



嘉利國際控股有限公司  
**Karrie International Holdings Limited**

(Incorporated in Bermuda with limited liability)

stock code : 1050

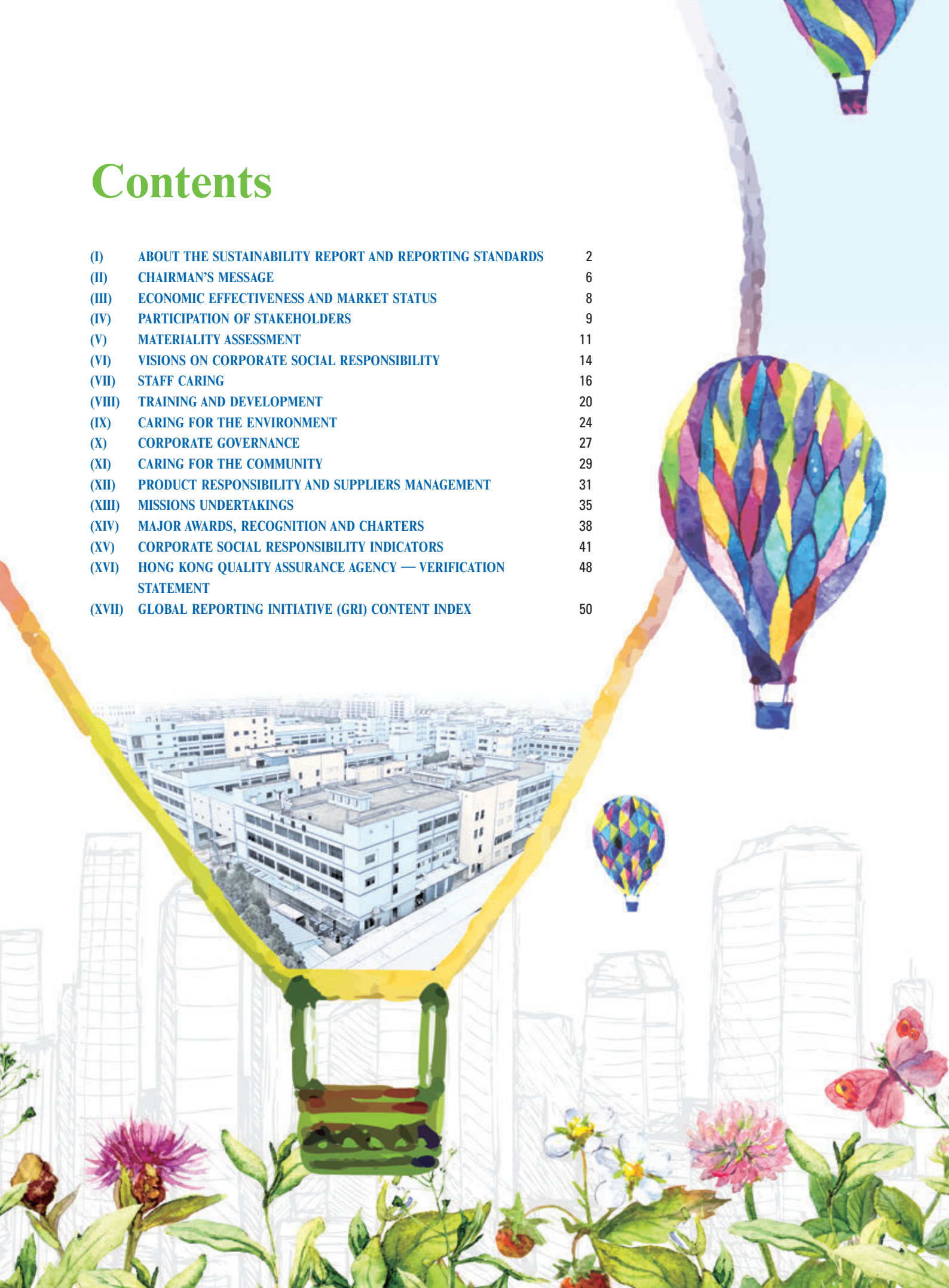
*2017/18*

Sustainability  
Report



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**(I) ABOUT THE  
SUSTAINABILITY  
REPORT AND  
REPORTING  
STANDARDS**



## (I) ABOUT THE SUSTAINABILITY REPORT AND REPORTING STANDARDS (CONTINUED)

The sustainability report is a disclosure document highly regarded by enterprises. It is also an important means of Karrie International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") to enhance the transparency of non-financial disclosure information. Embracing our motto "KARRIE ON PERPETUAL MOTION, BENEFITS SERVED TO THE PUBLIC", the Group has been active in the implementation of measures and undertakings of giving back to the society and protecting the environment. It is of paramount importance to have effective communication and understanding between the Group and its stakeholders, including shareholders, partners, employees, suppliers, regulators and the public in coming up with benchmarks and regarding key issues. Hence, we have engaged both internal and external stakeholders, and have commissioned an independent third party to review and verify the accuracy of the content and information set out in the report. This report has been independently verified by the Hong Kong Quality Assurance Agency (HKQAA), with the scope and basis of the verification set out in the section headed "Verification Statement" of this report.

Since its listing in 1996, the Group started to prepare the content of the sustainability report which has been incorporated into annual reports as a separate section in the 2008/2009 annual report. When preparing the report for the year, we have been in compliance with the Core Option set forth in GRI Sustainability Reporting Guidelines (GRI Guidelines) issued by the Global Reporting Initiative (GRI) and the Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") of Hong Kong Stock Exchange. The information and data set out in this report have been verified by the Hong Kong Quality Assurance Agency as a third party in accordance to the requirements in the Core Option of the GRI Sustainability Reporting Guidelines and the reporting options of GRI. The Group is expected to prepare sustainability report annually. Some information has been incorporated into the Group's annual report, for more detailed information, please visit our official website at [www.karrie.com](http://www.karrie.com).

### SCOPE OF REPORTING

The Report is the second sustainability report of the Group prepared in accordance with Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The report covers the works and performance of the sustainability development during the 2017/2018 financial year (i.e. from 1 April 2017 to 31 March 2018). There is no significant changes in the scope of this report as compared with that set out in the sustainability report in the 2016/2017 Annual Report. For detailed information related to our governance and financial performance, please refer to the annual report for the year 2017/2018 or that of prior years of the Company ([www.karrie.com](http://www.karrie.com)).

### ABOUT KARRIE

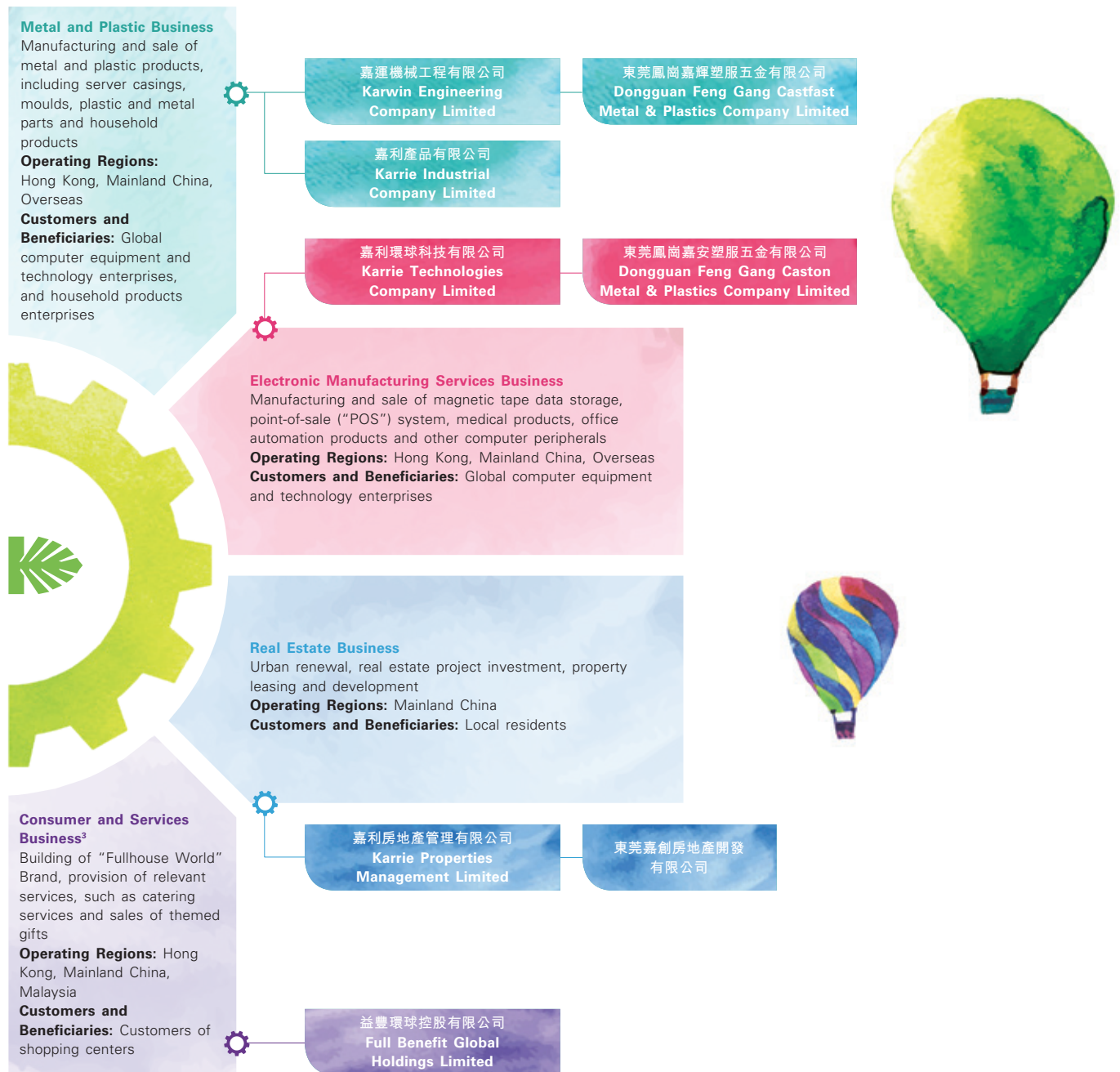
Karrie Group is a limited liability company incorporated in Bermuda, and has been listed on the main board of The Hong Kong Stock Exchange Limited (the "Stock Exchange") since 1996. During the year ended 31 March 2018, the Group has employed approximately 3,772<sup>1</sup> employees in average for the Period.

<sup>1</sup> The number of employees during the reporting period only includes full-time employees of Metal and Plastic Business, Electronic Manufacturing Services Business and Consumer and Services Business.



## (I) ABOUT THE SUSTAINABILITY REPORT AND REPORTING STANDARDS (CONTINUED)

The Group is principally engaged in the following business<sup>2</sup>:



<sup>2</sup> All the above only show the operating companies and subsidiaries which are important for the operations of the Group. For more details, please refer to the section "Subsidiaries" in the notes to the Financial Statement in Annual Report.

<sup>3</sup> The Consumer and Services Business has been disposed of to a related party during the year ended 31 March 2018. Thus, this business segment was categorized as discontinued operations of the Group.



## (I) ABOUT THE SUSTAINABILITY REPORT AND REPORTING STANDARDS (CONTINUED)

### REPORTING AREA

This report covers all the operations of the Group, and all information and cases set out in this report are derived from the continuing operations and the discontinued operations of the Group.

### CONTACT US

Should you have any suggestions or opinions on our sustainability development, please contact us by email or by post:

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www.karrie.com





## **(II) CHAIRMAN'S MESSAGE**





## (II) CHAIRMAN'S MESSAGE (CONTINUED)



**Mr. Ho Cheuk Fai** *Chairman & CEO*



Karrie Group stays true to its original aspiration to fulfil its corporate social responsibilities. We have regarded "Environment and Enterprise Sustainability" as our mission and put the concept of sustainability into practice in order to bring a mutually beneficial and win-win situation through promoting the balanced, impartial and harmonious development in economic, environmental and social aspects.

Enterprises must be economically profitable; an unprofitable enterprise will have difficulties in maintaining its sustainability. Karrie, as a sustainable enterprise, will not sacrifice the resources of the next generation and blindly pursue short-term profits when pursuing profitability, and will not adopt a mode of economic development at the expense of any public resources. When pursuing profitability, we focus on the process, put emphasize on improvement, progress and positive changes, and integrate environmental and social factors to achieve long-term sustainable development.

