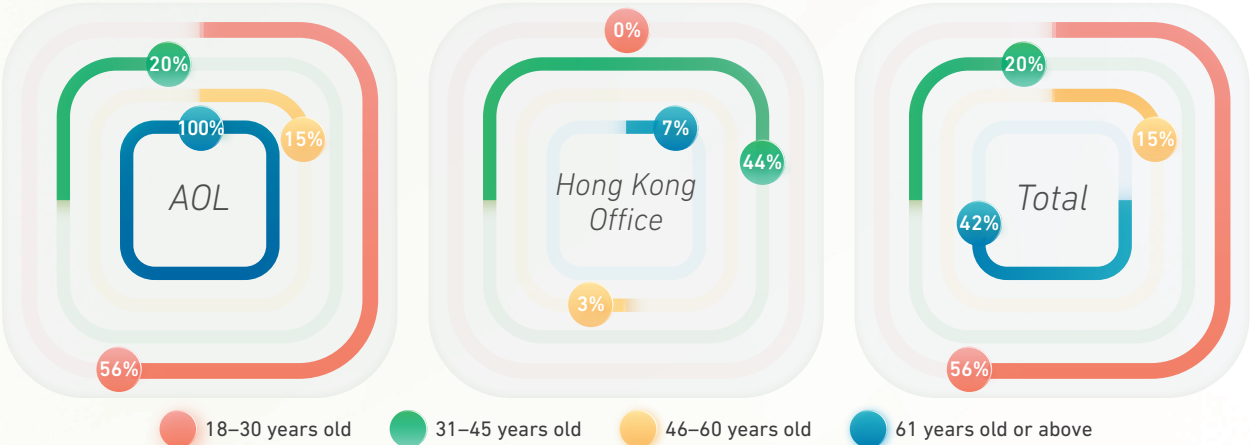
The table below shows the detailed employee turnover rate by gender, age and geographical region. The overall employee turnover rate in 2024 is 21%.

## Employee Turnover Rate

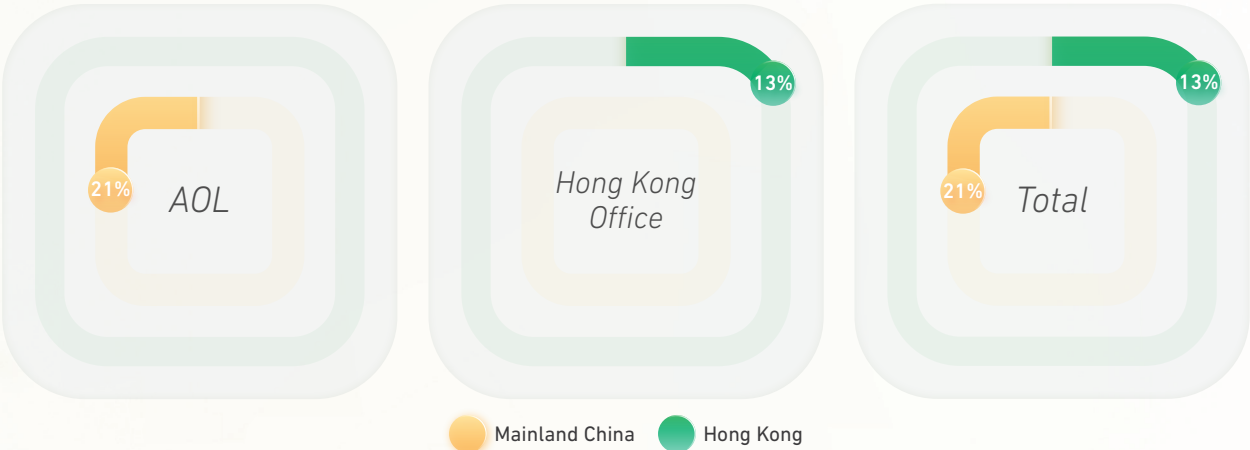
By Gender



By Age



By Geographical Region



# Employment and Labour Practices

## HEALTH AND SAFETY

The Group places the utmost importance on the health and safety of its employees, striving to cultivate a work environment that is not only productive but also healthy, safe, and comfortable. Our commitment to employee well-being is manifested through the implementation of comprehensive safety management measures aimed at identifying and mitigating potential hazards, thereby enhancing the overall health and safety of our workforce.