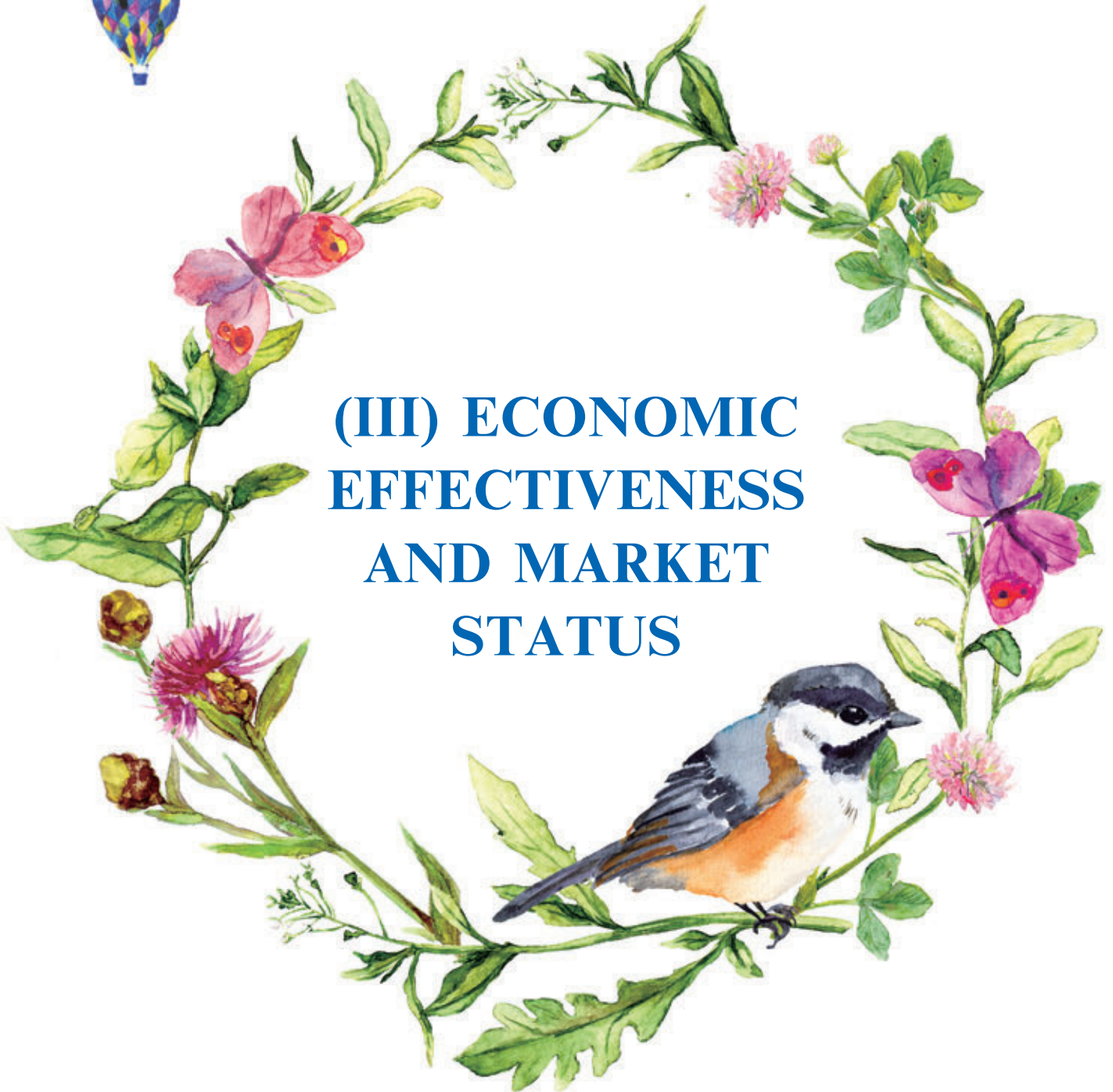
In fact, sustainable development is not contrary to the company's pursuit in profitability. Karrie obtains earnings based on a mode of common, harmonious, impartial, efficient and multi-dimensional development. With regard to the pursuing of growth in its profits, Karrie focuses not only in the growth in the quantity but also the growth in the quality. We have implemented cleaner production to achieve sustainable development through enhancing efficiency, reducing resources consumption and minimizing waste, so that the use of resources today will not decrease the revenue source in the future and the resources can be passed down from generation to generation, and thus we can be a long-lasting sustainable business.

During this Year, in order to present the Group's sustainable development items in a more systematic way, the Group has followed the Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") of Hong Kong Stock Exchange and made reference to the GRI Sustainability Reporting Guidelines (GRI Guidelines) issued by the Global Reporting Initiative (GRI) when preparing this report. In order to better understand the energy consumption of our daily operation and establish various energy-saving policies, we have engaged a third party auditing firm to conduct an audit on carbon emission from our offices and factories in Hong Kong and the PRC.

The Group commits to continuously integrating the concept of sustainable development into its business development strategies and its daily operations, and continues liaising with stakeholders for the improvement of sustainability work.







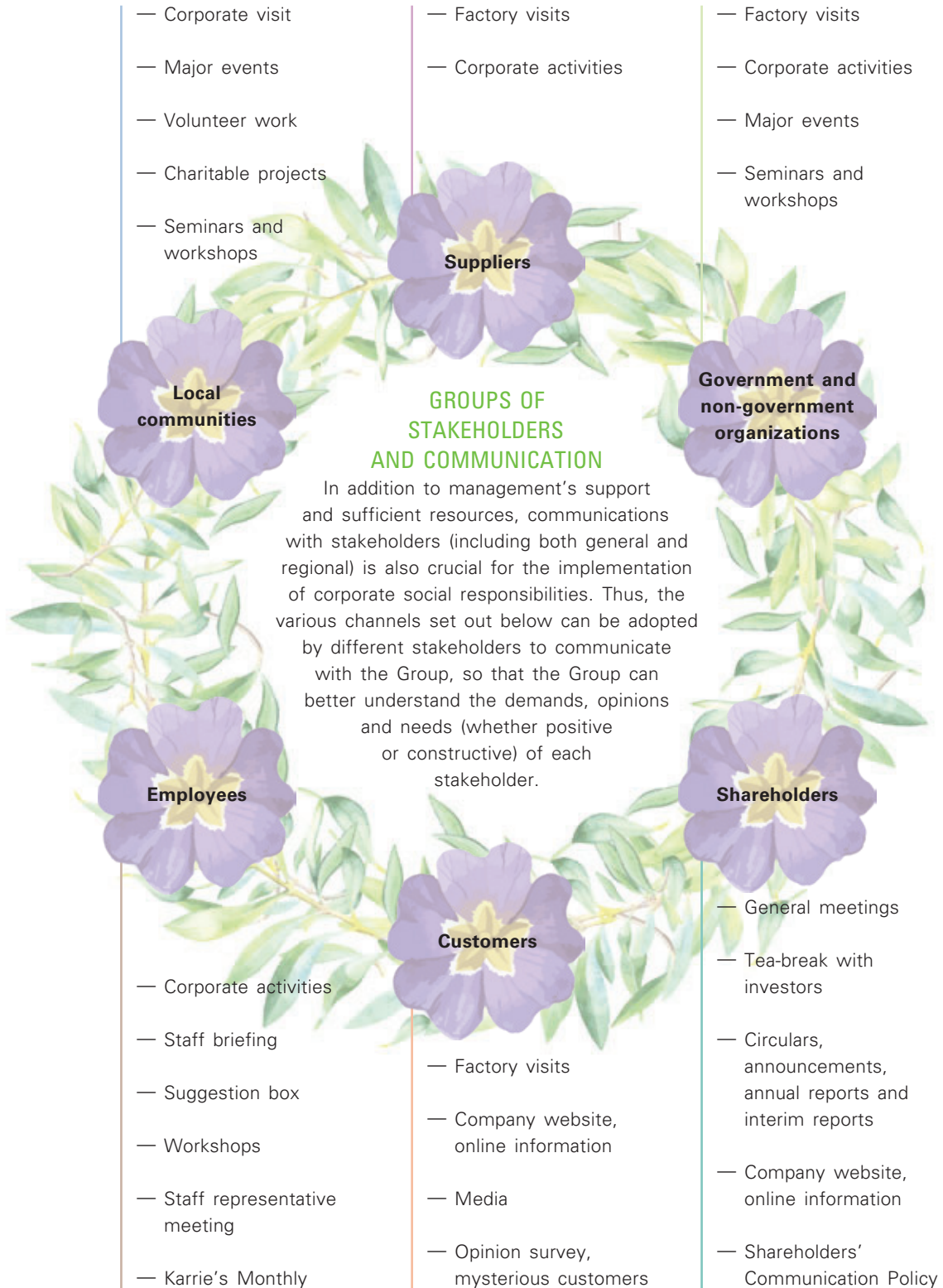
### **(III) ECONOMIC EFFECTIVENESS AND MARKET STATUS**

For detailed information regarding economic effectiveness, please refer to the annual report for the year 2017/2018 or that of prior years of the Company.





## (IV) PARTICIPATION OF STAKEHOLDERS





## (IV) PARTICIPATION OF STAKEHOLDERS (CONTINUED)

### GENERAL COMMUNICATION CHANNELS

Annual report,  
Circulars and  
Sustainability report

Announcements and  
press releases

Interviews

Company's website

Presentations, tea-break  
with investors and  
conference speech

Factory visits





## (V) MATERIALITY ASSESSMENT

The assessment of significant issues can facilitate the Group to understand the issues and their significance concerning the internal and external stakeholders. If there are no significant changes in our business or external environmental factors for the Group, we will conduct an assessment every two years. We have invited customers, shareholders, investors, suppliers, management and internal staff to conduct a questionnaire survey in 2016/2017. A total of 59 questionnaires were sent out and 46 returned with the response rate of approximately 78%. The analysis on the questionnaires has assisted the Group in defining the major focus of this report.

Based on the overall views from internal and external stakeholders, we have identified the significant issues for the Group (the top 40%, 11 issues in total). Focusing on these issues, the Group will ensure that relevant policies are properly implemented, and the corresponding approaches are discussed with the management and the relevant departments.

### THE LIST OF SIGNIFICANT ISSUES<sup>4</sup>

Categories	Issues	Relevant regulating documents and corresponding actions
Social	Integrity management	Regularly issued documents regarding integrity management, including the "Ethical Disciplinary Requirements" and a letter of "Peers' Belief", to internal employees and external business partners.
Product responsibility	Customer satisfaction and responsibility	<ul style="list-style-type: none"> <li>— Launched and executed international certification standard quality management system (ISO 9001) and the international certification standards of medical appliance quality management system (ISO 13485).</li> <li>— The Central Kitchen received hygiene audit and was awarded the hygienic supervision certificate.</li> <li>— Conducted the Mystery Shoppers Programme in our shops.</li> </ul>
	Confidentiality of customers' data	Formulated the "Ethical Disciplinary Requirements" and the "Procedures on Personal Data Privacy Protection" to allow employees to follow.