Since 1987, a cross-branch Occupational Health and Safety Committee, led by the general manager and comprising 124 representatives from various functional departments, has maintained a secure working environment. This committee is dedicated to fostering a culture of safety and actively encouraging and promoting safe working practices across all levels of the organisation. The Group has been certified with ISO 45001:2022 Occupational Health and Safety Management System, demonstrating our dedication to ensuring a safe workplace for all.

A key pillar of the Group's safety management practices lies in proactive hazard identification and mitigation efforts. The Group upholds a core tenet of "Safety and Prevention First" within its safety management policies. Regular on-site inspections are conducted to pre-emptively identify potential risks, while contingency plans are prepared to address any unforeseen incidents. Besides, the implementation of the Arts Optical Personal Protective Equipment Regulations demonstrates the Group's commitment to ensuring a safe working environment by providing appropriate personal protective equipment in compliance with relevant regulations and legislation. Stringent oversight guarantees the proper utilisation of protective gear, particularly for employees exposed to hazardous substances like toxic gases, harmful dust, and excessive noise. To uphold robust occupational health and safety standards across each production department, AOL adheres to the principles of "who is in charge, who is responsible" and "who uses, who is responsible". These guiding principles establish clear lines of accountability and responsibility to ensure that each individual understands their role in maintaining a safe and healthy working environment.

Occupational health and safety policies and procedures have been established to mandate precautionary measures, including facility safety management policies, indoor working conditions and monitoring policies, and employee work safety training policies. The Group also monitors employees' working hours exposed to high-risk occupational hazards, showcasing its proactive stance towards safeguarding employee well-being. The Group also specialises in maintaining optimal indoor air quality within office and factory premises by promoting sufficient air ventilation and circulation, such as opening windows and implementing regular sanitation measures.

In addition to providing essential insurance coverage for Hong Kong employees, including medical, personal accident, employee compensation and travel insurance, the Group also arranges annual complimentary medical check-ups for AOL employees to monitor and safeguard against potential occupation diseases proactively. In the event of any unforeseen circumstances, the Group ensures fair compensation and support for affected employees and their families.

In line with its commitment to continuous improvement, the Group communicates with employees regularly, offering valuable information and training resources related to occupational safety. These resources, readily available on the Group's website, empower employees to recognise and prevent potential health hazards in their work environment.



## Employment and Labour Practices

In 2024, our AOL factory reported 43 work-related incidents that resulted in 391 lost days due to work injuries. Despite these incidents, the Group is proud to maintain a strong safety record with zero work-related fatalities for the fourth consecutive year, including the Reporting Period. During the Reporting Period, the Group has not identified any non-compliance on occupational health and safety against the relevant regulations of the reporting scope, such as the Occupational Safety and Health Ordinance, Factories and Industrial Undertakings Ordinance, and the Law of the People's Republic of China on Work Safety in the reporting scope of the Group.

Our AOL factory reported

**43** work-related incidents

that resulted in

**391** lost days due to work injuries



Employees participating in fire drill

### DEVELOPMENT AND TRAINING

The Group values every employee, regardless of their position, recognising the importance of fostering both corporate success and individual career development. Regular training on managerial skills and relevant topics is organised, with promising employees selected to participate. Upon completion of the program, those who demonstrate exceptional performance may advance to management roles and potentially join the Group's senior management teams, reflecting the Group's commitment to nurturing talent for sustained growth and success.

The Group has created a variety of training programs particularly designed for routine employees. Given the rapid pace of technological advancements and innovations, providing updated training is essential to empower employees and unlock their full potential. These programs encompass classroom sessions, work progress presentations, and occupational skills training. Additionally, annual performance reviews are conducted at all levels, with employees receiving recognition and year-end bonuses based on their achievements. Exceptional performers are prioritised for internal job openings, demonstrating the Group's dedication to employee development.

Emphasising personal growth, the Group offers mandatory classroom and on-the-job training for new hires to facilitate their adaptation to new roles, including familiarisation with factory regulations and safety protocols. Tailored professional training programs covering business processes, materials management, inventory control, lean management practices, environmental regulations, and wastewater management are provided based on job nature. Both in-house and external training opportunities are extended to employees, with subsidies and scholarships offered on a case-by-case basis to support continuous learning and skill enhancement.



## Employment and Labour Practices

In 2024, the Group provided 539.5 hours of training for all employees, with 337.5 hours for male employees and 202 hours for female employees. The training hours for senior management, middle management and junior level employees are 10, 51.5 and 488 hours respectively. The percentage of employees trained by gender and employee category and the average training hour completed per employee by gender and employee category are listed below:

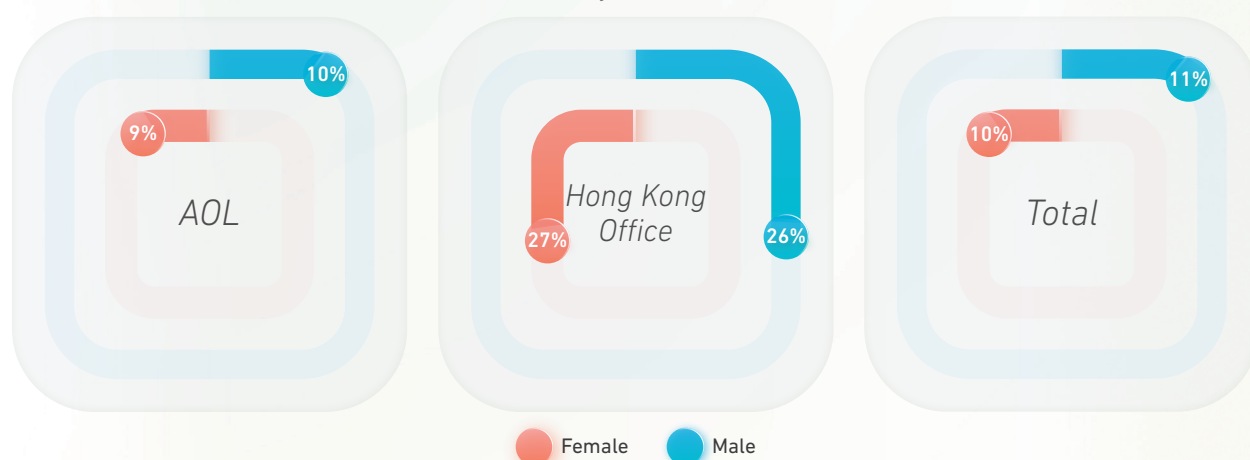
The Group provided

**539.5 hours**

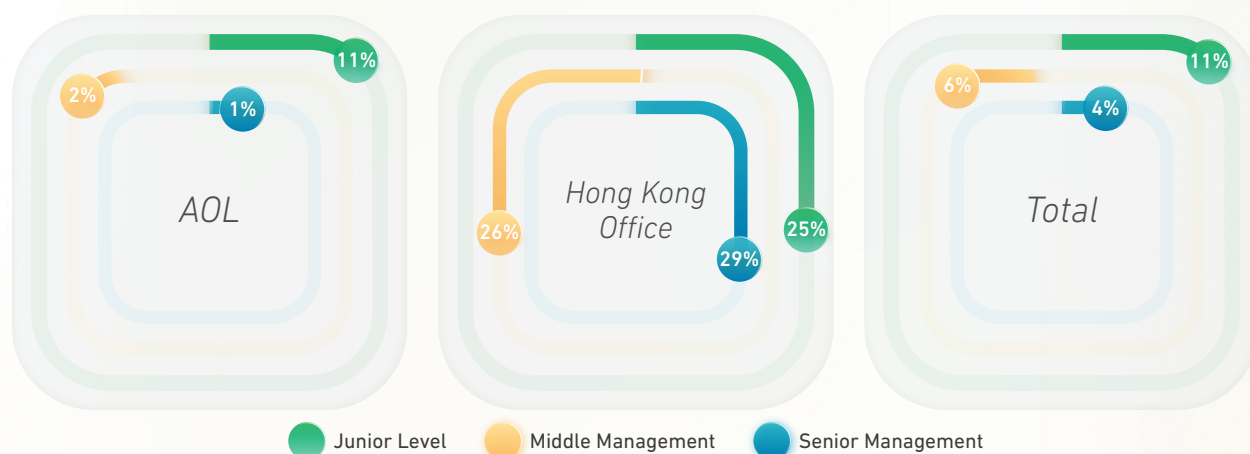
of training for all employees in 2024

### Percentage of employees trained<sup>3</sup>

#### By Gender



#### By Employee Category



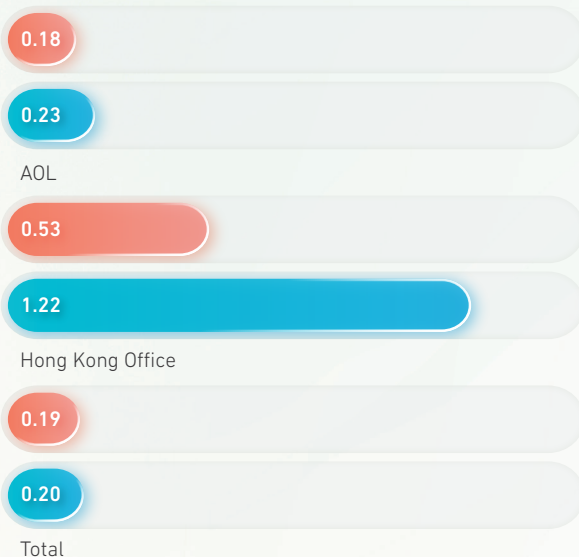
<sup>3</sup> Percentage of employees trained = Number of employees trained in the specified category/Total number of employees in the specified category \* 100%



# Employment and Labour Practices

## Average training hours completed per employee<sup>4</sup>

By Gender



● Female ● Male

By Employee Category



● Junior Level ● Middle Management  
● Senior Management

## LABOUR STANDARD

In its daily operations, the Group opposes forced labour and prioritises maintaining a healthy work-life balance to promote productivity while safeguarding the physical and mental well-being of employees, which is reflected in meticulous planning of deployments and working schedules. If overtime work is required, prior approval from management is mandatory, and affected employees are compensated accordingly.

Adhering to employment laws and regulations, the Group upholds the minimum age requirements for employment and the associated rights and protections. Identify verification checks are conducted to ensure that candidates meet legal employment age criteria and are authorised to work. In cases where child labour or illegal workers are identified, we will immediately terminate the employment. If necessary, the Group will seek assistance from relevant institutions to address instances of child labour and safeguard the well-being of affected individuals.

During the Reporting Year, there was no non-compliance with relevant laws and regulations and no reported case of child labour or forced labour.

<sup>4</sup> Average training hours per employee = Total number of training hours by employees in the specified category/Total number of employees in the specified category