<sup>4</sup> No assessment on significant issues was performed during the Year, and there are no material impacts on the above significant issues



## (V) MATERIALITY ASSESSMENT (CONTINUED)

Categories	Issues	Relevant regulating documents and corresponding actions
Workplace practices	Occupational health and safety	The Group has adopted the Responsible Business Alliance (RBA) code of conduct, the scope of which covers occupational health and safety, and has formulated the “Occupational Health and Safety Management Manual” and “Work Injury Handling Procedures”.
	Employment relationship	The Group is dedicated to provide fair and competitive remuneration package, which includes basic salaries, incentives (year-end bonuses) and other benefits such as medical benefits (Hong Kong employees are entitled to medical insurance while PRC employees could join cooperative medical plans), and various paid leaves (such as annual leave, maternity leave/paternity leave, sick-leave, bereavement leave, marriage leave, and Hong Kong employees are further entitled to volunteer leave and birthday leave), celebrative gratuities, and training subsidies.
	Communications with employees	<ul style="list-style-type: none"> <li>— The Group collects feedbacks and requirements from different departments regarding administration, human resources and training issues annually, and develops annual plan for each year.</li> <li>— Suggestion boxes are placed in the headquarter and the PRC factories to allow our staff to voice out their opinions anytime.</li> <li>— Staff Care Action Group is established to increase the satisfaction of our staff by providing various channels for effective communication, complaint and feedback as well as actively listening to the voices of our staff and solving the work and life issues which mostly concern our staff.</li> </ul>





## (V) MATERIALITY ASSESSMENT (CONTINUED)

Categories	Issues	Relevant regulating documents and corresponding actions
Economic and general affairs	Market position	By leveraging on the strengths of our experienced management team, highly automated production, stable customer base and worldwide service support centers, the Group becomes the leading company in the international server casing manufacturing market, and are highly recognized and praised by different sectors.
	Economic performance	The Group remained profitable and has been distributing dividends, and apart from the listing and initial public offering in 1996 and the rights issue in 2007, the Company did not raise any funds from public shareholders during these two decades, whereby it is self-financed and has turned a profit.
	Compliance with regulations	Set up legal department in the PRC which is responsible for handling all kinds of legal affairs of the Company, reviewing the Company's internal and external agreements and contracts, and providing legal advice to avoid the risks regarding legal issues; and there is also a long-term cooperative advisory team of lawyers.
Environmental	Green operation and production	<ul style="list-style-type: none"> <li>— The Company has received the ISO 14001 Environment Management System Certificate as early as 2001, and has regularly conducted internal and external audit every year to ensure the Group's policy approach and efficiency on environmental protection.</li> <li>— Established the Cleaner Production and Energy-saving Committee, which is responsible for the overall planning of energy conservation of the Group and its execution, and applies energy saving objectives into all workshops via adopting new technology.</li> </ul>
Human rights	Child labour and forced labour	The Group has adopted the RBA code of conduct and has required suppliers to adopt the same, which included requirement applicable laws and regulations on prohibiting the use of child labor and adhere to the minimum age for the employment, and has prepared the "Child Labor and Juvenile Employees Management Procedures" and the "Prohibition of Forced Labor Management Procedures" to regulate such issues, which effectively eliminates the use of child labor and forced labour, especially in the case for the PRC suppliers.





## (VI) VISIONS ON CORPORATE SOCIAL RESPONSIBILITY

In our opinion, “corporate social responsibility” refers to “the continuing commitment by a business to operate ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large”.

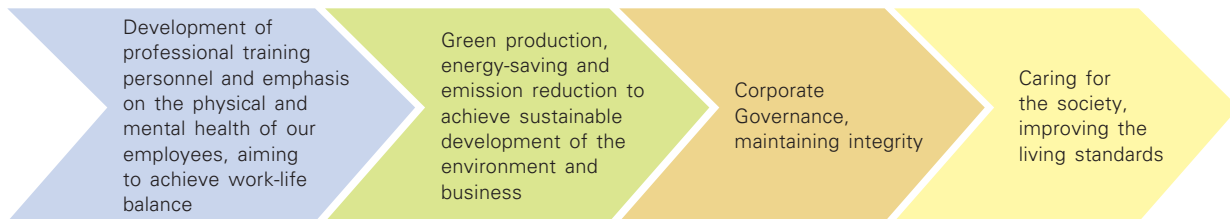
The Group has implanted corporate social responsibility into its management models and considered it as one of its long-term corporate missions, the Group is therefore able to sustain its development and derive higher values by “giving back to where one takes from”.

In the long run, due performance of social responsibility will definitely improve the Group’s reputation, save cost, enhance the scope of decision making and strengthen the corporate governance ability. Moreover, the Group holds that performance of social responsibility may not necessarily be contrary to the interests of shareholders. For example, the implementation of energy-saving policy for reducing carbon emission is environmentally friendly and conducive to cost-saving, which will be eventually manifested on shareholders’ interests.

### MECHANISM FOR DEVELOPING AND REVIEWING CORPORATE SOCIAL RESPONSIBILITY

The Group has adopted Responsible Business Alliance (RBA) (formerly known as Electronic Industry Citizenship Coalition) Code of Conduct to ensure that it could continuously satisfy the legal requirements and customers’ needs in respect of the protection of employees’ interests, business ethics, environmental protection, occupational health and safety, as well as making continuous improvement to fulfill corporate social responsibilities. At the same time, according to the requirements of the Environmental, Social and Governance Reporting Guide of Hong Kong Stock Exchange and the GRI Sustainability Reporting Guidelines (GRI Guidelines), the Group has formulated different scopes of target indicators to demonstrate the situation of corporate social responsibility.

### MISSIONS ON CORPORATE SOCIAL RESPONSIBILITY



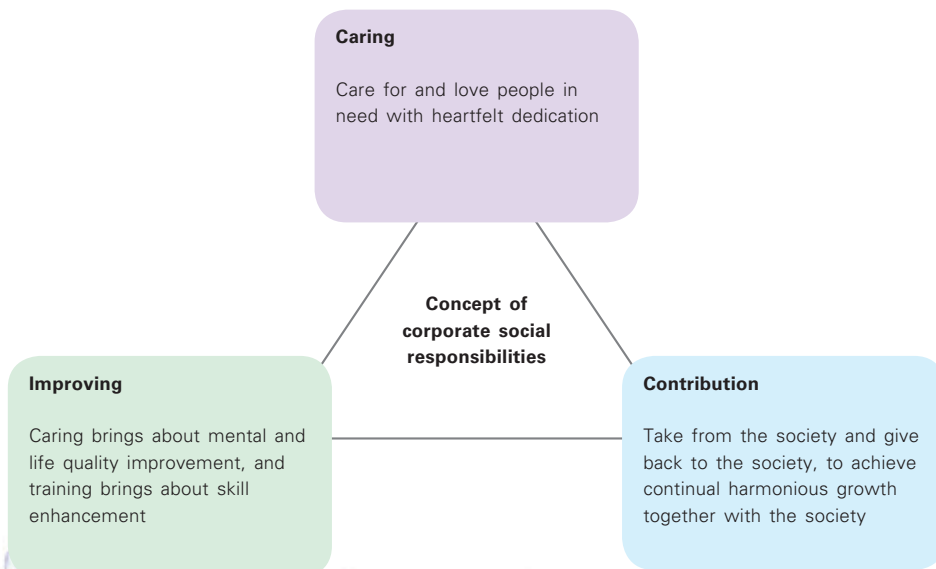


## (VI) VISIONS ON CORPORATE SOCIAL RESPONSIBILITY (CONTINUED)

### SCOPES OF CORPORATE SOCIAL RESPONSIBILITY



### CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY: CARING, IMPROVING, GIVING BACK







## (VII) STAFF CARING

The Group collects feedbacks and requirements from different departments regarding administration, human resources and training issues annually, and develops annual plan for each year. In addition, it occasionally establishes focus groups based on the actual and social needs to collect feedbacks, benchmarking good practices of the peers, and puts appropriate items in place. Moreover, suggestion boxes are placed in the headquarter and PRC factories to allow our staff to voice out their opinions anytime; and a Staff Care Action Group is established to increase the satisfaction of our staff by providing various channels for effective communication, complaint and feedback as well as actively listening to the voices of our staff and solving the work and life issues mostly concerned by our staff. Meanwhile, in order to promote internal communication of various departments and encourage each department to organize recreational activities, the Company also financed the expenses in organizing recreational activities of each department.

### RESPECT FOR STAFF AND PROVIDING EQUAL OPPORTUNITIES

Adhering to the principle of being people-oriented and respecting staff's interests, the Group does not impose any discrimination, involuntary labor, physical punishment and improper treatment towards its staff. The Group respects the freedom of the formation of legal unions permitted under laws, and does not employ any child labor, while employees' working hours as well as wages and benefits are complied with the requirements under the regulation and wages of all employees have met the local minimum wages requirement. With well-established policies, the Group prohibits the occurrence of aforesaid issues which breach labor and human rights, and also has management procedures in place to implement supervision. Meanwhile, promotion is made to staff to allow them to get acknowledgment of their rights, while training is provided to the management, so that respect on human rights and the practical knowledge of equal opportunities are applied in the working environment. All staff has received trainings on policies and procedures of human rights comprehensively.

Meanwhile, the Group complies with local employment and labor law, and we have set out the details in the Staff Handbook, covering issues relating to compensation and promotion, working hours and rest periods, staff dismissal and end of contract arrangements and other benefits, in order to ensure that employees have a clear understanding of the company's policies.

The Group has stated in recruitment advertisements that we are an equal opportunities employer and welcome the application from any qualified candidates, and strive to only count on talent in employment. With the fundamental principles of "employment is based on talents", recruitment, remuneration, training opportunities, promotion, dismissal or retirement would not be affected by race, social status, nationality, religion, disabilities, gender, sexual orientation, membership in labour union, political belongings or age. The Group has even assigned a representative to serve as the contact person of Gender Focal Point among Listed Companies of Women's Commission and attended a number of receptions and programs to celebrate International Women's Day 2017.

### OCCUPATIONAL SAFETY AND HEALTH

The human resources and administration department of the Group and the industrial safety team in the PRC are responsible for following up and supervising the occupational safety and health practice of each department. The Group complies with local occupational safety and health law and ordinance. By adopting the OHSAS 18001 occupational health and safety management system in 2010, the Group has established and implemented its occupational health and safety management system and carried out follow-up works like safety education, trainings and drills.

Health and safety focuses on areas such as occupational safety, responses to emergencies, occupational injuries and diseases, industrial hygiene, work with high physical requirements, machinery protection, public hygiene, restaurants and staff quarters. The above issues are all set forth in the RBA manual with the requirements needed in the preparation of written standards, performance based targets, indicators and implementation plans, while the industrial safety team is responsible for the specific assessment on the performance. In addition, safety management organizations are established in the PRC factories and safety personnel are appointed in every department with more than half of the total number of representatives are employee representatives to carry out regular safety checks and various drills, such as fire-fighting safety drills. Significant achievements have been made in the implementation of relevant measures. For instance, the occurrence rate of serious work injury is kept at a very low level over years.



## (VII) STAFF CARING (CONTINUED)

Apart from responding to the national "Safety Production Month" in July 2017, the Group has participated in the Work Safety Knowledge Competition organised by the Fenggang Administration of Work Safety and Fenggang Labour Union, with the aim to enhance the safety management and security level and adopt relevant virtues in our Company through guiding our employees to consciously acquire knowledges on safety production. In addition, the Group participated in the telephone survey on staff's occupational safety and health aspect raised by clients in July 2017, whereby the respective department could review the inadequacy of current policy or its execution from the findings on survey, so as to further improve staff standard on occupational safety and health.

### CONCERTEDLY BUILD THE "KARRIE" BRAND

On top of placing awareness on the physical health of its staff, the Group also concerns about their mental health, putting the objectives of balancing work and daily life into practice. In the opinion of the Group, besides working hard, its staff shall also improve the living standard, so that positive sentiments and motivation could be cultivated to strengthen their capabilities to handle emotional problem. Various kinds of activities are also organised to facilitate interaction and communication among staff. At the same time, the Group has also developed different teams such as "Staff Care Action Group", "Women's Committee", "the Party branch" and "Voluntary group for charitable work" to organise different kinds of activities on a regular basis, through which, staff are provided with opportunities to participate and cultivate a sense of team spirit.

Aims	Activities
<p>Allow our staff to relax and relieve stress in a happy gathering.</p> 	<ul style="list-style-type: none"> <li>— Held a great variety of cultural events and festival celebrations, including the "National Day Evening Culture Party" and "Lantern Festival".</li> <li>— Organised staff birthday party, single men and women fraternity party, interdepartmental outings.</li> </ul>
<p>Let our staff to get a clear understanding of their personal health and promote the ideas of doing adequate physical exercises regularly, so as to put the philosophy of "Healthy Living" into action and relieve their work pressure.</p>	<ul style="list-style-type: none"> <li>— Held the "Karrie Health Bi-weekly" campaigns in Hong Kong office, including having sessions on stretching exercises in the workplace, summer seminars on how to reduce edema, workshops of tie-dying handkerchiefs as well as "Fruity Day" activities.</li> <li>— With the inspiration of a motto of "A journey of a thousand miles begins with a single step", our staffs are sponsored to take part in various running or jogging competitions.</li> <li>— In the PRC, health seminars in relation to physical and mental health issues are organised on an irregular basis and free clinic is provided.</li> <li>— Held a mini marathon under the name of "Karrie Nothing is impossible" for its staff to participate.</li> <li>— Organised a yoga training classes for the first time.</li> </ul>





## (VII) STAFF CARING (CONTINUED)

Aims	Activities
<p>Enhance the physical fitness of its staff and to offer opportunities for its staff to take part in different after-work activities.</p>	<ul style="list-style-type: none"> <li>— Held various ball games and chess competitions such as basketball tournament, the “Karrie Cup”.</li> </ul>
<p>Provide financial assistance for the children of existing staff who can take formal education, with a view to mitigating financial burden on the staff for their children’s education. Meanwhile, staff are urged to make full use of their leisure time to go further studies and proactively improve their self-quality, so as to achieve the goal of “cultivating talent through amateur training”.</p>	<ul style="list-style-type: none"> <li>— Established “Education Fund for Staff and Their Children”.</li> </ul>
<p>Help our staff and their families who have family planning needs.</p>	<ul style="list-style-type: none"> <li>— Established the Castfast Family Planning Association and conducting a variety of promotional propaganda, education and advocating activities, and rendering various services of family planning.</li> </ul>
<p>Narrow the distance between the new employees and the Company and simultaneously facilitate their integration into Karrie as soon as possible.</p>	<ul style="list-style-type: none"> <li>— Held the seminars for our new employees.</li> </ul>
<p>Implement good occupational hygiene within the Group.</p>	<ul style="list-style-type: none"> <li>— Central Kitchen has entered into the Workplace Hygiene Charter promoted by Occupational Safety and Health Council and the Labour Department of the Hong Kong SAR Government.</li> </ul>





## (VII) STAFF CARING (CONTINUED)

The Group held various physical recreational activities allowing its employees to participate after work and to stay physically and mentally healthy.



The Group held birthday parties monthly for its staff to make them feel happy of becoming "Karrie members".



The Group regularly organised fire drills so as to enhance its employees' awareness of fire safety.



The Group invited its employees's children to participate in the promotional activities on robot technology with an aim to cultivate their learning interest in mechanic automation since their teenage years.





## (VIII) TRAINING AND DEVELOPMENT

In respect of training and development, the Group has adopted certain approaches known as “optimizing professional performance, motivating staff’s potentials, revitalizing learning culture and embracing corporate visions”. As a result, we aimed primarily at increment of knowledge, enhancement of skills and expertise in management and specific positions, while orienting towards the practicability and sustainable development of the Company and its staff. In the year of 2017/18, the average training hours taken by each employee was approximately 26 hours.

The training programmes for the year generally cover such fields as practical management training, laws and regulations, sales and marketing, customers and catering services, food safety, corporate social responsibility, ISO, human resources management, finance and accounting, occupational health and safety, environmental protection, production automation, engineering techniques and computer systems. In order to secure its long-term development targets, the Group has been offering plenty of training opportunities for its staff and high calibre staff at various levels to enhance their management skills and expertise.

The Group sends management personnel in Hong Kong and the PRC to participate in management training programmes covering various disciplines or hold the same internally. The purpose is to assimilate the latest management model so as to lead the team and the Group to climb up the ladder of success.

Aims	Activities
<p>In terms of engineering technology, enhance the engineering technical capabilities and core competitiveness of the Company.</p>	<ul style="list-style-type: none"> <li>— Re-introduced the training programmes of “FEMA Project Optimization” in 2017 with its particular emphasis on the furtherance of production, quality, and the engineering technology staffs’ practical use of FEMA knowledge at the workplace. A task team has been established, which would export DFMEA &amp; PFMEA database of the Company.</li> </ul>
<p>Provide a better development platform for staff and reserve technical talents for our company, it indicated that the demand for talents of all departments has been satisfied while the cost of work force has been reduced. Our staffs, that had high proficiency in practical operation and were well equipped with comprehensive theoretical knowledge, can work independently in their positions after the training.</p>	<ul style="list-style-type: none"> <li>— Implement the “mentorship Programme” among automatic robotic technicians and arranged training courses for technicians in the Soft Tooling Manufacturing Department. Such program mainly carried on the previous training mode where practitioners acquired skills through apprenticeship under the guidance of a master, and simultaneously intensify theoretical knowledge training.</li> </ul>
<p>The related staff gained insightful ideas as to the operating principles and practical operations of robotic arms. As such, supervisors from all departments will give better instructions to the frontline staff, which would improve the work efficiency.</p>	<ul style="list-style-type: none"> <li>— Primary Level Management of the Group has been well trained and equipped with knowledge of robots.</li> <li>— Adhering to the principle of continuous enhancement and the concept of pursuing excellence, the training courses for technical staff in the robots operation held in 2017 were professional-abilities oriented, which provided scientific, systematic and standardised training for relevant technical staff, striving hard to build up a more rational construction and render a more effective mode for technical talent nurturing. The mentees of such trainings will be awarded national vocational qualification certificates issued by municipal human resources bureau.</li> </ul>





## (VIII) TRAINING AND DEVELOPMENT (CONTINUED)

Aims	Activities
<p>In respect of occupational safety and health, raise the awareness about occupational safety and health and first aid knowledge and skill.</p>	<ul style="list-style-type: none"> <li>— Arranged Hong Kong Red Cross to offer first aid certification courses to its staff from all departments.</li> <li>— Recommend our staff to attend courses offered by Occupational Safety and Health Council and provided the new employees with trainings on occupational safety and health as the guideline prescribed.</li> </ul>
<p>In respect of environmental protection, benchmarking note on their own level.</p>	<ul style="list-style-type: none"> <li>— Assigned our staff to take part in training courses for inspectors of Hong Kong-based companies so as to learn about green production inspection as well as joined a corporate green lunch sharing session.</li> </ul>
<p>In respect of laws and regulations, allow our staff in Hong Kong and China have more awareness of corruption prevention and improve their relevant knowledge and abilities.</p>	<ul style="list-style-type: none"> <li>— Invited Hong Kong Independent Commission Against Corruption (ICAC) to provide the Corruption Prevention Advisory Service where a talk in respect of the concept and practical knowledge of tendering and prevention of corruption was delivered to its staff in Hong Kong and China.</li> <li>— Organised trainings on risk prevention of commercial contracts for its staff who usually handle such contracts.</li> </ul>
<p>Enhance the staff's language and communication competence.</p>	<ul style="list-style-type: none"> <li>— Provided our staff in China with Cantonese Speech Training and invited native speaking teachers to deliver trainings on Business English speaking and writing.</li> </ul>
<p>Clearly defining the individual role in the team, improve the employees' self-discipline and executive ability, which in turn will enhance working efficiency.</p>	<ul style="list-style-type: none"> <li>— Organised outward bound training for its staff, through which the collaborative awareness among departments can be promoted so that quality communication can be achieved. Through this training, employees will understand themselves better and their team cohesiveness can be enhanced.</li> </ul>
<p>Maintain a high level of food safety.</p>	<ul style="list-style-type: none"> <li>— Invited scientists with expertise to give talks on food allergy issues.</li> <li>— Proactively recommended our staff to attend the Hygiene Supervisor Training Courses provided by the Food and Environmental Hygiene Department as well as workshops on strict control of food safety, so as to take an observation and benchmarking note on their own level.</li> </ul>





## (VIII) TRAINING AND DEVELOPMENT (CONTINUED)

### Aims

The aforementioned activities would stimulate high school students' interest and deepen their understanding of the retail and catering sectors and thereby having a better preparation for their future career planning. Meanwhile, this will also promote the life planning education of high school students and assist every student to understand his own interest, ability and knowledge in the workplace to better prepare themselves for future career and different roles in their life.

### Activities

- Since 2015, we have begun to jointly organize food and beverage training course for Youth Employment Program "Excellence Brings Jobs (吾優造)" with St. James' Settlement and also jointly hold the life planning seminars and visit activities with Shun Tak Fraternal Association Leung Kau Kui College.
- The management of the Group received invitations of mentorship programmes held by various universities and institutions with a view to allowing students to connect with management, broaden their minds and be good mentors and friends.
- Promoted the Summer Internship Program for college students and children of its employees.



The Group provided its employees in Hong Kong and China with various training programmes to create a positive learning environment, which allowed the staff at all levels to keep abreast of information in respect of management, technical know-how, and professional knowledge and realize constant self-improvement.



Our staff enjoyed learning and created values for the Group.





## (VIII) TRAINING AND DEVELOPMENT (CONTINUED)



Our staff participated in the outward bound training which allowed them experiencing the strength of the team work spirit and the unifying force.



Through the outward bound training, team cohesion was strengthened and collaboration awareness among departments was enhanced.



Our staff in the production automation sector had high proficiency in practical operation and were well equipped with comprehensive theoretical knowledge. They can work independently in their positions after the training.



On-site visit to Yuquan plant with students from Hong Kong University of Science and Technology (HKUST).







## (IX) CARING FOR THE ENVIRONMENT

Since 2001, the Group has already obtained the ISO 14001 environment management system certificate and conducted its annual internal and external audit on a regular basis to ensure direction of the Company policy and its effectiveness. At the same time, the Group actively participated in environmental protection programmes (such as Hong Kong-Guangdong Cleaner Production Partner) held by community groups and environmental protection organizations, and achieved excellent results, and become benchmarks for industry counterparts.

The Clean Production and Energy-conservation Committee has already been established since 2005, responsible for coordinating the Group's energy-saving plans as well as their supervision and execution, which include computer resources application, cleaner production plan, production machinery equipment utilization, implementation of office electricity and environmental protection and customers and ISO environmental protection and energy-saving scheme; and is responsible for the standardization of energy management of the Group, adoption of new technology and implementation of energy-saving goals into every workshop.

The Group has realized the importance of good utilization of resources long time ago and not to exploit the rights of using resources for the next generation. The Group adheres to the concept of Chairman Mr. Ho Cheuk Fai, with heartfelt dedication in all details, and saves resources for the next generation. As such, the Group's production adheres to the concept of reducing energy or material consumption from the sources with the adoption of various environmental friendly measures and addition of energy-saving equipment. With the concept of green and cleaner production implemented in practice, the Group continues to formulate policies for green production and energy-saving policies, while introducing different kinds of environmental friendly equipment to attain the objectives of cleaner production and environmental protection. The Group further complies with various international regulations and requirements and carries out various measures, inter alias, energy audit, environment permit and report, pollution prevention and resources saving, treatment of hazardous materials, treatment of sewage and solid wastes, control on air emission and control on content of products. Meanwhile, as the Group is an OEM and ODM manufacturer in respect of industrial production, all the standards related to the quality and environmental protection are subject to the stringent requirements of the customers, whilst the quality and environmental protection will be inspected by customers on an on-site basis from time to time. On the other hand, the Group actively participates in external cleaner production and environmental protection campaigns, while internally strengthens its staff's awareness on the environment via training as well as green and ecological activities. Hence, green design approaches are thoroughly implemented, so that the products would not pose any damages to the environment. The Group currently does not report on the volume of total packaging materials used for finished products.

In order to help the domestic governments meet the energy-saving and emission reducing indicators for the "Thirteenth Five-Year Plan" period, assume corporate social responsibility, fulfil our duty towards environmental protection, and also to comprehensively understand the standard of energy management and status of power consumption within the plant, examinations are conducted by the Group on problems and insufficiencies in respect of energy usage to identify the potential and the approaches for energy saving, thereby reducing the amount of energy consumption and production costs as well as raising economic efficiency for the Company. The Group has developed the energy-saving indicators according to the "Thirteenth Five-Year Plan" as required by the government in 2016 and has put all plans into full implementation as prescribed by the plan. The Group has formulated a series of energy management systems, which standardize the practice of management to raise the efficiency of energy usage and effectively finalize and safeguard energy-saving plans.



## (IX) CARING FOR THE ENVIRONMENT (CONTINUED)

At the same time, the Group also makes arrangement in compliance with relevant international environmental regulations, such as RoHS, REACH, WEEE, JGPSSI, Montreal Protocol and QC080000, so that the whole process including coordination, design, procurement and production can comply with the regulations.

Since 2010, the Group has joined the global event of “Earth Hour” Lights-Off, Emission Reduction and Energy Saving Event initiated by World Wide Fund. The Group continued to participate in the tree planting activities at Kadoorie Farm, which sustained Karrie’s endless vitality.

In respect of plants in the PRC, the Yuquan plant, in order to be more energy efficient, has been gradually phasing out the old lighting fixtures and replacing with LED energy-saving lighting fixtures in response to the objective of energy conservation and emission reduction. In addition, an energy management system was added in 2016 and the acceptance of work was completed in 2017. This system has collected data from all aspects of the power system (especially high energy-consuming equipment), conducted systematically analysis on the data, and identified abnormal energy consumption and energy-saving space, while making real-time monitoring and alarming. We achieved the objective of energy efficiency improvement by continuously optimizing equipment operating efficiency, improving production processes, and developing energy management strategies. In respect of resource recycling, the remained materials after production were used to make of plastic return tanks, which were utilized internally to reduce the purchase of the return tanks or carton.