# OPERATING PRACTICES

## SUPPLY CHAIN MANAGEMENT

### Supply Chain Environmental and Social Risk Management

The Group strongly emphasises corporate social responsibility (CSR), with a focus on environmental protection, health, safety, and other related areas. The Group holds its suppliers to high standards and expects them to align with these values. To ensure adherence to these standards, a supplier code of conduct has been established to guide supplier management and align with the expectations of the Group's stakeholders. This code serves as the foundation for effectively managing our vendor relationships.

Key suppliers are monitored through periodic annual reviews to monitor their progress in meeting social responsibility requirements. By promoting ethical practices and sustainability throughout the supply chain, the Group aims to cultivate a culture of responsibility and accountability among its suppliers. This not only benefits the environment and communities but also reinforces the Group's commitment to ethical business practices and sustainable operations.

During the Reporting Year, the Group had a total of 213 suppliers, with 77% located in Mainland China and 15% located locally.

### Supplier Evaluation and Selection Criteria

CSR performance is a pivotal factor in the selection of suppliers for the Group. Regular evaluations of existing suppliers are conducted across different criteria, including product quality, service delivery, material safety, process monitoring, adherence to environmental and social standards, regulatory compliance, continuous improvement initiatives, competitive pricing, responsive customer service, and respect for intellectual property rights and patent rights. Suppliers are expected to comply with the SA8000 Social Responsibility Standard, with a dedicated compliance officer appointed by suppliers to oversee quality and compliance matters. When suppliers fail to meet the specified requirements, promptly implement remedial actions are required. Persistent non-compliance may lead to the termination of the business agreement with the concerned supplier. All suppliers are mandated to ensure that their products and services align with the principles of sustainable development while upholding the quality and safety standards set by the Group.

### Suppliers by geographic region





# Operating Practices

## Green Procurement

In alignment with our commitment to environmental sustainability, the Group prioritises recyclable materials, environmentally friendly products, and renewable resources in its procurement practices (e.g. recycled paper, replaceable pens, and recyclable laser printer cartridges). Electrical appliances undergo strict compliance with The Energy Efficiency (Labelling of Products) Ordinance, while furniture is required to be crafted from environmentally friendly materials.