In 2016, the Sewage Treatment Center in Yuquan Plant was officially put into operation, which made it possible to reuse the disposed wastewater from production and daily operation for the purpose of toilet flushing and flowering plants. Meanwhile, the Group has supported the activity of “Let’s Save 10L Water” implemented by Hong Kong Government by posting tips of saving water and releasing relevant messages to encourage employees to use water resources effectively. With respect to the catering sector, our restaurants have signed “Energy Saving Charter 2017” launched by Electrical and Mechanical Services Department with commitment to reduce electricity consumption and save expenditure. The Group also signed “Charter on External Lighting” launched by Environment Bureau with commitment to discharge its corporate social responsibility by means of switching off the external lighting between 11 p.m. and 7 a.m. In the meantime, the Group received Gold Class and Silver Class labels of “FoodEver WasteNever Awards — WasteNever Award” in “FoodEver WasteNever Programmes” launched by Hong Kong Women Professionals and Entrepreneurs Association. By receiving those labels, the restaurants and central kitchens were recognized for their reducing food waste by leveraging on the food life cycle management.

Since 2016, the Group has entrusted an independent consultant company to conduct greenhouse gas calculation. Through the accounted results, the Group is able to have a clear understanding of distribution of major greenhouse gas emissions to formulate effective policy and system for management and reduction of greenhouse gas emission.



## (IX) CARING FOR THE ENVIRONMENT (CONTINUED)

Looking forward to the coming year, the Group will still strive to implement energy-saving and green production while putting RBA environmental protection policies into practice. In response to the “Thirteenth Five-Year Plan” energy-saving plan, the Group will reduce emission, utilize resources efficiently and carry out clean production, thereby further lowering the indicator for the production value to energy consumption ratio. The Group has formulated an energy-saving plan, and it is hoped that the amount of comprehensive energy consumption in 2020 would decrease by 30 tonnes of coal per annum. By setting up the objectives, it could save energy and reduce consumption, lower production costs and raise market competitiveness. As a result, invaluable resources could be retained and the environment could be kept in good condition for the next generation.



A workshop of tie-dying handkerchiefs with coffee grounds was held to explain the waste utilization and to raise the employees' awareness of waste reduction by promoting the use of handkerchiefs instead of paper towels.



With the concerted effort of staff in Hong Kong and China, tasks assigned in the tree planting activity were carried out by younger generation with new seedlings. Let's pass the torch from generation to generation.





## (X) CORPORATE GOVERNANCE

The Group has established the Executive Committee to improve decision-making efficiency. The day-to-day operations of the Group are now in the hands of a group of professional team. Furthermore, the Group is committed to improving its transparency, hence it discloses in its annual report detailing explanation of corporate strategies and the rationale behind; the Company has adopted the Shareholder's communication policy and met individual investors annually during "teabreak" to facilitate direct dialogue between investors and the management. Our staff can also keep abreast of our corporate plans and development directions through year-end summary meetings, brainstorming sessions and chairman sharing activities and hence the transparency of the Company is enhanced. Starting from 2008, the "Sustainability Report" has been prepared, which allows the public and investors to have a better understanding of what we have done as well as the progress of sustainable development and the corporate social responsibility.

The Company has adopted board diversity policy, which sets out the objectives and principles regarding board diversity for the purpose of achieving the Company's strategic objectives of balanced elements at the Board composition as far as practicable.

The Group is committed to highest standard of corporate governance, and will act accordingly to ensure that it complies with Corporate Governance Code and reviews and improves our corporate governance practices from time to time so as to maintain good corporate governance. The Group has well-established corporate governance structure to enhance the accountability to shareholders and other stakeholders.

In addition, the Group is well aware of the importance of honesty, integrity and fairness. In order to prevent fraudulent, corruption, bribery, extortion, money laundering and other activities conducted by its employees, the Group has issued "Ethical Disciplinary Requirements" to its staff, requiring them to observe the policies in relation to accepting advantages and declaration conflicts of interest, whistleblowing policy and guidance on Prevention of Bribery Ordinance. The Group has assigned dedicated personnel to handle affairs in respect of the relevant declaration and approval, complaints and enquiries, and conduct relevant investigation as well as take follow-up actions; and also provide ethics and integrity management training for new employees and departments. We also have a set of Social Entertainment Regulations in place so that the staff involved may get to know and abide by the standards of treating guests, and maintain clear consumption records and follow correct reimbursement procedures.

The Group invited Hong Kong Independent Commission Against Corruption to design thematic workshops on industry-specific basis for integrity management and corruption prevention to all staff of the Group, providing them with information on the latest corruption prevention movements.



## (X) CORPORATE GOVERNANCE (CONTINUED)

In respect of suppliers and processors, the Group has issued a letter named “Peers’ Belief” to urge them not to provide any benefits to employees during the normal course of business. All of our staff is prohibited from taking advantages of their powers and authorities for personal interests and incurring unfair business transactions.

The Company has established the internal audit function and adopted the risk management policy and three year internal risk management audit plan, including the structure and system of risk management of the Group. The Internal Audit Department together with the Audit Committee review the effectiveness of the risk management at least once a year. The internal risk control system of the Group is designed to provide reasonable, but not absolute, assurance of no material mis-statement or loss and to manage instead of eliminating risks of failure in operational systems and achievement of the Group’s objectives.

At the same time, the group recognises its obligation to protect the data privacy of everyone who provides personal information and manages and protects all collected customer data in compliance with the Personal Data (Privacy) Ordinance. General provisions of the Ordinance relate to the acquisition and intended use of personal information, restrictions on use, non-disclosure to third parties, and other key matters. Corporate Policy and Declaration on Personal Data Privacy provides guidelines for managing different kinds of personal data that secures personal data of our customers and business partners. Under the system of “Ethical Disciplinary Requirements”, we are required to exercise caution and comply with requirement of the regulations when handling with confidential information, including personal data of staff, customers and business partners.

(For further information, please refer to the heading of “Corporate Governance Report” in 2017/18 annual report).





## (XI) CARING FOR THE COMMUNITY

Since 2005, the Group has made endeavours to contribute 0.3% of its earnings in the prior year annually for charity or social responsibility purposes, the amount contributed from 2002 until the end of March of 2018 was over HK\$4,900,000 in total. Meanwhile, the volunteer group for charitable works was found and different teams were established to develop social responsibility activity projects and prepare annual relevant expenditure budgets on yearly basis, which are then handed over to the management for approval to ensure the proper use of the expenditure.

As a responsible corporate citizen, the Group has a clear understanding of the needs to blend in with the community, create harmony and make full commitment to social services. Back in 2005, the Group established in its Headquarter a volunteer team in Hong Kong for "volunteer group for charitable works". While in the PRC, different internal organisations including staff association and the Party branch also organise various kinds of charitable activities.

The Group has sponsored "Nothing is impossible" Adventure Education Programme and different activities organised by Hong Kong Sheng Kung Hui St. Christopher's Home since 2005, which aimed at nurturing children with the spirit of "Nothing is impossible" to strengthen their willpower and endurance against adversity through various activities. Meanwhile, a Representative Figure Voting Campaign was organized this year to acknowledge and compliment the social persons displaying the spirit of "Nothing is impossible" and to promote said spirit. Also, in order to prepare the periodical for such activity, a group of children joined the "Nothing is impossible" Adventure Education Programmes and acted as little reporters to conduct interviews with all of the winners of the Voting Campaign.

Besides, the Group sponsored the clothing and registration fees for students with slight mental retardation and teachers of HHCKLA Buddhist Po Kwong School for their participation in the 10km or Half Marathon Competition launched by the Standard Chartered Hong Kong Marathon for the eleventh consecutive year so as to train students' willpower and persistence. The Group's volunteer teams from Hong Kong and China also pay visits to Hong Kong Sheng Kung Hui Tai Wo Neighbourhood Elderly Centre and Fenggang Nursing Home in the PRC during Mid-Autumn Festival and Tuen Ng Festival annually, celebrating these festivals with the elderly and presenting them gifts. At the same time, the Group has launched a donation campaign through "Fullhouse Kitchen" to offer assistance to the refugees in the world. Fullhouse World would donate HK\$2 to United Nations High Commissioner for Refugees (UNHCR) on behalf of customers who purchased of any egg waffles or set meals comprising of egg waffles in any of its branch store in Hong Kong. Besides, the Group also joined Pei Ho Counterparts (北河同行) for the voluntary work of free meal box delivery. During the voluntary service, the volunteers provided assistance in preparing meals and gave out free meal boxes to the street sleepers in the neighbouring community.

We have set up volunteer leave since 2008 so as to encourage our staff to take an active role in voluntary services. The Group also took part in various social charitable activities during the year, such as ORBIS World Sight Day and the ORBIS Moonwalkers Special, Greeners Action's "Red Pockets Recycling Campaign" (Internal propaganda), the "Lunar New Year Gift Transfer Programme" by People's Food Bank under St. James' Settlement, and the sponsorship for the Raffle 2018 launched by SPCA Hong Kong, while our staff in the PRC are encouraged to take part in blood donation campaign. During the Year, charitable and other donations made by the Group amounted to HK\$210,000 (last year: HK\$271,000). The volunteer service hours rendered by our staff in China and Hong Kong were up to 660 hours.

Joined Pei Ho Counterparts (北河同行) for the voluntary work of free meal box delivery. The service recipients included the elderly and the homeless. Volunteers were deeply moved after the event.





## (XI) CARING FOR THE COMMUNITY (CONTINUED)

The Group sponsored employees and their families to participate in the "Moonwalkers Special" fund-raising walkathon activities organized by Orbis, walking overnight in the dark from Mong Kok to Sai Kung, to support and encourage people with eye diseases to escape from the darkness.



Through participating in the blood donation activities in the PRC, our employees were proud to show their love and devotion for the community.



The Group has sponsored the Sheng Kung Hui St. Christopher's Home for ten consecutive years to organize Representative Figure Voting Campaign and Little Reporter Training Program, as well as to produce albums for Representative Figures' interview.





## (XII) PRODUCT RESPONSIBILITY AND SUPPLIERS MANAGEMENT

Different business under the Group have always adhered to the corporate concept and enable customers to benefit from our superb product quality, reasonable costs, comprehensive service and flexible changes. Meanwhile, they never compromise on safety, design innovation and product quality to ensure all products meet the relevant external and internal standards and also consider the actual needs from customers' perspective. Since 1998, the Group has launched and executed international certification standard quality management system (ISO 9001) and in 2011, obtained the international certification standards of medical appliance quality management system (ISO 13485). The Group's quality policy for our manufacturing sector is "to manufacture products that meet customers' requirements with the most effective cost. Dedication and reliability are primary objectives of our Company's philosophy. All employees do fully understand, implement and maintain this quality system at all levels of the organization."

With respect to industrial business, the Group strictly complied with the laws and regulations related to quality, safety and environment as well as formulates products quality standards on safety, environmental protection and good quality as required by customers and regulations. According to given quality check process, we set up inspection points in key areas during production, including hand plate clearance check, process control check, and the final inspection to assure the qualified delivery of customers' products and implemented necessary reliability test, so that we can guarantee to deliver qualified and excellent quality products to customers. We adopted scientific quality management and control methods, such as risk assessment, FMEA, SPC, and Six Sigma, to minimize the risks of errors when appropriate. We established a comprehensive after-sale service system so as to gain customers trusts and meet their satisfaction.

The Group received "Best Supplier Award 2017" from our clients, Inventec, and "Working Partner of the Year 2017" from NEC, in recognition of its effort made by the manufacturing team in the past year.

Fullhouse World's household product, "Big Big Bird Colander (小鳥漏鍋)", received the "Hong Kong Smart Gifts Design Award 2017 — Household Gift Merit Award" from The Hong Kong Exporters' Association. At the same time, SGS was invited in 2017 to carry out audit work for FSC Forest Management Certification where the Group was awarded the certification, giving customers confidence to purchase our wood products.





## **(XII) PRODUCT RESPONSIBILITY AND SUPPLIERS MANAGEMENT (CONTINUED)**

With respect to consumer and services business, high-level food safety has been the persistent pursuit of the Group, for which it assigned personnel to attend other safety management activities in the food production and hospitality and catering sectors, as well as workshops on strict control of food safety. The Group also recommended its staff to attend the Hygiene Supervisor and the Hygiene Manager Training Courses offered by the Food and Environmental Hygiene Department, which enable them to master the methods regarding the control and supervision on food hygiene and safety, so as to enhance the skills of food supervision.

Upon several audit and qualification assessment by SGS Hong Kong Limited ("SGS"), the Central Kitchen was awarded the hygienic supervision certificate, demonstrating that the staff and environmental sanitation, product management, equipment and facilities, temperature control and other aspects of Central Kitchen have satisfied the high standard of food hygiene.

In terms of the customers' satisfaction, the Group considers and solves the problems from customer's standpoint and gives top priority to the needs and satisfaction of customers. Apart from measuring the performance of market performance in terms of customers' satisfaction, the Group also addresses and handles the demand from customers (such as product complaints) according to the comprehensive customer complaint and product reclaim mechanism, which will be handled by a special customer service team immediately, and enable customers to contact the responsible persons in the first instance. They will respond actively and handle the problems in the fastest way within the time permitted by customers, carry out quick improvement actions internally, which include product reclaim, thorough checking, replenishment, remedies and preventive measures, and report the analysis and treatment to customers until they are satisfied.



## (XII) PRODUCT RESPONSIBILITY AND SUPPLIERS MANAGEMENT (CONTINUED)

For consumer and services business, the Group understands customers' needs positively by collecting customers' opinions or comments regarding restaurants through different channels. Shops collect comments card monthly, then analyze them and compile a report for the management to understand the actual situations and conduct review and gap analysis. Besides, the Group participated in Mystery Customers Program organized by Hong Kong Retail Management Association to evaluate customer service and product performance of each shop, with a view to understanding the merits and shortcomings of each shop, so that can provide more appropriate trainings, carry out reviews, and then make improvement.

### SUPPLIER MANAGEMENT

#### The Category and Management Measures for the Major Suppliers

Business	Types of Suppliers	Management Measures
Metal and Plastic Business and Electronic Manufacturing Services Business	Metal Raw Materials, Plastics Raw Materials, Metals Components, Electronic Components, Packaging Materials, Machinery and Equipment	<ul style="list-style-type: none"> <li>— After all new suppliers and suppliers for key food materials assessed by our supply chain team and in compliance with the requirements of the Group, then they would formally become our supply partners;</li> <li>— The supply chain team also visits major suppliers regularly for periodic review of their quality situation and production capacity.</li> <li>— In order to comply with the regulations of ISO 9001 Quality Management System and ISO 14001 Environment Management System, the Group gives priority to suppliers with quality guarantee and environmental protection undertaking. The Group also entered into agreements with suppliers to ensure suppliers are in compliance with the environmental protection standard of the Group.</li> <li>— According to the minerals regulations in conflicting regions of the Responsible Business Alliance (RBA) and the Global e-Sustainability Initiative (GeSI) (Article 1520 of Dodd-Frank legislation in the United States), the Group and its suppliers confirmed that they do not use the "Conflicting Minerals" produced by The Democratic Republic of Congo (DRC) or its neighboring country, which including tantalum, tin, gold and tungsten. Meanwhile, the provisions under the RBA Code of Conduct should be complied.</li> </ul>





## (XII) PRODUCT RESPONSIBILITY AND SUPPLIERS MANAGEMENT (CONTINUED)

Business	Types of Suppliers	Management Measures
Consumer and Services Business <sup>5</sup>	production of food materials, food packaging materials, kitchen equipment and utensils, and accessories and gifts	<ul style="list-style-type: none"> <li>— After the suppliers for key food materials assessed by our supply chain team and in compliance with the requirements of the Group, then they would formally become our supply partners;</li> <li>— A central procurement department was established to ensure the quality and safety standards of all materials and food, and the requirements of relevant regulations were complied with.</li> </ul>



Number and ratio (%) of suppliers by region	2017/18	2016/17
Hong Kong	203 (31.62)	264 (33.08)
The PRC	353 (54.98)	449 (56.27)
Overseas	86 (13.40)	85 (10.65)

<sup>5</sup> As at 29 March 2018, the Consumer and Service Business of the Group were discontinued.





## (XIII) MISSIONS UNDERTAKINGS

The Group believes that “Sustainable Development” cannot be operated solely by itself, while through various occasions of sharing of experience externally and plant visits, more and more organizations could join hand in hand the sharing and communication, create value from various occasions and promote the sustainability work together.



Date	Activity	Photo
2017/6/2	The participants of “Excellence Brings Jobs (吾優造) food and beverage training course” organized by St. James’Settlement had a field trip to Fullhouse Kitchen in Whampoa and attended career planning activity.	
2017/7/11-21	Students from South China Agricultural University underwent internships in the server casing assembly plant and engineering and R&D department, and had a face-to-face meeting with several senior engineers.	
2017/8/8	The teachers and students from the Electronic and Information Engineering Department of the Hong Kong Polytechnic University visited the practical application hall of industrial robots and exchanged view with our engineering team.	
2017/8/30	The teachers and students from the Department of Environment and Sustainable Development of the Hong Kong University of Science and Technology visited the Company, which allowed the students to understand the existing development of the Pearl River Delta region and the appropriate countermeasures taken by different companies when facing changes in business environment. Besides, a lunch meeting with our Chairman Mr. Ho and the management was arranged.	
2017/10/19	Business and Authorities Working Committee (政企關工委) of Chang’an Town visited us.	





### (XIII) MISSIONS UNDERTAKINGS (CONTINUED)

Date	Activity	Photo
2017/11/10	We were invited by the Hong Kong Exporters' Association (HKEA) to attend a seminar and briefing session under the theme of "Hidden Concept of Design" in Hong Kong Smart Gifts Design Award 2018.	
2017/11/17	We were invited by the Institute of Professional Training to deliver a speech with the title "Innovative Talent Training & Development" at the seminar organized by the Support and Consultation Centre for SMEs (SUCCESS) of the Trade and Industry Department.	





### (XIII) MISSIONS UNDERTAKINGS (CONTINUED)

Date	Activity	Photo
2017/11/28	The Executive Director, Ms. CHAN Ming Mui, Silvia, was invited to attend an Alumni Sharing Session “How to Stand Out and the Way to Success” organized by Shun Tak Fraternal Association Leung Kau Kui College, which allowed a number of students understand the challenges of facing change.	
		
2017/12/14	The participants of “Catering Sector Training Course of Youth Employment Program” organized by St. James’ Settlement had a field trip to Fullhouse Kitchen in Whampoa and attend career planning activity.	
2017/12/21	38 teachers and students from ELCHK Lutheran Secondary School visited Karri’s plant to get to know the life of the workers. The management personnel of each department gave a brief introduction of Karri to the students and shown them to the model house, welding robots, CNC, and automated workshops.	
2018/3/21	The Company participated in the “Business School Exchange Program 2017/18” hosted by the Hong Kong General Chamber of Commerce. The organizer received visits from the teachers and students from Carmel Divine Grace Foundation Secondary School. In addition to visiting the office, our employees from different departments attended a group sharing section with the students, and our employees subsequently visited the FH Discovery New Town store. The students gave positive comments on the event because they gained practical experience.	
2018/3/29	We were invited by St. James’ Settlement to join the “I try so I know (吾試吾知)” Trial Work Placement Scheme. We provided a 3-day shop assistant trial opportunity to a young person, through which the young person can understand and experience the work in the catering industry and he may have the opportunity to serve in our company in the future.	



## (XIV) MAJOR AWARDS, RECOGNITION AND CHARTERS

In 2018, the Group gained recognitions and the information of the Charters participated were as follows:

Category	Category	Awarding Units	Honors/Recognitions/Charters Granted	Companies with Awards
Year 2017/2018	Environmental protection	Hong Kong Women Professionals and Entrepreneurs Association	"FoodEver WasteNever Programmes" labels	Fullhouse World
	Environmental protection	Electrical and Mechanical Services Department	"Energy Saving Charter 2017"	Fullhouse World
	Occupational safety and health	Fenggang Administration of Work Safety and Fenggang Labour Union	Work Safety Knowledge Competition in Fenggang — First Runner-up	Karrie Group
	Environmental protection	the Hong Kong Management Association	Hong Kong Sustainability Award 2016/17 Certificate of Excellence (Medium-sized organizations)	Karrie Group
	Miscellaneous	the Hong Kong Chinese Importers' & Exporters' Association	"Outstanding Import and Export Enterprise Awards 2017"	Karrie Group
	Staff Caring	Mandatory Provident Fund Schemes Authority	2016–17 Good MPF Employer	Karrie Group
	Product responsibility	Guangdong Provincial Administration for Industry and Commerce and China Import and Export Fair	"Creditable Enterprise" of Guangdong Province	Yuquan Plant



## (XIV) MAJOR AWARDS, RECOGNITION AND CHARTERS (CONTINUED)

Category	Category	Awarding Units	Honors/Recognitions/ Charters Granted	Companies with Awards
	Training and Development	the Hong Kong General Chamber of Small and Medium Business	"Certificate in the Partner Employer Award Scheme"	Karrie Group
	Product responsibility	SGS Hong Kong Limited (SGS)	FSC Forest Management Certification	Karrie Group
	Corporate social responsibility	the Hong Kong Council of Social Service	"10 Years Plus Caring Company Logo" for 2005-2018	Karrie Group
	Product responsibility	Inventec	"the Best Supplier Award 2017"	Karrie Group
	Product responsibility	NEC	"Partner Excellence Award 2017"	Karrie Group

### Note:

"Karrie Group"	Karrie International Holdings Limited and its subsidiaries
"Yuquan Plant"	Dongguan Feng Gang Caston Metal & Plastics Co., Ltd.
"Fullhouse World"	Fullhouse World International Limited and subsidiaries under consumer and services business







## (XIV) MAJOR AWARDS, RECOGNITION AND CHARTERS (CONTINUED)

The Group participated in industry and professional associations, whereby exchanged and shared different opinions as well as the latest markets information through different platforms.

Institution	Company	Class of Membership
Hong Kong General Chamber of Commerce	Karrie Industrial Company Limited	Member
The Chinese Manufacturers' Association of Hong Kong	Karrie Industrial Company Limited	Ordinary Member
The Chinese Manufacturers' Association of Hong Kong	Fullhouse Tracy Housewares Company Limited	Ordinary Member
The Chinese Manufacturers' Association of Hong Kong	Fullhouse World International Limited	Ordinary Member
Hong Kong Institute of Human Resource Management	Karrie International Holdings Limited	Corporate Member
Vocational Training Council VTC Design Education Fund	Karrie Industrial Company Limited	Double Gold Group
Occupational Safety and Health Council	Karrie Industrial Company Limited	Green Cross Group Member
The Hong Kong Exporters' Association	Fullhouse World International Limited (The registered company name was changed to "Karrie International Holdings Limited" since 28 November 2017)	Corporate Member
Federation of Hong Kong Industries	Karrie Industrial Company Limited	Member
Federation of Hong Kong Industries Group 14 (Hong Kong Mould & Die Council)	Karrie Industrial Company Limited	Member
The Hong Kong Management Association	Karrie International Holdings Limited	Member



## (XV) CORPORATE SOCIAL RESPONSIBILITY INDICATORS

### ENVIRONMENT

The Group selected the year 2017/2018 as the base year for the Green House Gas (GHG) inventory audit, because the year 2017/2018 was the first year of adopting the ISO 14064-1 standard as the guidance of the Group for inventory audit and report preparation, and at the same time it is the year when sufficient data and information of relevant activities can be collected. The following data only included data collected from the Hong Kong office and the plant in Yuquan, Fenggang, Mainland China.