Under our environmental policy, we strongly emphasise ensuring that our suppliers mirror our level of environmental responsibility towards the environment and society. We prioritise local suppliers to reduce transportation distances and minimise carbon emissions. We communicate specific environmental requirements to all suppliers and conduct regular performance assessments to ensure alignment with our defined standards.

To underscore our dedication to sustainability, the Group has obtained certification under the International Sustainability and Carbon Certification (ISCC), a globally recognised certification system. We have adopted the ISCC Mass Balance System since 2022, focusing on enhancing green procurement practices with our glue board suppliers.

Channel of notification



LETTERS AND EMAIL

Performance review

90%

Performance review frequency

Implementation  
to 100%

Performance review follow-up

90%





# Operating Practices

Furthermore, the Group disseminates the updated national standard for Volatile Organic Compounds (VOC) to our suppliers, emphasising the importance of environmental protection guidelines and expecting full adherence and compliance with the specified requirements.

 STANDARDS, LEGAL AND REGULATORY DOCUMENTS	Channel of notification	
	Performance review	100%
	Performance review frequency	Annually
	Performance review follow-up	100%

## PRODUCT RESPONSIBILITY

### Quality Management and Assurance

The Group prioritise the quality of goods and services to minimise health and safety risks associated with product usage. Continuous improvement is a key focus, aligning with customer demands and ensuring consumer health and safety. To meet both customer requirements and production capabilities, the Group ensures that all stages of the process, from material sourcing to manufacturing, packaging, and delivery, adhere to relevant regulations, product standards, material specifications, and technical guidelines. Stringent quality control measures are maintained through the Testing Department and Quality Control (QC) Department, responsible for overseeing product quality at every production stage and conducting final inspections before product dispatch. The Product Quality Assurance Policy guarantees compliance with national standards such as EN 16128:2015, ISO 12870, ISO 12312, ISO 9001 and ISO 14001.

The Group has established the following quality assurance policies to uphold product quality standards:

<b>Product Safety and Health Assurance Policy</b>  The Group’s hazardous substance control system ensures that all product specifications comply with applicable laws and regulations. Rigorous material management is maintained throughout the product realisation process. Effective communication channels with suppliers and customers are established to facilitate collaboration and information exchange.	<b>After-Sales Service and Product Recall Policy</b>  Prioritising consumer health, the Group provides comprehensive after-sales care. Customer feedback is valued for future product enhancement and promotions. The Group has implemented customer communication channels for receiving feedback and complaints in verbal and written forms. Upon receiving a complaint, a thorough investigation is conducted to review and evaluate the situation.
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## Operating Practices

### Recall Process

The Group has established a structured recall process to manage product quality issues effectively and ensure customer satisfaction. The detailed steps involved in the recall process are as follows:

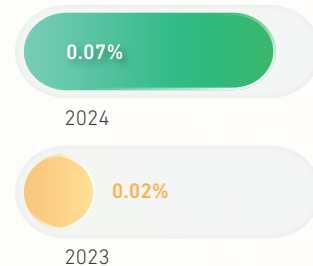


Additionally, the Group has implemented robust procedures for handling serious incidents through the "Serious Accident Notification and Product Recall Procedures". In the event of hazardous incidents, the QC Department conducts classification and analysis, if the incident is deemed hazardous, the Regulatory Monitoring team reviews and confirms the need for a product recall. Once confirmed, the QC committee, led by the Quality control manager, will carry out the recall process. This includes verifying product details, tracking delivery locations, recycling or processing defective items, and notifying affected customers and government agencies if necessary. These comprehensive procedures are designed to manage incidents effectively while minimising impacts.

During the Reporting Period, there were no product recalls due to health and safety issues. In 2024, the Group received 12 customer complaints about product quality, all promptly addressed and resolved to meet customers' satisfaction.

The Group is certified for ISO 9001:2015 Quality management system certification, underscoring its commitment to maintaining high quality and safety standards in line with global benchmarks. The Group's overarching motto is to "Improve quality, reduce costs, and meet customers' requirements". To uphold these principles, the Group has established a range of procedures, including "Incoming Material Inspection Control Procedure", "Non-conformities Control Procedure", and "Final Inspection Control Procedure", aim to ensure the conformity of all materials used and to guarantee that all products meet the necessary quality standards before they are delivered to customers.

### Percentage of total products sold or shipped subject to recalls for product quality issue





# Operating Practices

## Quality Assurance Process

The Group guarantees that raw materials used in the production process are safe, and reliable and strictly control hazardous chemicals. All raw materials provided by suppliers must submit qualification certificates issued by third-party testing agencies with strengthened Registration, Evaluation, Authorisation, and Restriction of Chemicals (REACH) testing of the materials and products is crucial for maintaining quality standards and compliance. The detailed quality assurance process is as follows:



### Product Quality and Safety

Products are sent to the Testing Department for quality and safety tests. Enhanced REACH monitoring of products is implemented to ensure compliance with safety standards. Additional testing on nickel release is carried out, referencing standards such as EN 12472: 2005 and EN 16128:2015. Further training on China's national standards GB 39552.1-2020 for Sunglasses and sunglare filters – Part 1: General requirements and GB/T 39552.2-2020 for Sunglasses and sunglare filters – Part 2: Test methods are intensified to ensure meticulous adherence.

1



### Verification Reports

Upon verification, the QC Department manager reviews the report to identify and address any non-conformities. Procedures are established to manage defective products efficiently, focusing on strengthening employee training and ensuring meticulous documentation through detailed report completion. Updated work instructions incorporate any required process modifications and parameter adjustments to ensure that the quality control processes conform to the most recent standards and best practices.

2



### After-Sale Support

The product is launched into the market upon the approval of the verification report. Continuous monitoring of product performance is conducted to enhance after-sales service and maintain high customer satisfaction levels.

3

## Intellectual Property and Data Privacy Protection

The Group has established comprehensive policies to manage product patents, intellectual property rights, and privacy. Dedicated management systems are established for patents and intellectual property rights, including clear fees, applications, searches, and incentive guidelines. Confidentiality agreements are signed with technical personnel to safeguard customers' sensitive information. Each department has its dedicated file folder on the computer server, with access permissions set to prevent data leakage effectively and protect intellectual property rights. The Group also strictly prohibits patent infringement, and any violations will result in disciplinary actions. We ensure that all software applications and other patented goods are legally obtained, prohibiting pirated versions. The Group employs a professional legal team to manage and provide comprehensive protection for intellectual property rights, including warranty provisions in contracts with suppliers to ensure non-infringement of intellectual property rights for the Group and its partners.



## Operating Practices

In alignment with the Group's employee code of business ethics, all employees are obligated to handle product technology, customer information, and other intellectual property information with utmost care. We Certified for ISO 27001:2014 information security management certification since 2022, the Group prioritise protecting customer privacy during data collection, processing, and usage. Adhering to data protection laws, technical measures are implemented to safeguard personal data, stored securely within the internal ERP system with restricted access. Customer information is not shared or utilised without consent and confidentiality agreements are signed upon request. Employee privacy is managed through relevant privacy policies, complying with the Personal Data (Privacy) Ordinance and national regulations, with regular reviews on intellectual property and data privacy protection conducted biannually.

Prior to product information disclosure, the Group conducts a verification process using reference data from original manufacturers to ensure accuracy before promoting trade products. Product labels created for customer reference during product export undergo verification to align with the original manufacturer data.

During the Reporting Year, the Group was not aware of any cases impacting its operations related to data privacy, intellectual property rights, or advertising and labelling.

### **BUSINESS ETHICS AND ANTI-CORRUPTION**

The Group emphasises fostering a corporate culture defined by integrity and business ethics. Clear and concise codes of conduct have been established for employees and business partners, delineating norms and guidelines for managing gifts and hospitality in different situations. The company and purchasing department personnel have committed to a code of business ethics to reinforce a zero-tolerance stance on corruption and bribery. The Board of Directors conducted regular reviews to evaluate the efficacy of internal control mechanisms. To uphold rigorous anti-corruption practices, the Group maintains a steadfast commitment to conducting specialised training centred on integrity and anti-corruption for both Directors and employees. These training programs are designed to ensure that all Directors and staff members are familiarised with the Company's anti-corruption policies and business ethics, emphasising the importance of integrity and reliability. The training covers topics such as bribery prevention, conflict of interest disclosure, extortion mitigation, money laundering prevention, and fraud prevention policies. These initiatives aim to reinforce their understanding of anti-corruption and to prevent violations of company policies and pertinent laws and regulations.

Besides, the Group engages a third-party auditing agency to conduct audits on its accounts, underscoring its commitment to transparency, accountability, and adherence to financial best practices.



# Operating Practices

## Corporate Governance Policy

The Group adhered to and complied with the pertinent provisions of listing rules and corporate governance guidelines, encompassing laws such as the Prevention of Bribery Ordinance in Hong Kong and the Criminal Law of the People's Republic of China, alongside corporate governance practices and local regulations governing operations.