Data Collection of Energy Consumption	2017/18	2016/17
Electricity consumption (kWh)	36,803,390	36,512,080
Electricity consumption of per floor area (Mwh/m <sup>2</sup> )	246	244
Diesel Consumption (liter)	225,108	225,972
Gasoline Consumption (liter)	9,566	10,037

### EMISSIONS

Data Collection	2017/18	2016/17
Scope I of greenhouse gas emission — direct emission (Tonnes CO <sub>2e</sub> )	2,659	1,803
Scope II of greenhouse gas emission — indirect energy emission (Tonnes CO <sub>2e</sub> )	19,395	19,249
Scope III of greenhouse gas emission — indirect emission <sup>6</sup> (Tonnes CO <sub>2e</sub> )	N/A	83
Total volume of greenhouse gas emission (Tonnes CO <sub>2e</sub> )	22,054	21,135
Total volume of greenhouse gas emission of per floor area (Tonnes CO <sub>2e</sub> /m)	0.1480	0.1410
Emissions of ozone-depleting substances (Tonnes CFC-11)	0.0113	N/A

### TOTAL PACKAGING MATERIAL USED FOR FINISHED PRODUCTS

Data Collection	2017/18	2016/17 <sup>7</sup>
Paper (in tonnes)	2,730	N/A
Plastic (in tonnes)	246	N/A
Others (in tonnes)	176	N/A

<sup>6</sup> In respect of other indirect greenhouse gas emissions, other indirect emissions (Scope III), were shown to be less than 1% of total emissions based on statistics for the past three years and are therefore not quantified.

<sup>7</sup> 2016/17 report was not prepared in accordance with the GRI Standards, specific areas were not being audited, the disclosure is considered to be not applicable.

## (XV) CORPORATE SOCIAL RESPONSIBILITY INDICATORS (CONTINUED)

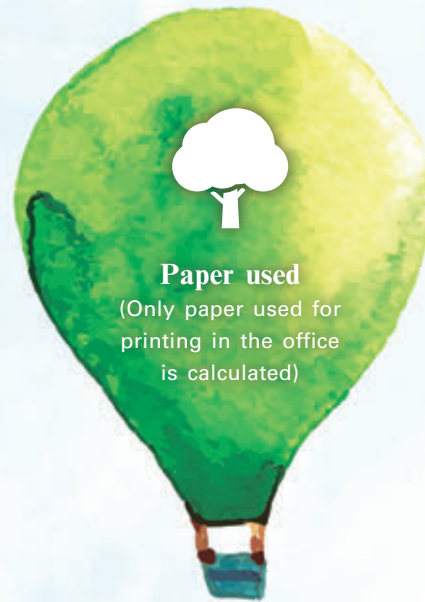
### PAPER AND WATER CONSUMPTION



Water  
consumption

<b>362,046</b>	2017/18
<b>477,571</b>	2016/17
<b>472,148</b>	2015/16

Cubic meter



Paper used  
(Only paper used for  
printing in the office  
is calculated)

<b>16,460.02</b>	2017/18
<b>22,744.00</b>	2016/17
<b>21,279.00</b>	2015/16

kilogram

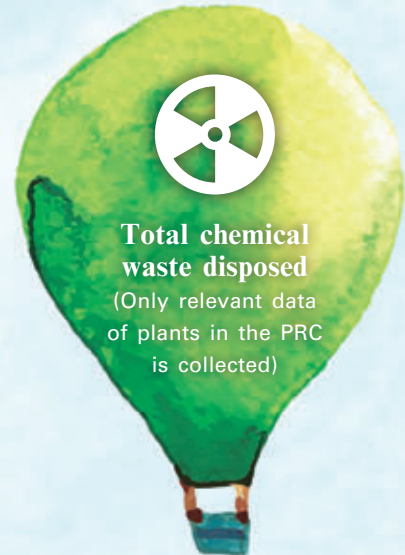


## (XV) CORPORATE SOCIAL RESPONSIBILITY INDICATORS (CONTINUED)

### EFFLUENT AND WASTE MANAGEMENT



**136,480** 2017/18  
 N/A<sup>8</sup> 2016/17  
 N/A<sup>8</sup> 2015/16  
 Cubic meter



**18.65** 2017/18  
 N/A<sup>8</sup> 2016/17  
 N/A<sup>8</sup> 2015/16  
 Tonnes



**369,880** 2017/18  
**379,688** 2016/17  
**428,670** 2015/16  
 kilogram



**463,515** 2017/18  
 N/A<sup>8</sup> 2016/17  
 N/A<sup>8</sup> 2015/16  
 kilogram



**7.74** 2017/18  
 N/A<sup>8</sup> 2016/17  
 N/A<sup>8</sup> 2015/16  
 Cubic meter



<sup>8</sup> Year 2015/16 & 2016/17 reports were not prepared in accordance with the GRI Standards, specific areas were not being audited, the disclosure is considered to be not applicable.



## (XV) CORPORATE SOCIAL RESPONSIBILITY INDICATORS (CONTINUED)

### SOCIETY

Number of Employees	2017/18	2016/17
Average number of employees of the Group during the period	3,772	4,063
<b>By geographical locations</b>		
PRC	3,589	3,894
Hong Kong	178	164
Overseas	5	5
<b>By gender</b>		
Gender distribution of the PRC employees (Male: Female)	64.76%:35.24%	65.24%:34.76%
Gender distribution of Hong Kong and overseas employees (Male: Female)	51.91%:48.09%	59.10%:40.90%
<b>Number of employees by age group</b>		
Under 30	1,250	1,648
30-50	2,293	2,228
Over 50	229	187
<b>Data Collection</b>		<b>2017/18</b>
<b>By Employees Category</b>		
Management		67
Manger and department heads		229
Middle level		338
Technicians and team leaders		675
Frontline staff and employees		2,424





## (XV) CORPORATE SOCIAL RESPONSIBILITY INDICATORS (CONTINUED)

Proportion of senior management <sup>9</sup> hired from the local community (%)	2017/18
The PRC	86.21
Hong Kong	87.50
Overseas	100.00
Ratios of the PRC standard entry level wage	
Compared to local minimum wage <sup>10</sup> (Male)	1.46
Compared to local minimum wage <sup>10</sup> (Female)	1.46
Number and Rate (%) of Employee Turnover (monthly average)	2017/18
By region	
The PRC	295 (8.21)
Hong Kong	9 (5.07)
Overseas	0 (0.00)
By gender	
Male	220 (9.10)
Female	84 (6.22)
By age group	
Under 30	195.08 (15.61)
30–50	105.82 (4.62)
Over 50	3.17 (1.39)

<sup>9</sup> Senior Management refers to top ranking member of the management of an organization that includes a Chief Executive Officer (CEO).

<sup>10</sup> The PRC standard entry level wage = standard entry level wage/minimum wage in Dongguan. Male and female employees are entitled to the same standard entry level wage and to the right of equal pay for equal work.



## (XV) CORPORATE SOCIAL RESPONSIBILITY INDICATORS (CONTINUED)

Number and Rate (%) of New Hires (Monthly Average)		2017/18
<b>By region</b>		
The PRC		283 (7.88)
Hong Kong		10 (5.51)
Overseas		0 (0.00)
<b>By gender</b>		
Male		206 (5.47)
Female		87 (2.29)
<b>By age group</b>		
Under 30		197 (15.73)
30–50		95 (4.15)
Over 50		1 (0.51)
<b>Return to Work and Retention after Maternity Leave/Paternity Leave</b>		<b>2017/18</b>
<b>Number of employees who took maternity leave/paternity leave</b>		
Male		47
Female		35
<b>Number and rate (%) of employees who returned to work after maternity leave/paternity leave ended</b>		
Male		47 (100)
Female <sup>11</sup>		20 (100)
<b>Number and rate (%) of employees who remained employed for 12 months after the end of maternity leave/paternity leave</b>		
Male		22 (75.86)
Female		31 (79.49)



<sup>11</sup> Fifteen employees who were still on maternity leave as at 31 March 2018 were excluded from the calculation.



## (XV) CORPORATE SOCIAL RESPONSIBILITY INDICATORS (CONTINUED)

Occupational Health and Safety		2017/18	
Number of the PRC occupational injuries		72	
Number of Hong Kong occupational injuries		1	
Number of the PRC and Hong Kong occupational injuries (by gender) — Male: Female		69:4	
Occupational disease rate (%) of the PRC and Hong Kong		0	
Number of business days lost in the PRC due to occupational injuries		1,066	
Number of business days lost in Hong Kong due to occupational injuries		66.5	
Fatalities due to occupational injury in the PRC and Hong Kong		0	
Number of absentee days in the PRC		17,379	
Number of absentee days in Hong Kong		377	
Absentee rate (%) in the PRC <sup>12</sup>		0.16	
Absentee rate (%) in Hong Kong <sup>13</sup>		0.07	
Staff Training		2017/18	2016/17
Total hours of training		58,749	34,423
Average training hours completed per employee		26	8.47
Number of employees who attended human rights training course		5,528	4,871
Number of employees who attended fire-fighting safety training		5,528	7,070
Gender ratio of employees attending training (Male: Female)		66%:34%	65%:35%
Others		2017/18	2016/17
Gender ratio of the Board members (Male: Female)		8:1	8:1
Volunteer service hours in the PRC and Hong Kong		660	505
Charitable and other donations (HK\$)		210,000	271,000

<sup>12</sup> Absentee rate in the PRC refers to the rate (percentage) of the number of absentee days for voluntary no-pay leave/total number of business days for the PRC employees.

<sup>13</sup> Absentee rate in Hong Kong refers to the rate (percentage) of the number of absentee days for voluntary no-pay leave/total number of business days for Hong Kong employees.





## (XVI) HONG KONG QUALITY ASSURANCE AGENCY — VERIFICATION STATEMENT



### SCOPE OF VERIFICATION

Hong Kong Quality Assurance Agency (HKQAA) has been engaged by Karrie International Holdings Limited to undertake an independent verification for its Sustainability Report 2017/2018 (hereinafter called “the Report”). The scope of HKQAA’s verification covers the data and information associating with Karrie International Holdings Limited’s sustainability performance for the period 1 April 2017 to 31 March 2018.

### LEVEL OF ASSURANCE AND METHODOLOGY

The process applied in this verification was based on international standard. Our evidence gathering process was designed to obtain a reasonable level of assurance as set out in the standard for the purpose of devising the verification conclusion and the extent of this verification process undertaken was provided for the core option of the GRI Standards.

In order to understand the process that Karrie International Holdings Limited adopted to ascertain the key sustainability issues and impacts, the Report compilation process was discussed including stakeholder engagement and materiality assessment processes. Also, system and process for collecting, collating and reporting sustainability performance data were verified. Our verification procedure performed covered reviewing of relevant documentation, interviewing responsible personnel with accountability for preparing the reporting contents and verifying the selected representative sample of data and information. Raw data and supporting evidence of the selected samples were also thoroughly examined during the verification process.

### LIMITATION AND EXCLUSIONS

The verification is carried out only on the basis of the data and information provided by Karrie International Holdings Limited, with the assumption of completeness and truthfulness.

The following items are excluded from the scope of work:

- Any information not directly linked to the Report;
- Company strategy and position statements (including any expression of opinion, belief, aspiration, expectation, aim or future intention); and
- Financial data which is taken from Karrie International Holdings Limited’s Annual Report and Accounts.

### INDEPENDENCE

Karrie International Holdings Limited is responsible for the collection and presentation of the information presented. HKQAA does not involve in calculating, compiling, or in the development of the Report. Our verification activities are independent from Karrie International Holdings Limited.



## (XVI) HONG KONG QUALITY ASSURANCE AGENCY — VERIFICATION STATEMENT (CONTINUED)

### CONCLUSION

On the basis of our verification, nothing has come to our attention that causes us to believe that Karrie International Holdings Limited's verified information for the Reporting Period is not prepared, in all material aspects, with reference to the core option of GRI Standards.

Karrie International Holdings Limited has been engaging with its stakeholders continuously and being very responsive to the feedbacks gathered from the stakeholder engagement process by improving its disclosure regarding the material issues that are of importance to the company and high level of interest by stakeholders. The Report reflects appropriately Karrie International Holdings Limited's sustainability context and materiality.

**Signed on behalf of Hong Kong Quality Assurance Agency**

**Jorine TAM**

*Director, Corporate Business*

June 2018





## (XVII) GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

This report was prepared with reference to the Core Option of GRI standard guidelines and in accordance to “ESG Reporting Guide” issued by the Hong Kong Stock Exchange. The table below provides with cross-references to related chapters or direct explanation in respect of each Disclosure Requirement.

GRI standard	Disclosed item	Cross-references/explanation	“ESG Reporting Guide” reference	Page
<b>General Disclosure</b>				
<b>GRI 102: General Disclosure 2016</b>				
<b>Organizational profile</b>				
102-1	Name of the organization	About the sustainability report and reporting standards		2-5
102-2	Activities, brands, products, and services	About Karrie		3-4
102-3	Location of the headquarter	About the sustainability report and reporting standards		2-5
102-4	Location of operations	About the sustainability report and reporting standards		2-5
102-5	Ownership and legal form	About Karrie		3-4
102-6	Markets served	Annual Report 2017/2018 — Financial Highlights (Page 10)		/
102-7	Scale of the organization	About Karrie Annual Report 2017/2018 — Chairman’s Statement (Page 12-40)		3
102-8	Information on employees and other workers	About Karrie Corporate Social Responsibility Indicators	B1.1	3 44-47
102-9	Supply chain	Product responsibility and Suppliers management There was no case on the products sold out or shipped subject to recalls for safety and health reasons this year.	B5, B5.1, B5.2, B6, B6.1, B6.2, B6.4	31-34



## (XVII) GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX (CONTINUED)

GRI standard	Disclosed item	Cross-references/explanation	"ESG Reporting Guide" reference	Page
102-10	Significant changes in the organization and its supply chain	There was no significant change in relation to the Group's supply chain.		/
102-11	Precautionary principles or approaches	Caring for the Environment		24-26
		Visions on corporate social responsibility		14-15
102-12	External initiatives	Caring for the Environment		24-26
		Product responsibility and Suppliers management		31-34
102-13	Membership of associations	Major Awards, Recognition, Charters and Membership		38-40
<b>Strategy</b>				
102-14	Statement from decision-makers	Chairman's Message		6-7
		Visions on corporate social responsibility		14-15
102-16	Values, principles, standards, and norms of behaviour	Product responsibility and Suppliers management		31-34
		Corporate governance		27-28
102-18	Governance structure	Annual Report 2017/2018 — Corporate Governance Report (Page 41-67)		/
102-40	Stakeholders groups	Participation of stakeholders		9-13
102-41	Collective bargaining agreements	No collective bargaining agreement was signed by the Company with the trade union.		/



## (XVII) GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX (CONTINUED)

GRI standard	Disclosed item	Cross-references/explanation	"ESG Reporting Guide" reference	Page
102-42	Identifying and selecting stakeholders	Participation of stakeholders		9-13
		Staff caring		16-19
		Corporate governance		27-28
		Product responsibility and Suppliers management		31-34
102-43	Approach to stakeholder engagement	Participation of stakeholders		9-13
		Staff caring		16-19
		Corporate governance	B6.2	27-28
		Product responsibility and Suppliers management		31-34
102-44	Key topics and concerns raised	Materiality Assessment	B6.2	11-13
102-45	Entities included in the consolidated financial statements	Annual Report 2017/2018 — Financial Highlights (Page 9-11) — Consolidated Financial Statement (Page 121-275)		/
102-46	Defining report content and topic boundaries	About the sustainability report and reporting standards		2-5
		Materiality Assessment		11-13
102-47	List of material topics	Materiality Assessment		11-13
102-48	Restatements of information	No information given in previous report was restated this year.		/





## (XVII) GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX (CONTINUED)

GRI standard	Disclosed item	Cross-references/explanation	"ESG Reporting Guide" reference	Page
102-49	Changes in reporting	About the sustainability report and reporting standards		2-5
102-50	Reporting period	About the sustainability report and reporting standards		2-5
102-51	Date of the previous report	The previous report was published in 2017 with the information of the year 2016/2017 disclosed.		/
102-52	Reporting cycle	About the sustainability report and reporting standards		2-5
102-53	Contact point for questions regarding the report	About the sustainability report and reporting standards		2-5
102-54	Claims of reporting in accordance with the GRI Standards	About the sustainability report and reporting standards		2-5
102-55	GRI content index	Global reporting initiative (GRI) content index		50-60
102-56	External assurance	Hong Kong Quality Assurance Agency — Verification Statement		48-49
<b>Important Issue</b>				
<b>GRI 201: Economic Performance</b>				
<b>GRI 103: Management Approach</b>		<b>Materiality Assessment</b>		<b>11-13</b>
201-1	Direct economic value generated and distributed	Economic efficiencies and market status Annual Report 2017/2018 — Financial Highlights (Page 9-11)		8 /



## (XVII) GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX (CONTINUED)

GRI standard	Disclosed item	Cross-references/explanation	"ESG Reporting Guide" reference	Page
201-2	Financial implications and other risks and opportunities due to climate change	No significant risks and opportunities posed by the regulatory requirements in relation to the climate change was found.		/
201-3	Defined benefit plan obligations and other retirement plans	Annual Report 2017/2018 — Consolidated Financial Statements (Page 158-159, 240-244)		/
201-4	Financial assistance received from government	No financial assistance was received from the government this year.		/
<b>GRI 202: Market Presence</b>				
<b>GRI 103: Management Approach</b>		<b>Materiality Assessment</b>		<b>11-13</b>
		<b>Staff caring</b>		<b>16-19</b>
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Corporate Social Responsibility Indicators.  The statistics of Hong Kong was temporarily not included in this part. The Group will continue to improve the relevant statistical system.		45
202-2	Proportion of senior management hired from the local community	Corporate Social Responsibility Indicators		45
<b>GRI 205 : Anti-corruption</b>				
<b>GRI 103 : Management Approach</b>		<b>Corporate governance</b>	<b>B7, B7.2</b>	<b>27-28</b>
205-3	Confirmed incidents of corruption and actions taken	There were not any confirmed incidents of corruption.	B7.1	/



## (XVII) GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX (CONTINUED)

GRI standard	Disclosed item	Cross-references/explanation	"ESG Reporting Guide" reference	Page
<b>GRI 301 : Materials</b>				
<b>GRI 103 : Management Approach</b>		<b>Caring for the Environment</b>	<b>A2, A3, A3.1</b>	<b>24-26</b>
301-1	Materials used by weight or volume	Corporate Social Responsibility Indicators (Only the weight of the packaging materials was counted this year.)	A2.5	41
<b>GRI 302 : Energy</b>				
<b>GRI 103 : Management Approach</b>		<b>Caring for the Environment</b>	<b>A2</b>	<b>24-26</b>
302-1	Energy consumption within the organization	Corporate Social Responsibility Indicators	A2.1	41-43
302-3	Energy intensity	Corporate Social Responsibility Indicators	A2.1	41-43
302-4	Reduction of energy consumption	As 2017/2018 was set as the base year, there is no comparison on the reduction of energy consumption.	A2.3	/
	Water consumption in total and intensity	Corporate Social Responsibility Indicators	A2.2	41-43
	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Not Applicable — Sourcing water is fit for the purpose is not considered to be a material issue for our organization.	A2.4	/





## (XVII) GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX (CONTINUED)

GRI standard	Disclosed item	Cross-references/explanation	"ESG Reporting Guide" reference	Page
<b>GRI 305: Emissions</b>				
<b>GRI 103: Management Approach</b>		<b>Materiality Assessment</b>	<b>A1, A2</b>	<b>11-13</b>
		<b>Caring for the Environment</b>		<b>24-26</b>
305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	Corporate Social Responsibility Indicators	A1.1, A1.2	41
305-2	Energy indirect GHG emissions (Scope 2)	Corporate Social Responsibility Indicators	A1.1, A1.2	41
305-3	Other indirect GHG emissions (Scope 3)	Corporate Social Responsibility Indicators	A1.1, A1.2	41
305-4	GHG emissions intensity	Corporate Social Responsibility Indicators		41
305-5	Reduction of GHG emissions	As 2017/2018 was set as the base year, there was no comparison can be made as to reduction of GHG emissions.	A1.5	/
305-6	Emissions of ozone-depleting substances	Corporate Social Responsibility Indicators		41
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	There was no statistics on significant air emissions for the year. The Group will continue to improve the relevant statistical system.		/
<b>GRI 306 : Effluents and Waste</b>				
<b>GRI 103 : Management Approach</b>		<b>Caring for the Environment</b>	<b>A2</b>	<b>24-26</b>
306-2	Waste by type and disposal method	Corporate Social Responsibility Indicators	A1.3, A1.4, A1.6	41-43



## (XVII) GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX (CONTINUED)

GRI standard	Disclosed item	Cross-references/explanation	"ESG Reporting Guide" reference	Page
<b>GRI 401: Employment relationship</b>				
<b>GRI 103: Management Approach</b>		<b>Materiality Assessment</b>	<b>B1</b>	<b>11–13</b>
<b>GRI 103: Management Approach</b>		<b>Staff caring</b>		<b>16–19</b>
401–1	New employee hires and employee turnover	Corporate Social Responsibility Indicators	B1.2	45–46
401–2	Benefits provided to full-time employees (excluding temporary or part-time employees)	Staff caring		16–19
401–3	Parental leave	Staff caring Corporate Social Responsibility Indicators		16–19 46
<b>GRI 403: Occupational Health and Safety</b>				
<b>GRI 103: Management Approach</b>		<b>Materiality Assessment</b>	<b>B2, B2.3</b>	<b>11–13</b>
<b>GRI 103: Management Approach</b>		<b>Staff caring</b>		<b>16–19</b>
403–1	Workers representation in formal joint management — worker health and safety committees	Staff caring		16–19
403–2	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Corporate Social Responsibility Indicators	B2.1, B2.2	47



## (XVII) GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX (CONTINUED)

GRI standard	Disclosed item	Cross-references/explanation	"ESG Reporting Guide" reference	Page
403-3	Workers with high-incidence or high risk of diseases related to their occupation	There was no worker in the Group with high risk of occupational diseases.		/
403-4	Health and safety topics covered in formal agreements with trade unions	No health and safety topic is covered in the agreement entered into by the Group with the trade union.		/
<b>GRI 404 : Training and Education</b>				
<b>GRI 103 : Management Approach</b>		<b>Training and Development</b>	<b>B3</b>	<b>20-23</b>
404-1	Average hours of training per year per employee	Corporate Social Responsibility Indicators	B3.2	46
404-3	Percentage of employees receiving regular performance and career development reviews	All employees in Hong Kong and employees who rank Level 5 or above in Mainland will received the performance appraisal every year.		/
	The percentage of employees trained by gender and employee category	Corporate Social Responsibility Indicators (The Statistics of employees trained by employee category was not included in this part. The Group will continue to improve the relevant statistical system.)	B3.1	47





## (XVII) GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX (CONTINUED)

GRI standard	Disclosed item	Cross-references/explanation	"ESG Reporting Guide" reference	Page
<b>GRI 408: Child Labour</b>				
<b>GRI 103: Management Approach</b>		<b>Materiality Assessment</b>	<b>B4, B4.1, B4.2</b>	<b>11–13</b>
		<b>Staff caring</b>		<b>16–19</b>
408–1	Operation office and suppliers at significant risk for incidents of child labour	Materiality Assessment		11–13
		Staff caring		16–19
<b>GRI 413 : Local Communities</b>				
<b>GRI 103 : Management Approach</b>		<b>Caring for the community</b>	<b>B8</b>	<b>29–30</b>
413–1	Operations with local community engagement, impact assessments and development programs	Caring for the community		29–30
	Focus areas of contribution	Caring for the community	B8.1	29–30
	Resources contributed to the focus area.	Corporate Social Responsibility Indicators	B8.2	47
<b>GRI 417: Marketing and Labelling</b>				
<b>GRI 103: Management Approach</b>		<b>Materiality Assessment</b>		<b>11–13</b>
417–1	Requirements for product and service information and labelling	Product responsibility and Suppliers management — The percentage of significant product or service categories covered by and assessed for compliance with such procedures cannot be provided temporarily.		31–34



## (XVII) GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX (CONTINUED)

GRI standard	Disclosed item	Cross-references/explanation	"ESG Reporting Guide" reference	Page
417-2	Incidents of non-compliance concerning product and service information and labelling	There was no incident of non-compliance concerning product and service information and labelling this year.		/
417-3	Incidents of non-compliance concerning marketing communications	There was no incident of non-compliance concerning marketing communications this year.		/
<b>GRI 418: Customer Privacy</b>				
<b>GRI 103: Management Approach</b>		<b>Materiality Assessment</b>	<b>B6.3, B6.5</b>	<b>11-13</b>
		<b>Corporate governance</b>		<b>27-28</b>
418-1	Substantiated complaints concerning breaches of customer privacy or losses of customer data	There was no substantiated complaint concerning breaches of customer privacy or losses of customer data this year		/
<b>GRI 419: Socioeconomic Compliance</b>				
<b>GRI 103: Management Approach</b>		<b>Materiality Assessment</b>		<b>11-13</b>
419-1	Non-compliance with laws and regulations in the social and economic area	There was no incident of non-compliance with laws and regulations in the social and economic area this year.		