A comprehensive internal system has been devised to prevent, monitor, and report suspicious cases, with detailed explanations of the Group's anti-corruption policy and handling principles disseminated to all employees, suppliers, contractors, and business partners. Robust policies are in place to prevent bribery, enforce disciplinary codes, and streamline the reporting of corrupt activities. Employees are required to disclose potential conflicts of interest during their employment, including relationships with relatives within the company, connections between management personnel and business partners, and individual transactions involving personal interests. Regular communications emphasise to employees the importance of refraining from accepting or engaging with any gifts or offerings from suppliers, underscoring the Group's commitment to integrity.

Special emphasis is placed on the procurement process, which predominantly involves tendering. A delineated policy has been instituted, outlining standardised guidelines and procedures that must be strictly followed. Each procurement required a minimum of three suppliers to submit quotes, with the Procurement Director ultimately deciding on order placement in an equitable, transparent, and ethical manner. Service contracts are subject to approval by authorised personnel within the Group, ensuring accountability and adherence to established protocols throughout the procurement lifecycle. Furthermore, as contracts near their expiration date, a comprehensive evaluation and review of the contractor's services and pricing are conducted, ensuring that the Group continues to engage with contractors who provide quality services at competitive rates.

## Whistleblowing Policy

The Group has taken decisive steps to eradicate corruption, fraud, and related misconduct by instituting a whistleblowing policy that enables employees and stakeholders to confidentially report any suspected improper or illegal activities via email, hotline, and telephone. Internal corruption reports are actively investigated and remedied to uphold organisational integrity. Whistleblower protection mechanisms are enforced to ensure confidentiality and shield individuals from retaliation or harassment.

Feasible preventive measures are implemented through employee handbooks, announcements, and declaration mechanisms to deter illegal behaviour. The Group may acknowledge and incentivise employees who report unlawful conduct to safeguard the Group's interests, potentially offering commendations or rewards. Whistleblowers can report anonymously through channels such as the Company mailbox, suggestion box, WeChat, phone calls or our self-developed reporting program. Upon receiving reports, relevant teams promptly address any infractions that violate the Group's principles or harm its interests.

Throughout the Reporting Period, the Group was not aware of any significant breaches of relevant laws and regulations pertaining to bribery, extortion, fraud, or money laundering that could significantly impact the Group. Furthermore, the Group was not aware of any corruption cases during the year.



# COMMUNITY INVESTMENT

The Group embraces society's contribution and actively supports social community initiatives focusing on education, social security, and healthcare. Committed to fulfilling its social responsibilities, the Group encourages employees to engage in volunteer service activities, offering opportunities for them to engage with issues extending beyond the confines of the workplace. By supporting employees in contributing to the local community, these efforts are seamlessly integrated into their daily lives, fostering a culture of giving back and social responsibility.

The Group takes pride in its recent achievement of the “5+ year Award (Enterprise Group)” certificate in the CSR Recognition Scheme Industry Cares 2024, issued by the Federation of Hong Kong Industries, showing the realisation from the industry and community.



**“5+ year Award (Enterprise Group)”  
certificate of CSR Recognition Scheme  
Industry Cares 2023  
(Federation of Hong Kong Industries)**

Below are the community activities participated by our Hong Kong office during the Reporting Year:



## **Social Welfare Department – Tai Po and North District**

Provide optometry service and sponsor  
glass frames to elderly, students and  
domestic helper



## Community Investment



**New Life Schools Incorporation/  
 NLSI Lui Kwok Pat Fong College**  
 Sponsor glass frames and provide optometry service to students and underprivileged



**YWCA – Ellen Li District Elderly  
 Community Centre**  
 Provide optometry service and sponsor glass frames and sunglasses to elderly



**HKYWCA/Ta Ku Ling Kei Lok Community  
 Association**  
 Provide optometry service and sponsor glass frames to elderly



## Community Investment



**CUHKFAA Thomas Cheung Secondary School**  
Sponsor glass frames and provide optometry service to students



**The Mission Covenant Church Holm Glad College – Parent-Teacher Association**  
Provide optometry service and sponsor glasses to students



# FEEDBACK

To provide a channel for stakeholders to share their opinions and suggestions, we value feedback received via mail or email. Enquiries, along with contact details, can be directed to the Head Office of the Group at the following address or through email:

## **Arts Optical International Holdings Limited**

**Address:** A-G, 32/F, King Palace Plaza, 55 King Yip Street, Kwun Tong, Kowloon, Hong Kong

**Email:** [connieleung@artsgroup.com](mailto:connieleung@artsgroup.com)

**Attention:** Senior Administration and Accounting Manager



# ESG CONTENT INDEX

## HKEx ESG Reporting Guide General Disclosures & KPIs

## Explanation/Reference Section

### Aspect A Environmental

A1	Emission	Information on: – the policies; and – 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 wastes.	Environmental Management Environmental Management – Emission
KPI	A1.1	The types of emissions and respective emissions data.	Environmental Management – Emission
KPI	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Management – Emission
KPI	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Management – Emission
KPI	A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Management – Emission
KPI	A1.5	Description of measures to mitigate emissions and results achieved.	Environmental Management
KPI	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Environmental Management – Emission



## ESG Content Index

HKEx ESG Reporting Guide General Disclosures & KPIs			Explanation/Reference Section
A2	Use of Resource	Policies on efficient use of resources including energy, water and other raw materials.	Environmental Management – Use of Resources
KPI	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Management – Use of Resources
KPI	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Management – Use of Resources
KPI	A2.3	Description of energy use efficiency initiatives and results achieved.	Environmental Management; Environmental Management – Use of Resources
KPI	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Environmental Management – Use of Resources
KPI	A2.5	Total packaging material used for finished products (in tonnes), and, if applicable, with reference to per unit produced.	Environmental Management – Use of Resources – Packaging Materials
A3	The Environment and Natural Resources	Policies on minimising the issuer's significant impact on the environment and natural resources.	Environmental Management – The Environment and Natural Resources
KPI	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Management – The Environment and Natural Resources
A4	Climate Change	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environmental Management – Climate Change
KPI	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Environmental Management – Climate Change



# ESG Content Index

## HKEx ESG Reporting Guide General Disclosures & KPIs

## Explanation/Reference Section

### Aspect B Social

B1	Employment	Information on: – the policies; and – 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.	Employment and Labour Practices – Employment
KPI	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment and Labour Practices – Employment
KPI	B1.2	Employee turnover rate by gender, age group and geographical region.	Employment and Labour Practices – Employment
B2	Health and Safety	Information on: – the policies; and – 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.	Employment and Labour Practices – Health and Safety
KPI	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Employment and Labour Practices – Health and Safety
KPI	B2.2	Lost days due to work injury.	Employment and Labour Practices – Health and Safety
KPI	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Employment and Labour Practices – Health and Safety



## ESG Content Index

HKEx ESG Reporting Guide General Disclosures & KPIs			Explanation/Reference Section
B3	Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employment and Labour Practices – Development and Training
KPI	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Employment and Labour Practices – Development and Training
KPI	B3.2	The average training hours completed per employee by gender and employee category	Employment and Labour Practices – Development and Training
B4	Labour Standards	Information on: – the policies; and – compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employment and Labour Practices – Labour Standards
KPI	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment and Labour Practices – Labour Standards
KPI	B4.2	Description of steps taken to eliminate such practices when discovered.	Employment and Labour Practices – Labour Standards
B5	Supply Chain Management	Policies on managing environmental and social risks of supply chain.	Operating Practices – Supply Chain Management
KPI	B5.1	Number of suppliers by geographical region.	Operating Practices – Supply Chain Management
KPI	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Operating Practices – Supply Chain Management
KPI	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Operating Practices – Supply Chain Management



## ESG Content Index

### HKEx ESG Reporting Guide General Disclosures & KPIs

### Explanation/Reference Section

KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Operating Practices – Supply Chain Management
B6 Product Responsibility	Information on: – the policies; and – 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.	Operating Practices – Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Operating Practices – Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Operating Practices – Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Operating Practices – Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	Operating Practices – Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Operating Practices – Product Responsibility



## ESG Content Index

HKEx ESG Reporting Guide General Disclosures & KPIs			Explanation/Reference Section
B7	Anti-corruption	Information on: – the policies; and – compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Operating Practices – Anti-corruption
KPI	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Operating Practices – Anti-corruption
KPI	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Operating Practices – Anti-corruption
KPI	B7.3	Description of anti-corruption training provided to directors and staff.	Operating Practices – Anti-corruption
B8	Community Investment	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI	B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment