



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

(Incorporated in Bermuda with limited liability)

stock code : 1050



Sustainability Report






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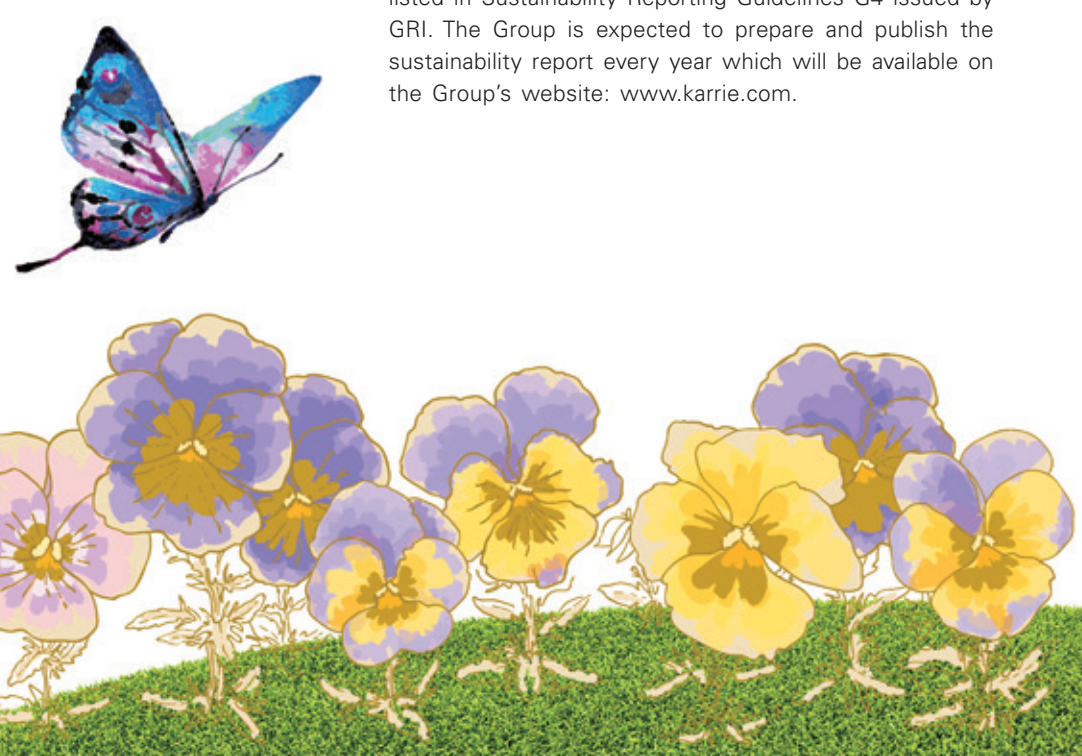




**(I) ABOUT THE
SUSTAINABILITY REPORT
AND REPORTING
STANDARDS**

A decorative dotted line in a light brown color starts from the top left, curves down and then up and right, ending near the top right. On the left side, there are green leafy branches and two circular wreaths made of green leaves.

The sustainability report is a disclosure document highly regarded by enterprises as a means to enhance the transparency of non-financial disclosure information, which Karrie International Holdings Limited (the “Company” and its subsidiaries, together the “Group”) also accords. Embracing our motto “KARRIE ON PERPETUAL MOTION, BENEFITS SERVED TO THE PUBLIC”, the Group has been active in giving back to the society and environmental protection. 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. Thus, both internal and external stakeholders were involved in preparing this report and an independent third authorized institution was engaged to review the accuracy of the content and information contained in the report. This report has been assured by Carbon Care Asia Ltd (“CCA”) and the scope and basis of its assurance were set forth in the section “Assurance Statement” of this report.

A blue and pink butterfly is shown in flight, positioned above a patch of green grass. Several flowers with purple and yellow petals are growing from the grass.

The Group started to prepare the detailed content of the sustainability report ever since its listing in 1996 and starting from the 2008/2009 annual report, the report has been incorporated into annual reports as a separate section. During this year, the report is prepared in compliance with the hierarchies set forth in Sustainability Reporting Guidelines G4 issued by the Global Reporting Initiative (GRI) and the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) of Hong Kong Stock Exchange, and has obtained an independent assurance of meeting core requirements listed in Sustainability Reporting Guidelines G4 issued by GRI. The Group is expected to prepare and publish the sustainability report every year which will be available on the Group’s website: www.karrie.com.

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

SCOPE OF REPORTING

The report is the first 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 2014/2017 financial years for efforts and performance regarding sustainability development (i.e. from 1 April 2014 to 31 March 2017). For details of our governance and economic results, please refer to our annual reports of 2016/2017 and previous years uploaded on the Company's website (www.karrie.com).

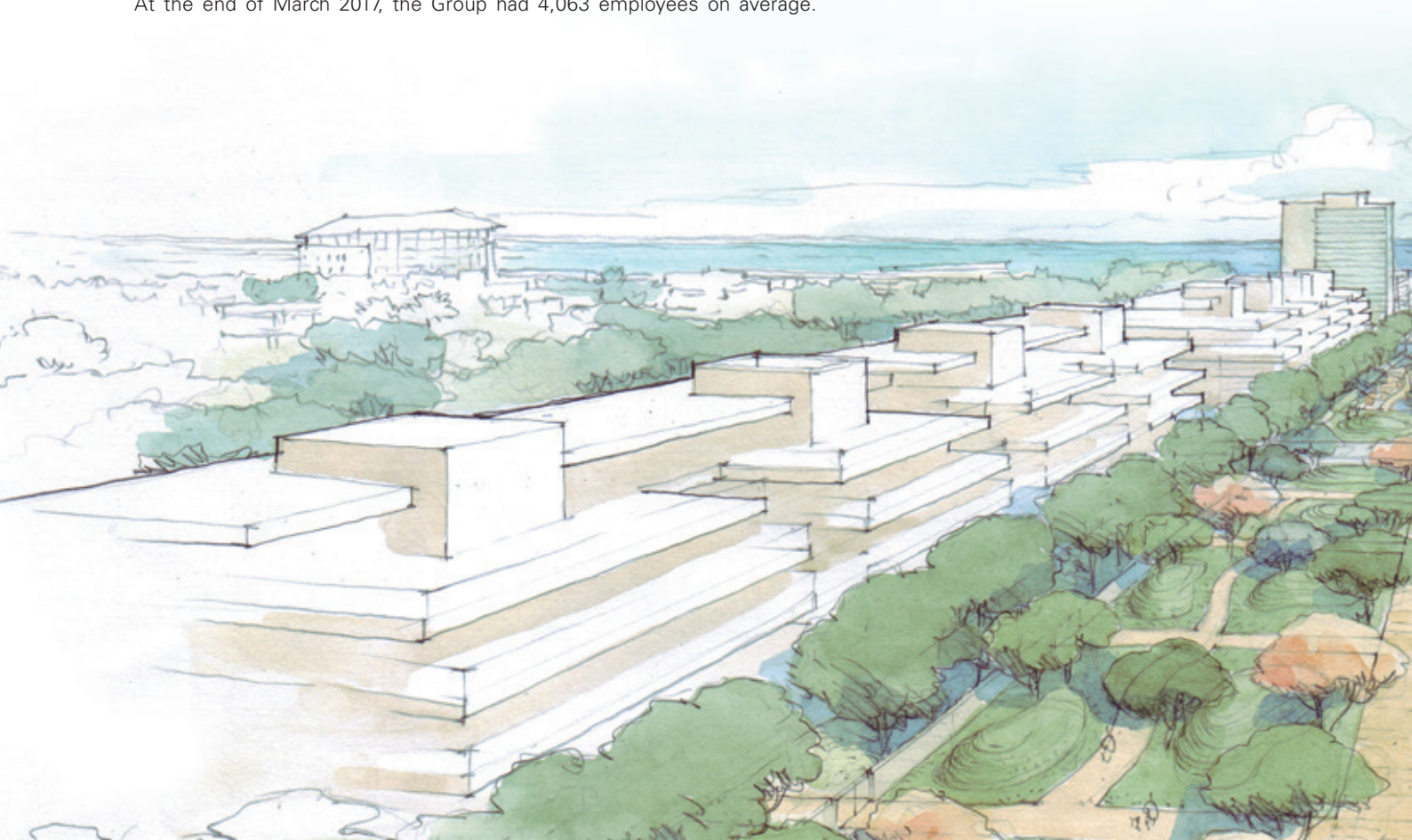
ABOUT KARRIE

Karrie was established in 1980 and the Group was listed on the Stock Exchange of Hong Kong in 1996.

The Group is principally engaged in:

- Metal and Plastic ("M&P") Business: manufacturing and sale of metal and plastic products, including server casings, moulds, plastic and metal parts and predominately self-brand household products;
- Electronic Manufacturing Services ("EMS") Business: manufacturing and sale of magnetic tape data storage, point-of-sale ("POS") system, medical products, office automation products and other computer peripherals;
- Consumer and Services Business: building of "Fullhouse World" Brand, provision of relevant services, such as catering services and sales of themed gifts; and
- Real Estate Business: urban renewal, real estate project investment, property leasing and development.

At the end of March 2017, the Group had 4,063 employees on average.



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

COVERAGE OF THE REPORT

This report covers all business operation of the Group. All information and details of the report are sourced from related companies engaging in four business segments of the Group.

(Notes:

1. This report does not cover overseas offices.
2. Since the Real Estate Business was inactive in 2015/2017, the figures of the Real Estate Business was not included when calculating the corporate social responsibility indicators regarding environment.)

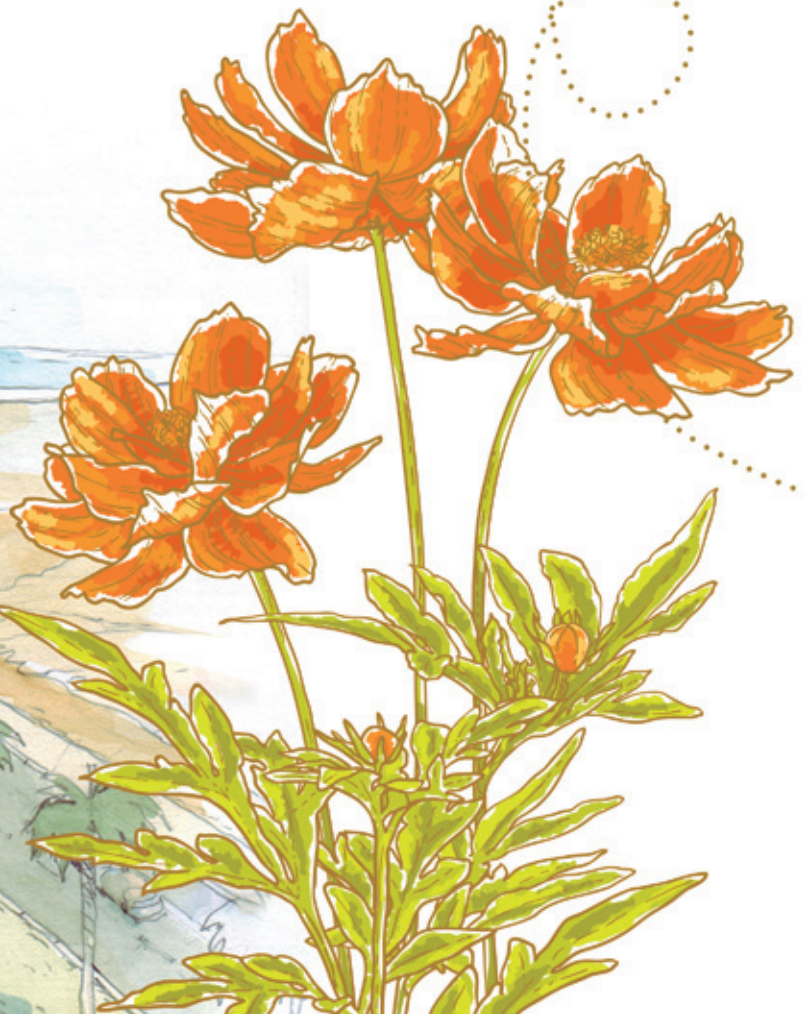
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or visit our company website:
www.karrie.com



A large, circular wreath made of dense green leaves, possibly parsley or similar, frames the central text. The wreath is thick and textured, with many individual leaves visible.

(II) CHAIRMAN'S STATEMENT



The Group mainly focuses on Industrial Business and expands other businesses, constantly creates values for stakeholders. We provide resources to various business segments through our core businesses which enable them to grow along with core businesses, a policy and strategy for our sustainable growth. We ought to implement the work approach of “execution, expansion, innovation, inheritance” consistently to experience the success of our policy and strategy of sustainable growth and to demonstrate sustainability growth in corporate development.

- Execution: All laws and regulations, requirements of customers and other mechanisms are fully complied with. By establishing target indicators, executives are encouraged to work towards the goals through daily operations;
- Expansion: Through collaborations with various groups, new concepts and ideas of sustainability development are inspired and different types of environment protection projects are experienced, to achieve energy-saving and emission reducing effects;
- Innovation: Keep on innovating, researching and developing automation production technology and provide industrial customers with breakthrough value added services and measures reducing risk associated with industrial safety. Explore different environmental protection technologies and materials. Create new products through innovative ideas, bringing diversified designs to its customers;
- Inheritance: Through various experience-sharing occasions with external parties and plant visits, more and more organizations could join hand in hand the sharing and communications, and create value from various occasions and undertake missions. By implementing “Nothing is impossible” programs, the spirit of Karrie “Nothing is impossible” has passed to the community.



During this year, the report is prepared in compliance with the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) of Hong Kong Stock Exchange and by making reference to the Sustainability Reporting Guidelines G4 issued by the Global Reporting Initiative (GRI), demonstrating the sustainability development projects of the Company in an organized manner. This year, a third party auditing company has been engaged to embark on carbon emission audit of our offices and plants in Hong Kong and the PRC, allowing us to have a deeper understanding of energy consumption in daily operations and to develop various policies of energy-saving and emission-reducing.

The Group commits to keep integrating the sustainable development concept into its development strategies and daily operations, maintain efficient communications with stakeholders and constantly improve sustainable development efforts.

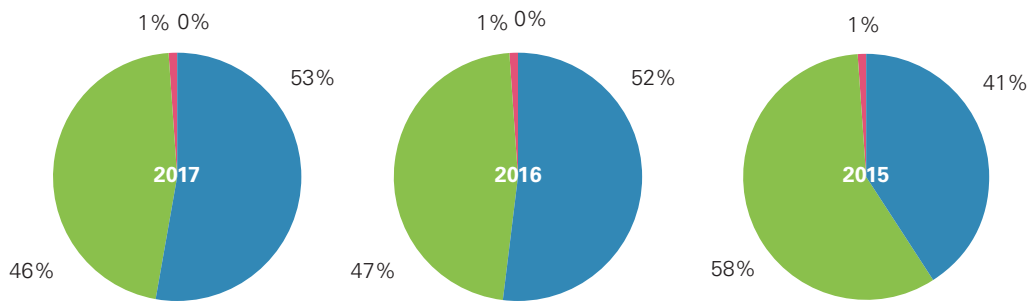


(III) ECONOMIC BENEFITS AND MARKET POSITION

For the details of our economic benefits, please refer to our annual reports of 2016/2017 and previous years uploaded on the Company’s website (www.karrie.com), the following section is excerpted from annual report.

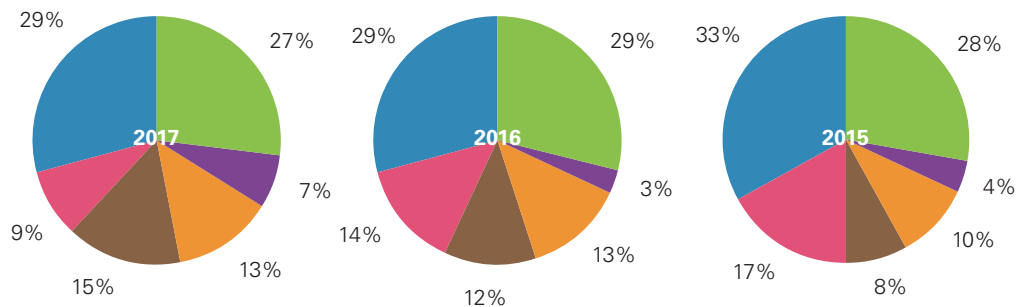
TURNOVER PERCENTAGE BY PRODUCTS

- Metal and Plastic Business
- Electronics Manufacturing Services Business
- Consumer and Services Business
- Real Estate Business



TURNOVER PERCENTAGE BY GEOGRAPHICAL LOCATION (BASED ON THE COUNTRY IN WHICH THE FINAL DESTINATION OF SHIPMENT IS LOCATED OR SERVICES ARE PROVIDED)

- Japan
- Hong Kong
- The PRC
- Asia (excluding Japan, Hong Kong and the PRC)
- North America
- Western Europe



(III) ECONOMIC BENEFITS AND MARKET POSITION (CONTINUE)



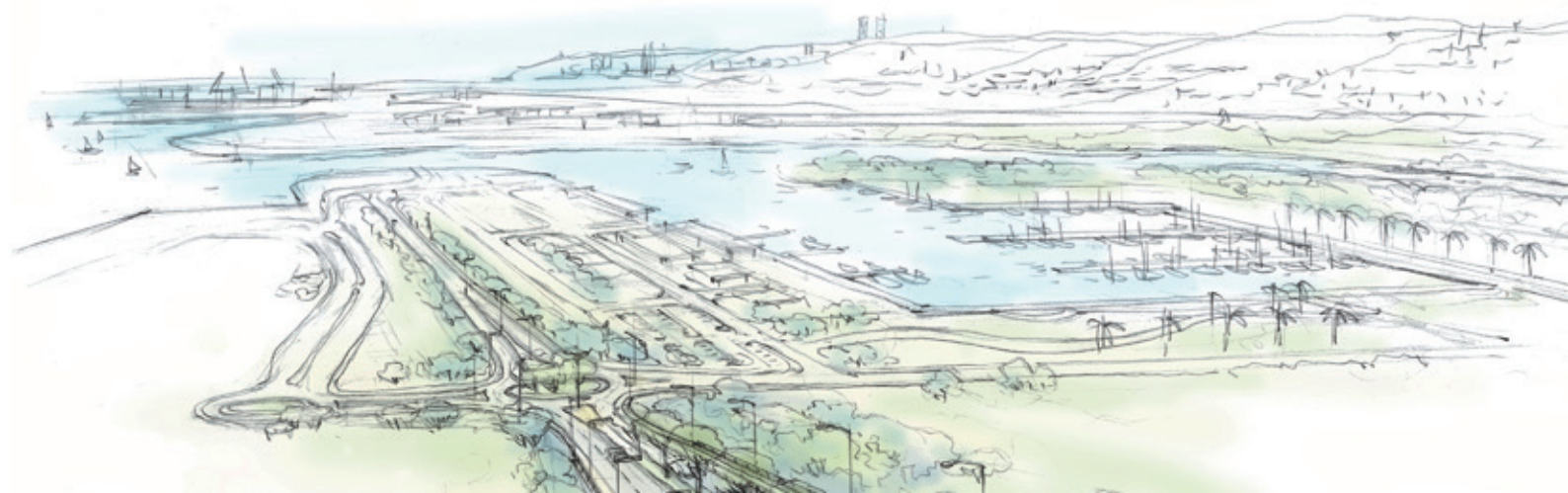
	2017	2016	2015
HK\$ million			
Revenue	2,716	2,898	2,591
Gross profit	355	352	284
Operating profit	199	150	94
Profit attributable to equity shareholders	168	117	76
Total assets	2,337	2,078	1,996
Shareholders' equity in million	1,079	1,017	988
Number of shares	1,996	1,996	1,996

MARKET POSITION:

Our Manufacturing Business, contributing a major share of turnover, played a leading role in the industry, with its production of server cases representing a 10% market share of the international server shipment while our major customers occupying more than 40% of global server market.

The Group obtained the orders of the new generation server casings (2017–2020) and has smoothly completed moulds manufacturing and trial production under the team efforts. Some casings have already commenced delivery and entered into product introduction cycle, laying a solid foundation for generating steady income for next three years. Meanwhile, the Group successfully received orders of manufacturing servers from domestic renowned technological enterprises and expanded its new business, of which they include orders of moulds export and orders of personal medical products, with the hope of providing additional growth momentum for the Group.

In a new year, the Group will keep on deepening the process of automation and in particular, expand our automation in flexible assembly, further adjust plant facilities layout, optimize operating process, downsize work force, continue to promote and develop new manufacturing techniques, enlarge product scopes and enhance quality to satisfy the needs of different customers and maintain our manufacturing processes to be the industry forefront. We will keep on refining, enhance professional management, increase employees' trainings at different levels and improve corporate talents competitiveness. We leverage on the Group's industrial edges, continue to seek market breakthroughs and fully develop large-scale international new customers to add more international brand names to our customer portfolio. We will continue to monitor costs and quality comprehensively and research and develop and explore products with high profit margin and potential, bringing higher added-value to customers and maintain our stable operation. It is through this that we are able to maintain our leading market position, paving the way for continuous growth in the future and respond actively to China's long-term development policy of "China Manufacturing 2025", which provides new momentum for the Group's development in the long run.



(IV) STAKEHOLDERS' PARTICIPATION

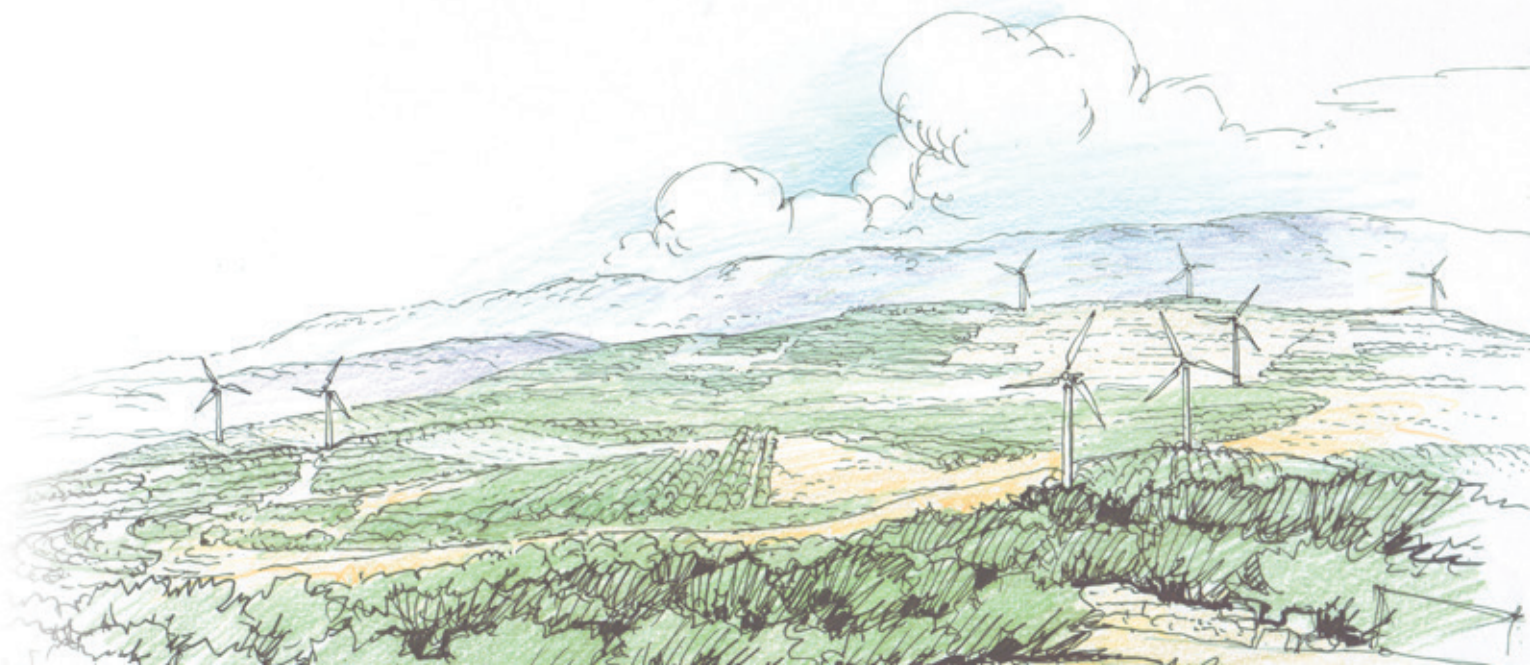
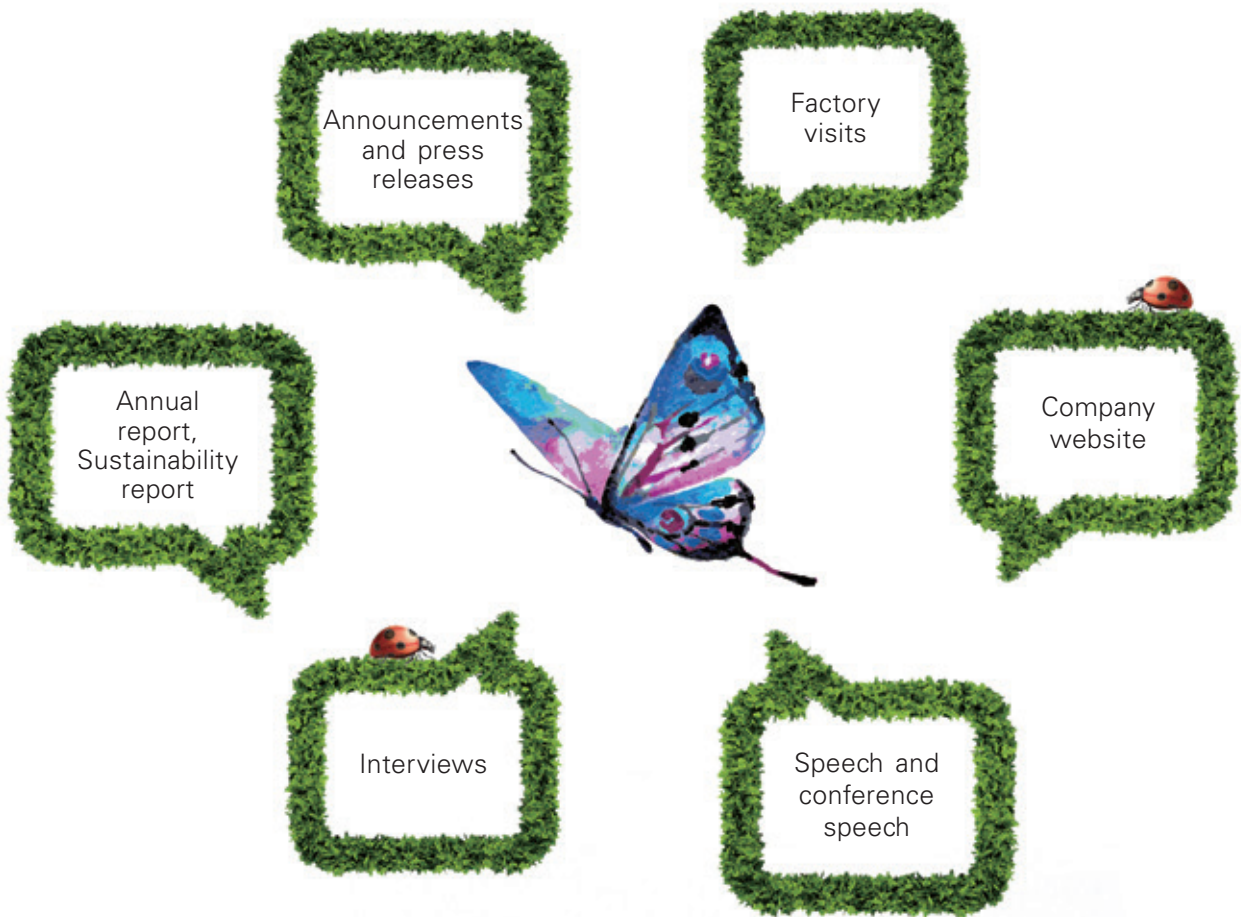
— GROUPING AND COMMUNICATING WITH STAKEHOLDERS:

In implementing corporate social responsibilities, apart from a supportive management and adequate resources, communication with stakeholders in terms of entirety and geographically also plays an important role. As a result, stakeholders could communicate with the Group through the various channels as follows, enabling the Group to better understand stakeholders' demands, opinions and needs (whether positive or constructive).



(IV) STAKEHOLDERS' PARTICIPATION (CONTINUE)

— GENERAL COMMUNICATION CHANNELS



(V) MATERIALITY ASSESSMENT

Materiality assessment facilitates the Group to master the issues which internal and external stakeholders concern with and identify their significance. In preparing the report, customers, shareholders, investors, suppliers, management and internal staff are invited to answer survey questionnaires. 46 out of 59 distributed questionnaires were received, representing a response rate of nearly 78%. The analyzed results of questionnaires helps the Group to identify the important topics of the report.

According to the overall opinions of both internal and external stakeholders, topics of “greatest importance” to the Group (the first 40%, a total of 11 topics) are determined and regarding to these topics, the Group will ensure proper implementation of the relevant policy and have discussion with the management and relevant departments about corresponding measures.

LIST OF SIGNIFICANT TOPICS



Category	Topics
Society	— integrity management
Product liability	— satisfaction of customers and responsibilities
	— confidentiality of customers' information
Practical operations in workshops	— occupational health and safety
	— relationship of employers and employees
	— communications with staff
Economic and general affairs	— market position
	— economic performance
	— compliance with laws and regulations
Environment	— green operations and production
Human rights	— child labor and involuntary labor



(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’s values are derived from the good utilization of resources and strong relationship with stakeholders. Its key sustainability framework comprises staff caring, training and development, environmental protection, corporate governance, community building, product responsibility and missions undertakings. In addition to pursuing profit through ways of respecting ethical values, law, individuals, community and natural environment, an enterprise shall also take into full consideration of the interests of all stakeholders. The Group has implanted corporate social responsibility as one of the management models and 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 Electronic Industry Citizenship Coalition (“EICC”) 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 Sustainability Reporting Guidelines G4 issued by GRI, the Group has formulated different scopes of target indicators to demonstrate the situation of corporate social responsibility.

MISSIONS ON CORPORATE SOCIAL RESPONSIBILITY



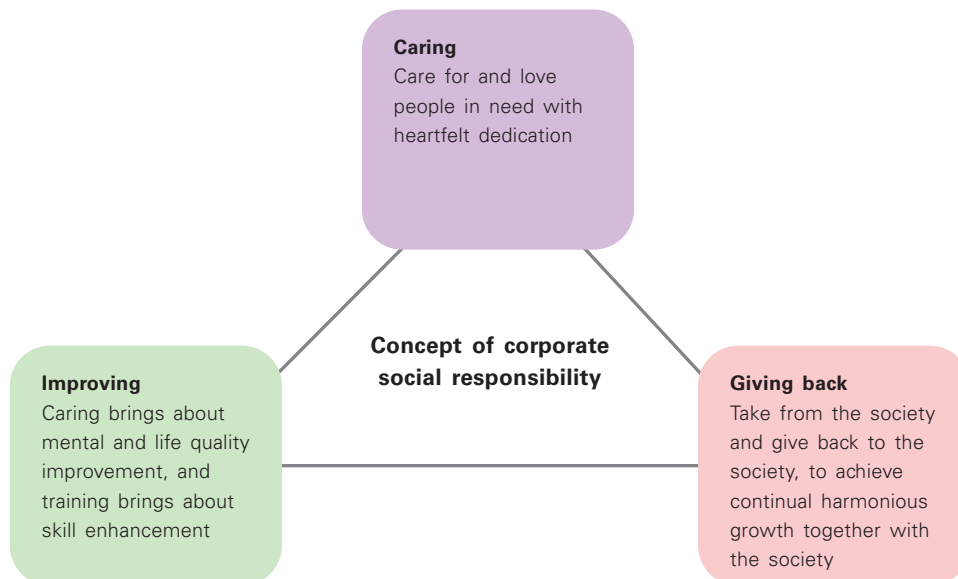


(VI) VISIONS ON CORPORATE SOCIAL RESPONSIBILITY (CONTINUE)

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 headquarters and PRC factories to allow our staff to voice out their opinions anytime; and a Staff Care Committee 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, to promote the internal communications, all departments are encouraged to hold fraternity activities which are sponsored by the Company.

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. 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 acknowledged 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.

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 labor 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. 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 EICC 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 personnel are appointed in every department to carry out 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.

At the safety production management working conference held in July 2016, apart from responding to the national "Safety Production Month", it also made all departments in each plant understand the latest laws and regulations on safety production, and firmly adhere to the principle of "Safety First". In addition, the Group participated in the telephone survey on staff's occupational safety and health aspect raised by clients in September 2016, which focused on production safety, use of chemicals and personal protective equipment, evacuation and fire drill, 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.

(VII) STAFF CARING (CONTINUE)

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 daily life and work into practice. In the opinion of the Group, besides working hard, the living standard of its staff shall be improved, so that positive sentiments and motivation could be formed to strengthen their capability to handle emotion problems. Various kinds of activities are also organised to facilitate interaction and communication among staff. At the same time, the Group also developed different teams such as “Staff Care Committee”, “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 establish team spirit.

The Group held a great variety of cultural events and festival celebrations, including the “National Day Evening Culture Party” and “Lantern Festival”, allowing our staff to relax and reduce pressure in a happy gathering. The Group held various ball games and chess competitions such as basketball tournament, the “Karrie Cup”, to enhance the physical fitness of our people and encourage them to take part in different after-work activities.

Adhering to our objective of enhancing the health of our staff and extending the influence of “Karrie Health Month”, we had “Karrie Health Fortnight” in Hong Kong to advocate eating fruits and doing more exercises as well as the Lipstick DIY Studio. To echo the call of Department of Health of the Government of Hong Kong and Occupational Safety & Health Council, we signed the Joyful @ Healthy Workplace Charter, and participated in workshops offered by the scheme. Professionals in different sectors visited the workshops to provide knowledge on mental health, physical examination, healthy diet and physical activities for staff, which aimed at stimulating staff to apply the knowledge learned in workshops to their daily life, and cultivating a sustainable healthy lifestyle. In addition, we continue implementing good occupational hygiene within the Group, and entered into the Workplace Hygiene Charter promoted by Occupational Safety and Health Council and the Labour Department of the Hong Kong Government.

Furthermore, the Group established “Education Fund for Staff and Their Children” to provide finance for the children of existing staff of the Group to take formal education, with a view to mitigate staff’s financial burden on children education. Also, staffs are urged to make full use of their leisure time to engage in studies, proactively improve self-quality, so as to attain the goal of “cultivating talent through amateur training”.

In PRC, the Group organizes staff birthday party, single men and women fraternity party and mini marathon held by the community for staff to participate in leisure time. Meanwhile, the Group also held mental and physical health knowledge lectures from time to time. In addition, Castfast Family Planning Association was established in 2015, which is the first family planning cooperation organization established by the Group in Dongguan for its foundation level staff, helping members/staffs and their families that have family planning needs through conducting a variety of propaganda, education and advocating activities, and providing various family planning services.



(VII) STAFF CARING (CONTINUE)



Girls rumbled forward on a "track" at the Women's Day Fun Games sponsored by the Fenggang Women's Federation.



Castfast Family Planning Association was established for developing various propagandas, education, advocating activities and providing a variety of family planning services.



Sharing hot sweet dumplings with employees during Lantern Festival.



"Karrie Cup", the basketball tournament is one of the greatest annual events of the Company.



The Group invited physical fitness instructor to teach staff a set of "ten minutes active gymnastics", so that staff could work out stretching exercise whenever and wherever possible during work time.



Staff is encouraged to participate in various kinds of social charitable activities together with their children, with the objective of passing on to next generation.

(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 oriented towards the practicability and sustainable development of the Company and its staff. In the year of 2016/17, the average training hours took by each employee was approximately 8 hours.

The training programs for the year generally cover such fields as practical management training, laws and regulations, sales and marketing, customers and catering services, supply chain management, corporate social responsibility, ISO, human resources management, finance and accounting, occupational health and safety, environmental protection, production automation, engineering techniques and food safety. 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 recognizes that a successful enterprise has to keep its pace with time and improve its awareness on management. Accordingly, it sends management personnel from Hong Kong and the PRC to participate in management training programs covering various disciplines or hold those internally. The purpose is to assimilate the latest management model, so as to lead the team and the Group to head up the ladder of success.

In order to upgrade the services of its computer system, the Group has fully rolled out training programmes on SAP and QAD modules to develop the users’ knowledge and skills in the system.

With the promotion of Hewlett Packard Enterprise (HPE), our customer, the Group invited experts with extensive international experience to conduct training and on-site instruction on continuous improvement in production line through different case study, and developed internally to enhance the efficiency constantly to attain the international leading standard.

High-level food safety has been the persistent pursuit of the Group, for which it assigned personnel to attend the training programs on ISO 22000 Food Safety Environment Management System, and also recommended its staff to attend the Hygiene Supervisor Training Courses offered

by the Food and Environmental Hygiene Department, and other safety management activities in the food production and hospitality and catering sectors, as well as lectures on strict control of food safety, so as to observe and benchmark its own level. In addition, we also sent staff to learn the new information system and automatic technology to prepare for our future development.

With respect to laws and regulations, in order to help our employees in China and Hong Kong to better understand intellectual property rights, the Group specially invited a senior intellectual property consultant to organize a seminar on “Intellectual Property Training”, who taught about the concepts and practical knowledge of intellectual property rights. Furthermore, in order to address the “Environmental, Social and Governance Reporting Guide” of Hong Kong Stock Exchange, the Group had actively participated and understand the activities in relation to the preparation of the reporting guide.

The Group has spread no effort to nurture youngsters for joining the workplace. In 2016, we jointly held food and beverage training for Youth Employment Program with St. James’ Settlement and also jointly held the life planning seminars and visit activities with Shun Tak Fraternal Association Leung Kau Kui College. It was hoped to deepen the secondary school students’ interest and 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 secondary 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 of life. In addition, we jointly held teacher’s food and beverage experience workshop together with St. James’ Settlement and Lingnan Hang Yee Memorial Secondary School which deepened lots of teachers’ understandings of food and beverage business. The management of the Group received invitations of mentorship programmes held by various universities and institutions aiming at letting students to connect with management, broadening their minds and being good mentors and friends.

In addition, the Group continued to sponsor its summer internship programme for college students and the children of its employees, so that they could experience the joy and hardship in work.

(VIII) TRAINING AND DEVELOPMENT (CONTINUE)



The Group was invited by the Employees Retraining Board Manpower Developer Award Scheme Thematic Seminar in 2014 to share its experience in the unique corporate training activities in “Corporate Training Programme Beyond the Traditional Framework”, and deeply impressed the audience with its remarkable achievements.



Everyone enjoys the experiential learning activities and displays their power of cohesion.



To hold a seminar and invite the intellectual consultant to train the employees about the knowledge of intellectual property rights and patent.



The “Continuous Kaizen” training consultant gave instructions at the production line, with an aim to “improving continuously and enhancing efficiency”.



The Group provides different kinds of training programs for employees in Hong Kong and China, continues to offer a learning opportunity, and enables staff at different levels to keep up with the paces in time on various aspects including management, technology and professional knowledge and growing their values.



In the “mentorship programme” for automatic robotic technicians, the mentor guided the learners to understand the parameter setting of robotic during the demonstration process.



(IX) CARING FOR THE ENVIRONMENT

Since 2001, the Group has already obtained the ISO14001 environment management system certificate and conducted its annual internal and external audit regularly to ensure the direction of the Company policy and its effects. At the same time, we 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 alia, 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, fulfill 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 "Twelfth Five-Year Plan" in 2011 and the targets were achieved. 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.

At the same time, the Group also makes arrangement to comply with the relevant international environmental regulations, such as RoHS, REACH, WEEE, JGPSSI, Montreal Protocol and QC 080000, so that the whole process including coordination, design, procurement and production can meet the regulations.



(IX) CARING FOR THE ENVIRONMENT (CONTINUE)



Young trees are thriving on steep mountain at the place where we planted the seedlings a decade ago. We revisit here again with younger generation and new seedlings. Let's pass the torch down ever and ever.



Towards the end of the Tree Planting journey, a picture of the big family is a must, with Kam Tin, Yuen Long at the background and the Shenzhen River at the far end.



The Group celebrated its 35th anniversary in 2015, Dr. Ho Cheuk Fai, our Chairman, together with his wife, Ms. Ho Po Chu, participated in the "Fate with Karrie" tree planting activity with senior staff.





(IX) CARING FOR THE ENVIRONMENT (CONTINUE)

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. Through this event, all members of Karrie (including those from China, Hong Kong even to Malaysia, and from manufacturing plants and the outlets of consumer and services business) respond to this event. The Group staged its first tree-planting event in Hong Kong In 2005 and it once again participated in the tree-planting activities on Kadoorie Farm and Botanic Garden in 2015, at the 35th Anniversary of the Group. The management together with senior staff participated in the tree planting activity “Fate with Karrie,” with a wish to keep alive the spirit of Karrie’s endless endeavor.

With respect to our domestic plants, in response to the call on emission reduction and energy saving, LED lights have been installed in all the new dormitories in Yuquan Plant, with sensor switches installed in the corridor, so as to be more environment-friendly. In addition, photovoltaic power generators were also installed on the roof of the power distribution room, which significantly reduced the temperature of the power distribution room as well as energy consumption while the natural resources have been properly utilized by generating electricity with solar energy. Meanwhile, the energy management system has been introduced in Yuquan Plant to analyse energy, enable to have better control on the use of energy. In addition, the plastic plant bought over 10 fully automatic plastic injection molding machines in 2015 to replace the servo mixed energy plastic injection molding machines. Apart from improving its precision, approximately 10% of energy consumption was saved.

The Group fully completed its plant relocation from Guanjingtou to Yuquan, fully demonstrating the feasibility of reusing resources. The dismantling of Guanjingtou Plant and the reconstruction of relevant production lines in Yuquan Plant were totally relied on the coordination among departments, which ran smoothly without affecting production shipment. Meanwhile, it saved a lot in new equipment purchase and supplies and brought out the best in each other.

In 2016, the Sewage Treatment Center in Yuquan Plant was officially put into use, which makes it possible to reuse the disposed wastewater from production and living in toilets and flowering. Our plants in the PRC also participated in HSBC Water Program for Industrial Water Management, to enhance the water resource management in the plant. Meanwhile, the Group has supported the activity of “Let’s Save 10L Water” implemented by Hong Kong Government, pasted tips of saving water and released relevant messages to encourage employees to use water resources effectively. With respect to restaurants sector, it supports the “Cherish Food Reward” activity organised by Friends of the Earth, and encourage the customers finish up all the food they ordered by giving cash coupon.

In this year, the Group entrusted an independent consultant company to conduct greenhouse gas calculation. Through the accounted results, the Group is able to understand clearly the distribution of major greenhouse gas emissions to formulate effective policy and system in managing and reducing greenhouse gas emission.

Looking forward to the coming year, the Group will still strive to implement energy-saving and green production while putting EICC environmental protection policies into practice. In response to the “Thirteenth Five-Year Plan” energy-saving plan, the Group will reduce emission, better utilize resources 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 30 tonnes of coal per annum. By setting 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.



(IX) CARING FOR THE ENVIRONMENT (CONTINUE)



Fenggang Yuquan Plant was awarded the “2015 Hong Kong-Guangdong Cleaner Production Excellent Partner (Manufacturing)”



Fenggang Yuquan Plant was awarded the “2015 BOCHK Corporate Environmental Leadership Awards” by the Federation of Hong Kong Industries”: 5 Years+ EcoPioneer and EcoPartner.

Comparison Diagram of Reuse of Materials for PRC Plant Relocation

Before relocation

Glass rain canopy



Location: Block E

After relocation



Location: Block A4

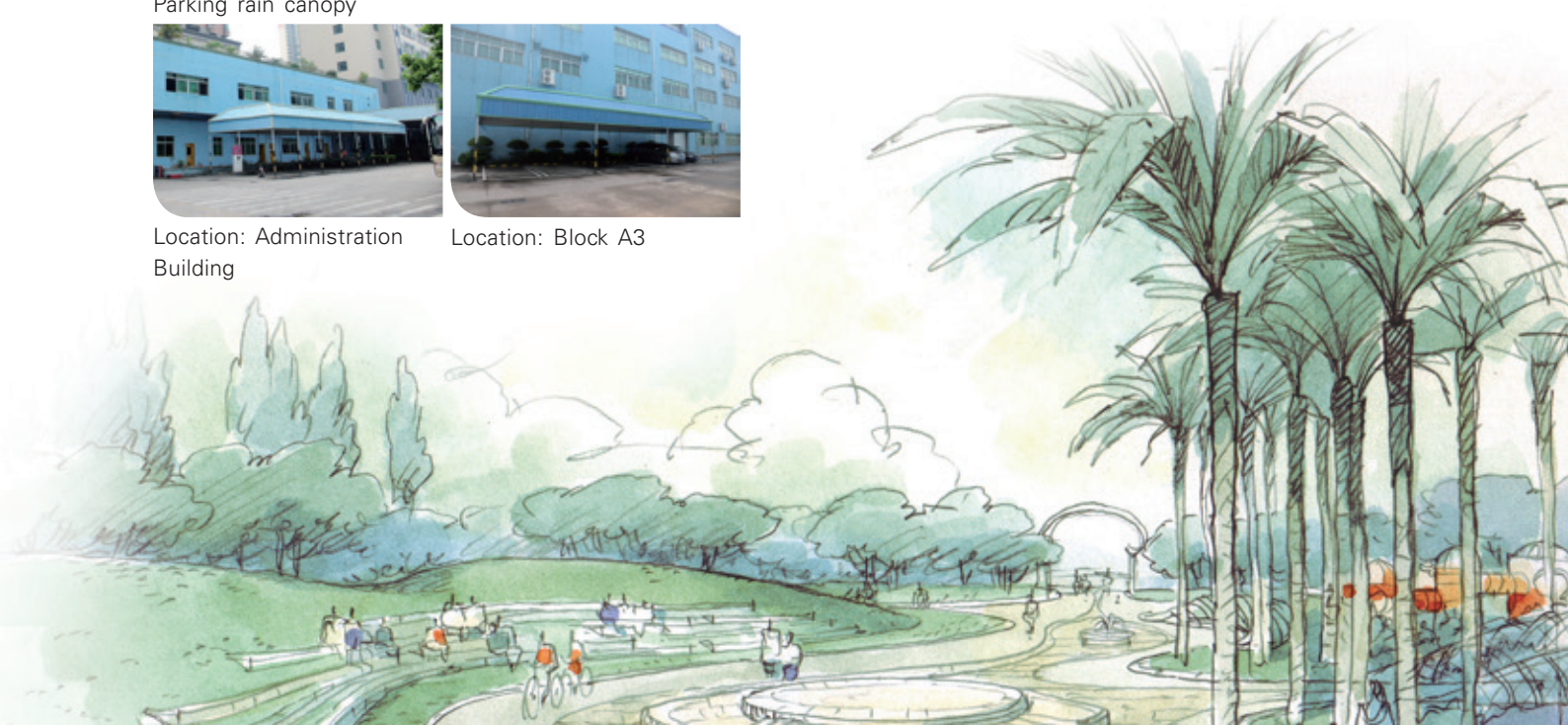
Parking rain canopy



Location: Administration Building



Location: Block A3



(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 transparency, hence it discloses in its annual report detailed explanation of corporate strategies and the rationale behind; and meets individual investors annually through the “teabreak” programmes to facilitate the 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 incorporated into the annual reports, which allows the public and investors to have a better knowledge of what we have done as well as the progress for sustainable development and corporate social responsibility.

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

The Group is committed to the highest standards of corporate governance, and will act accordingly to make sure that it complies with the 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, and in preventing fraudulent, corruption and bribery activities by staff, it has issued “Ethical Disciplinary Requirements” to its staff, requesting them to observe the policies relating to taking interests and declaring interest conflicts. The Group has dedicated personnel to take care of and follow up such declaration and approval, complaints and enquiries, and also has ethics and integrity management training for new recruits 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.



(X) CORPORATE GOVERNANCE (CONTINUE)

Maintaining integrity and professionalism and strengthening internal audit to prevent corruption is an important cornerstone of a business enterprise. In order to maintain sustainable and healthy development, in addition to continuously improving product and service quality, it is also an essential task to build an integrity brand. 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.

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. All employees must maintain the highest level of honesty, and are prohibited from obtaining any benefits with their powers and authorities.

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 Audit Department also performs regular audit to learn about the implementation of the Group's internal risk management projects and report of the risk and key controls of the Group to the Board and the Audit Committee. The internal 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, Corporate Policy on Personal Data Privacy provides guidelines for managing different kinds of personal data that secures the personal data of our customers and business partners. "Ethical Disciplinary Requirements" has stated that all confidential information, including personal data of staff, customers and business partners, must be proceed with great caution and in compliance with laws.

(For further information, please refer to the heading of "Corporate Governance Report" in this annual report)





(XI) CARING FOR THE COMMUNITY

Since 2005, the Group endeavours to appropriate 0.3% of earnings in the prior year annually for charity or social responsibility purpose, the amount contributed from 2002 until the end of March of 2017 was over HK\$4,700,000 in total. While the established volunteer group for charitable works and different teams develop social responsibility activity projects and prepare relevant expenditure budgets for the current year annually, and then they are handed over to the management for approval to ensure the proper use of the expenditure.

As a responsible corporate citizen, the Group clearly understands the needs to blend in with the community, create harmony and make full commitments to social services. Back in 2005, the Group established in its Headquarter a volunteer team in Hong Kong “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.

In October 2016, the Company donated to “Hang Seng Management College — Foundation” for supporting its campus construction, whole-person development for students, scholarship and bursaries, academic, teaching and research, Chairman Mr. Ho Cheuk Fai was also appointed as the honorary vice chairman of the Foundation. In addition, Mr. Ho was invited to be a member of Advisory Committee in Young Entrepreneur Club of Hong Kong Baptist University, with a view to promote entrepreneurship and sharing entrepreneurial experience with young entrepreneurs.

The Group has sponsored “Nothing is impossible” Adventure Education Program 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 endurance through various activities. In 2014, by stipulating family as participation unit for the second time, children and their parents can put the target set into practice, to share the spirits of “Nothing is Impossible”. Both children and their parents have a very positive comment on this regard. In 2015 and 2016, a Vote for Father • Mother and a Vote for Individual was added separately, to acknowledge and compliment the parents and the social persons who have displayed the “Nothing is impossible” spirit, so as to promote this spirit. Also, a group of children took part in the “Nothing is impossible” Adventure Education Program and acted as minor reporters to conduct interviews with all winners through voting, so as to prepare the activity periodical. The Managing Director of our partner, Strategic Financial Relations Limited was specially invited to Heart Link under the St. Christopher’s Home for sharing her experience and prepared the participants for their subsequent interviews on a Vote for Individual of Karrie’s “Nothing is impossible”.

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 race in the Standard Chartered Hong Kong Marathon for the tenth consecutive year so as to train students’ willpower and persistence. The Group’s volunteer teams from the PRC and Hong Kong 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 the festivals with elderly and giving them gifts. Meanwhile, in 2015, the Group sponsored the World Refugee Day of “United Nations High Commissioner for Refugees” and the ninth charitable Refugee Film Festival for the fourth consecutive year, and specially arranged a refugee film sharing to share with prominent guests and partners, and also to let more friends to know the works of United Nations High Commissioner for Refugees and the experiences of refugees around the world.



(XI) CARING FOR THE COMMUNITY (CONTINUE)



Chairman Mr. Ho Cheuk Fai with his wife, Dr. Poon Sun Cheong Patrick, Hang Seng Management College — Chairman of Fund Management Committee and Professor Simon S. H. Ho, President of Hang Seng Management College attended the cheque donation conferring ceremony, parts of the donation will be used for classroom naming rights.



For “Karrie’s Night Refugee Film Sharing” activity, apart from the prestigious partners in different sectors, the Group also invited distinguished guests including Ms. Bianca Lam, Associate Private Sector Fundraising Officer of United Nations High Commissioner For Refugees, Ms. Lilian Lui, the principal of Yuen Kong Kindergarten and the celebrity, Mr. Tony Hung.



The Group has cooperated with Sheng Kung Hui Tai Wo Neighbourhood Elderly Center for over 10 years. In every activity, our employee volunteers partnered with elder volunteers of this Center to visit solitary elders and become old friends.





(XI) CARING FOR THE COMMUNITY (CONTINUE)

We have set up volunteer leave since 2008, so as to encourage our staff to take an active part in voluntary services. The Group also took part in various social charitable activities during the year, such as ORBIS World Sight Day, Greeners Action's "Red Pockets Recycling Campaign" (Internal propaganda), the "Lunar New Year Gift Transfer Program" by People's Food Bank under St. James' Settlement, and the Community Chest Walk for Millions, Charity Movie for Fund Raising Party held by Emergency HK and activity for supporting the ACCA charity caring day in 2017.

In 2014, Fullhouse World sponsored the Ronald McDonald House Open Day — Charity Stroll & Green Carnival, and apart from sponsoring the full cost of the booths, they also dispatched volunteers to help; in addition, Fullhouse World products were also donated to "HHCKLA Buddhist Po Kwong School" for it to put on the charity sale for the third consecutive year.

For the Year, the Group made charitable and other donations amounted to HK\$271,000, while it was HK\$553,000 last year, the volunteer service hours in China and Hong Kong were up to 505 hours.



Karrie has been sponsoring the students and teachers from HHCKLA Buddhist Po Kwong School as well as their family members in the marathon for 10 consecutive years, and we were happy to see some old faces every time.



Karrie spirit of "Nothing is Impossible" has been passed on across the community. In addition to the Adventure Education Program, a Vote for the Brilliant Figures was added in 2015 to acknowledge and compliment the people who have displayed the "Nothing is Impossible" spirit.



(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 (ISO9001) and in 2011, obtained the international certification standards of medical appliance quality management system (ISO 13485). The Group's quality policy is to "provide customer satisfaction by utilizing 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 complies with the laws and regulations related to quality, safety and environment as well as formulating products quality standards on safety, environmental protection and good quality as required by customers and regulations. According to given quality checking process, we set up inspection points in key areas during production, including hand plate clearance check, process control check, and assured final inspection of qualified delivery of customers' products and implement necessary reliability test, so that we can guarantee to delivery qualified and excellent quality products to customers. We adopted scientific quality management and control methods to minimize the risks of making mistakes when appropriate, such as risk assessment, FMEA, SPC, and Six Sigma. We established comprehensive after-sale service system to gain customers trusts and satisfaction.

The 2016 Quality Achievement Award granted by our customer, Hewlett Packard Enterprises (HPE), in 2016 demonstrated its recognition to our manufacturing team's efforts in the past years. In addition, the medical products received certification by Food and Drug Administration of USA (U.S. FDA) in 2016. After the safety proven by U.S. FDA inspection, products can be sold in the market. At the same time, products that have contact with food also need to be tested by U.S. FDA to obtain certifications.

Fullhouse World's household product, "rainbow chopping board", was awarded the "Hong Kong Smart Gifts Design Award 2016 — Household Gift Bronze Award" by The Hong Kong Exporters' Association. At the same time, we were being invited to participate in Ambiente 2017 in Frankfurt, Germany, and outplayed over 1,400 companies on site to become one of 27 annual "Best Household and Kitchen Solutions" in the Gift Design Competition of Solutions 2017.

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 control and supervision regarding the methods 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. To ensure food safety and quality consistency, the Group established a set of operating procedural standards and prepared cooking videos for deepening the understanding and unifying the cooking standard of every frontline staff in cooking steps and finished products. In addition, the Group regularly provides frontline staff with trainings and evaluations covering various areas for continuously improving service quality and standard of restaurant and ensuring the smooth operation of restaurant. The testing of frontline staff's knowledge in different aspects through evaluations is to enhance the performance in various areas.





(XII) PRODUCT RESPONSIBILITY AND SUPPLIERS MANAGEMENT (CONTINUE)

In terms of the customers' satisfaction, the Group makes decisions based on customer expectation. The behavior and expectation of customers of a business enterprise determine the key elements for its survival. For industrial business, 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 each department customer 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 fast improvement actions internally, which include product reclaim, thorough checking, replenishment, remedies and preventive measures, report the analysis and treatment to customers until they are satisfied.

For consumer and services business, the Group understands customer needs positively by collecting customers' opinions or comments regarding restaurants through different channels. Every shop collects comments card each month, then analyzes them and compiles a report for the management to understand the actual situation, conduct review and gap analysis. Besides, the Group participates in Mystery Shoppers Programme 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, providing more appropriate trainings and carrying out review and improvement. Eventually, each new shop recruits internal staff and external customers before its opening, conduct stress tests for frontline staff and test the responding capability of frontline staff through different scenarios, so as to know their deficiencies for further improvement and keep on improving service quality and standards of the restaurants.

SUPPLIER MANAGEMENT

The Group established a central procurement department to ensure the quality and safety standards of all goods and materials and food, and complied with the requirements of relevant regulations. Only 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 be formally become our supply partners. In addition, the supply chain team also visits major suppliers regularly for periodic review of their quality situation and production capacity. In order to comply with the regulations of ISO 9001 Quality Management System and ISO 14001 Environment Management System, the Group gives priority to work with suppliers with quality guarantee and going green. The Group also entered into agreements with suppliers to ensure suppliers are in compliance with the environmental protection standard of the Group.

According to the minerals regulations in conflicting regions of the Electronic Industry Citizenship Coalition (EICC) and the Global e-Sustainability Initiative (GeSI) (Article 1520 of Dodd-Frank legislation in the United States), the Group and its suppliers confirmed of not using the "Conflicting Minerals" produced by The Democratic Republic of Congo (DRC) or its neighbouring country, which including tantalum, tin, gold and tungsten.

The Group always bears in mind in expressing its support to social enterprises in the course of its operation. All dish washing services in Fullhouse World has adopted the rehabilitate dish washing service provided by Mission Ark's (gospel therapy drug abuse treatment and rehabilitation service) New Life Centralized Dishwashing Service for years to support the social enterprise vision in Hong Kong.



(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 organisations could join hand in hand the sharing and communication, create value from various occasions and promote the sustainability work together.



Date	Content	Photo
29/5/2014	Invited by the Employees Retraining Board to share its experience in the unique corporate training activities in “Corporate Training Programme Beyond the Traditional Framework”; and deeply impressed the audience with its remarkable achievements	
13/6/2014	Invited by Institute of Training Professionals to have industrial visit and exchange program	
5/8/2014	Government officials, e.g. Director of Dongguan Economy & Information Technology Bureau and Party Secretary of Fenggang Town, visited our factory	
13 – 18/2/2015	The Fullhouse World cooperated with the Event Society of the HKU SPACE to offer a project on lunar new year fair at the Victoria Park for university students to get to know the preparatory works for operating a stall in the fair, how to set up the trade and learn about brands and products. Students who participated in the project were “on the field” to experience the selling and marketing work	
13/3/2015	Teachers and students from the School of Business of Hang Seng Management College visited the company headquarter in Hong Kong. Representatives from different departments of the Group shared with the students the practices and experience in supply chain management	
18/3/2015	China Association of Enterprises with Foreign Investment visited our factories	



(XIII) MISSIONS UNDERTAKINGS (CONTINUE)



Date	Content	Photo
31/7/2015	St. James' Settlement together with the teachers and students from Lingnan Secondary School visited our shops for attending the career planning activity, instructed the table etiquette and demonstrated the service process	
21/11/2015	St. James' Settlement together with the teachers and students from Tang Shiu Kin Victoria Government Secondary School visited our shops for attending the career planning activity	
27/11/2015	St. James' Settlement together with the teachers and students from Ko Lui Secondary School visited our shops for attending and sharing the career planning activity	
29/12/2015	Five teachers and students from Hang Seng Management College visited the company headquarter in Hong Kong for their graduation thesis with its title being corporate social responsibility	
30/12/2015	St. James' Settlement together with the teachers and students from Catholic Ming Yuen Secondary School visited our shops for attending the career planning activity	
22/3/2016	Invited by the World Wide Fund to share at the seminar regarding How to Prepare the First Environmental, Social and Governance Report	
21/4/2016	The teachers and students from Shun Tak Fraternal Association Leung Kau Kui College visited the company headquarter in Hong Kong, central kitchen, My Affection and share the work experience	
6/7/2016	Family Planning Association of Zhongshan visited the Company to share and communicate with transient population family planning association	



(XIII) MISSIONS UNDERTAKINGS (CONTINUE)

Date	Content	Photo
28/7/2016	St. James' Settlement together with the teachers and students of "Catering Sector Training Course of Youth Employment Program" visited our shops to attend and share the career planning activity	
11/10/2016	Worked jointly with St. James' Settlement and Lingnan Hang Yee Memorial Secondary School for the teachers' catering sector experience workshop	
27/10/2016	The Group has been actively participated in the "mentorship programme" organised by the Human Resources Department of School of Business of Hong Kong Baptist University for years, in which the management acted as mentors to lead students to visit the offices in Hong Kong and understand the business of the Company	
27/3/2017	Family Planning Association of Dongguan and Zhaoqing visited the Company for sharing and communication	
30/3/2017	The teachers and students from Shun Tak Fraternal Association Leung Kau Kui College visited the company headquarter in Hong Kong and central kitchen and share the work experience	



(XIV) MAJOR AWARDS, RECOGNITION, CHARTERS AND MEMBERSHIP

In 2014–2017, the Group gained recognitions and the information of the Charters participated were as follows:



Year	Category	Awarding Units	Honors/Recognitions/ Charters Granted	Awarded Company
2014/2015	Environmental Protection	Dongguan Energy Industry Association	Dongguan Clean Production Enterprise	Feng Gang Plant & Yu Quan Plant in China
	Environmental Protection	Federation of Hong Kong Industries	2013/2014 Hang Seng Pearl River Delta Environmental Awards: Green Participant and 3 Years + entrant	Feng Gang Plant & Yu Quan Plant in China
	Environmental Protection	Environmental Campaign Committee	2014 Hong Kong Award for Environmental Excellence - Certificate of Merit in Restaurants Sector	Fullhouse Signature
	Corporate Social Responsibility	The Hong Kong Council of Social Service	10 Year Plus Caring Company Logo (Year 2005 – 2015)	Karrie Group
	Product Liability	(Customer) Lenovo	2015 Supplier Conference — Service Excellence	Karrie Group
	Product Liability	(Customer) Inventec	2015 Best Supplier Award	Karrie Group
2015/2016	Staff Caring	Mandatory Provident Fund Schemes Authority	2015–16 Good MPF Employer	Karrie Group
	Training and Development	Employees Retraining Board	Manpower Developer 1st	Karrie Group
	Training and Development	Employees Retraining Board	Manpower Developer	Fullhouse World
	Product Liability	the Environment Bureau of Hong Kong Government and the Economic and Information Commission of Guangdong Province	Hong Kong — Guangdong Cleaner Production Excellent Partner (Manufacturing)	Feng Gang Plant & Yu Quan Plant



(XIV) MAJOR AWARDS, RECOGNITION, CHARTERS AND MEMBERSHIP (CONTINUE)

Year	Category	Awarding Units	Honors/Recognitions/ Charters Granted	Awarded Company
	Environmental Protection	Federation of Hong Kong Industries	2015 BOCHK Corporate Environmental Leadership Awards Programme: 5 Years+ EcoPioneer and EcoPartner	Feng Gang Plant & Yu Quan Plant
	Corporate Social Responsibility	Hong Kong Council of Social Service	10 Years Plus Caring Company (Years 2005-2016)	Karrie Group
	Product Liability	NEC Platforms, Ltd.	Certificate of Appreciation	Karrie Group
	Product Liability	Hong Kong Brand Development Council and The Chinese Manufacturers' Association of Hong Kong	2015 Hong Kong Emerging Service Brand Award	Karrie Group
	Product Liability	The Hong Kong Exporters' Association	Hong Kong Smart Gifts Design Award 2016 — Household Gift Bronze Award	Fullhouse World
	Product Liability	Lenovo	2016 Supplier Conference — Perfect Quality	Karrie Group
2016/2017	Staff Caring	China Family Planning Association	Advance Unit of National Family Planning Association	Feng Gang Plant
	Staff Caring	Mandatory Provident Fund Schemes Authority	2015-16 Good MPF Employer	Karrie Group
	Staff Caring	Home Affairs Bureau	2015/16 Family-Friendly Employers Award Scheme-Family-Friendly Employer	— Karrie Group — Fullhouse World
	Staff Caring	Hong Kong Department of Health and Occupational Safety & Health Council	Joyful@ Healthy Workplace Charter	— Karrie Group — Fullhouse World






(XIV) MAJOR AWARDS, RECOGNITION, CHARTERS AND MEMBERSHIP (CONTINUE)



Year	Category	Awarding Units	Honors/Recognitions/ Charters Granted	Awarded Company
	Occupational Safety and Health	Human Resources Bureau of Dongguan and Bureau of Quality and Technology Supervision of Dongguan City	2016 Dongguan Professional Forklift Driver Competition — Second Prize and Third Prize	Feng Gang Plant
	Occupational Safety and Health	Fenggang Administration of Work Safety and Fenggang Labour Union	2016 Work Safety Knowledge Competition in Fenggang — Third Place	Feng Gang Plant
	Training and Development	The Hong Kong General Chamber of Small and Medium Business	Partner Employer Award	Karrie Group
	Training and Development	Employees Retraining Board	Manpower Developer 1st	Karrie Group
	Training and Development	Job Market	2016 Ambitious Excellent Enterprise Award	Karrie Group
	Environmental Protection	Federation of Hong Kong Industries	BOCHK Corporate Environmental Leadership Awards 2015: — Five Year Plus Environmental Participant Pioneer Award — Excellent Environmental Partner	Yu Quan Plant
	Environmental Protection	Environmental Protection Department	Food Wise Eateries Scheme — Silver Class	Fullhouse World
	Environmental Protection	Electrical and Mechanical Services Department	2016 Energy-saving Charters	— Karrie Group — Fullhouse World



(XIV) MAJOR AWARDS, RECOGNITION, CHARTERS AND MEMBERSHIP (CONTINUE)


Year	Category	Awarding Units	Honors/Recognitions/ Charters Granted	Awarded Company
	Corporate Social Responsibility	The Hong Kong Council of Social Service	10 Year Plus Caring Company Logo (Years 2005–2017)	Karrie Group
	Corporate Social Responsibility	Community Investment and Inclusion Fund of the Labour and Welfare Bureau	Social Capital Builder Logo Award	Karrie Group
	Corporate Social Responsibility	Hong Kong Sheng Kung Hui Welfare Council	The 21st Excellent Volunteers Award Scheme — Company Caring Award	Karrie Group
	Product Liability	Hewlett Packard Enterprise (HPE)	2016 Best Quality Supplier	Karrie Group
	Product Liability	Konica Minolta	Certificate of Appreciation — Appreciation for Efforts of U.S FDA Certification	Karrie Group
	Product Liability	NEC	Certificate of Appreciation	Karrie Group
	Product Liability	Hong Kong Exporters' Association	The Hong Kong Smart Gifts Design Awards Contest 2016 — Household Gift Bronze Award	Fullhouse World
	Product Liability	Ambiente 2017	Solutions 2017 — One of the Best Household and Kitchen Solutions	Fullhouse World

Remarks:

"Karrie Group" — Karrie International Holdings Limited and its subsidiaries

"Feng Gang Plant" — Dongguan Feng Gang Castfast Metal & Plastics Co., Ltd.

"Yu Quan Plant" — Dongguan Feng Gang Caston Metal & Plastics Co., Ltd.

"Fullhouse World" — Fullhouse World International Limited and the companies under Consumer and Services Business

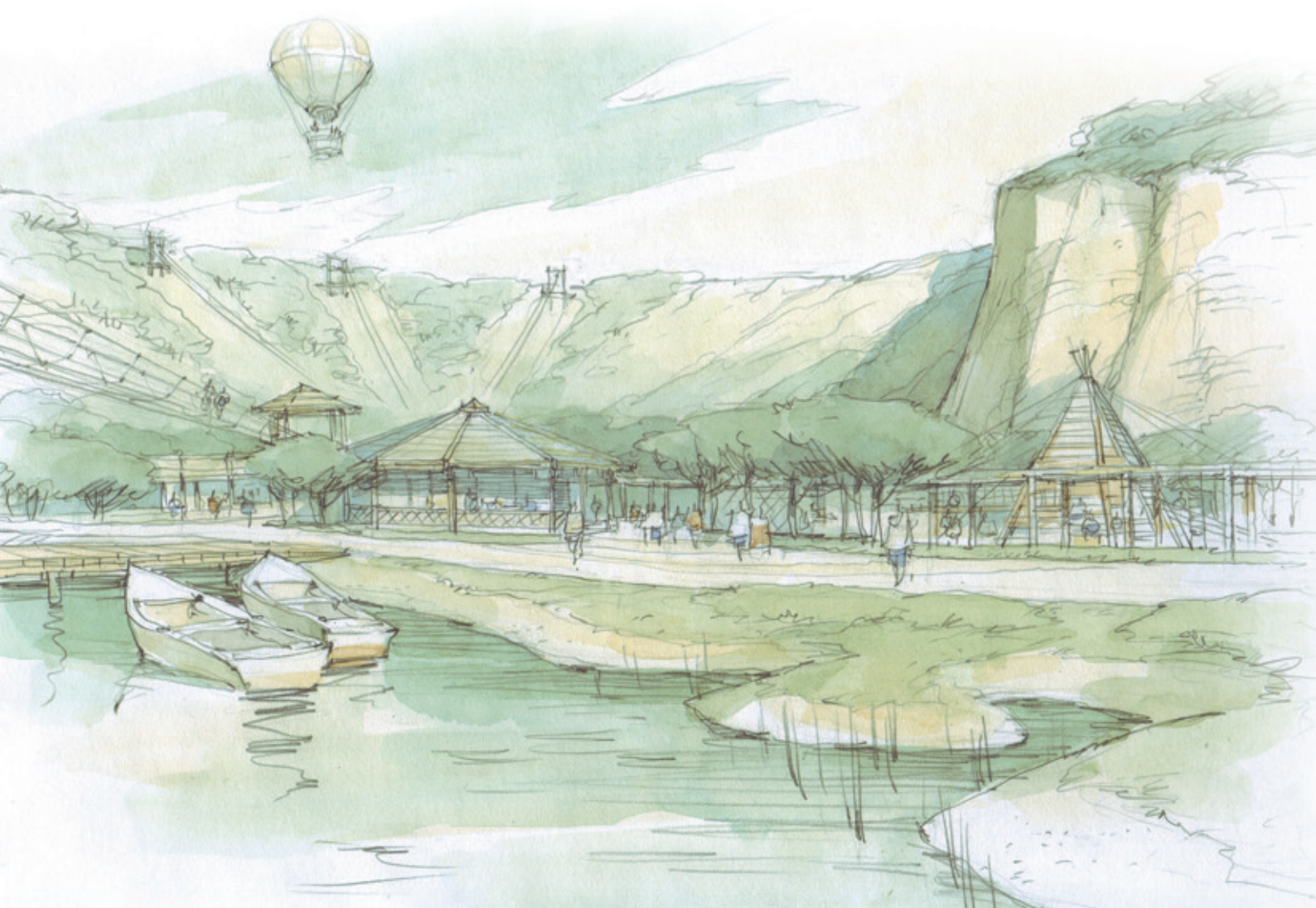


(XIV) MAJOR AWARDS, RECOGNITION, CHARTERS AND MEMBERSHIP (CONTINUE)

The Group participates in industry and professional associations that are germane to our businesses, through different platforms, we could share and exchange the latest market information and different opinions.



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



(XIV) MAJOR AWARDS, RECOGNITION, CHARTERS AND MEMBERSHIP (CONTINUE)


Institution	Company	Class of Membership
Hong Kong Institute of Human Resource Management	Karrie International Holdings Limited	Corporate Member
Vocational Training Council VTC Design Education Fund VTC	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	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 (Including the data in Hong Kong office and two plants in Mainland)

Data Collection	Units	2016/17	2015/16	2014/15
Scope I of greenhouse gas emission — direct emission	Tonnes CO2e	1,803	1,026	864
Scope II of greenhouse gas emission — indirect energy emission	Tonnes CO2e	19,249	18,372	18,431
Scope III of greenhouse gas emission — indirect emission	Tonnes CO2e	83	63	56



Total volume of greenhouse gas emission

Tonnes CO2e

21,135 2016/17

19,461 2015/16

19,351 2014/15



Water consumption

(not included the data of Mainland plants)

Cubic meter

477,571 2016/17

472,148 2015/16

414,914 2014/15



Electricity consumption

kWh

36,512,080 2016/17

34,848,270 2015/16

34,912,670 2014/15





Paper used (not included the data of Mainland plants)
kilogram

22,744 2016/17
21,279 2015/16
21,984 2014/15



Diesel oil consumption
liter

225,972 2016/17
215,873 2015/16
229,999 2014/15



Gasoline consumption
liter

10,037 2016/17
9,920 2015/16
13,580 2014/15



Reuse rate of waste paper
(only include the data of Mainland Plants)

kilogram (percentage)

379,688 (44.47%) 2016/17
428,670 (48.81%) 2015/16
503,970 (44.66%) 2014/15



(XV) CORPORATE SOCIAL RESPONSIBILITY INDICATORS (CONTINUE)**SOCIETY**

Number of employees	2016/17	2015/16	2014/15
Average number of employees of the Group during the Year	4,063	4,386	4,397
By location			
Mainland	3,894	4,212	4,231
Hong Kong and overseas	169	174	166
By gender			
Gender distribution of PRC employees (Male: Female)	65.24%: 34.76%	64.05%: 35.95%	64.30%: 35.70%
Gender distribution of Hong Kong and overseas employees (Male: Female)	59.10%: 40.90%	57.45%: 42.55%	56.04%: 43.96%
By age group			
Under 30 years old	1,648	1,932	2,108
30–50 years old	2,228	2,293	2,159
Over 50 years old	187	161	130



(XV) CORPORATE SOCIAL RESPONSIBILITY INDICATORS (CONTINUE)

Employee Turnover (average monthly)	2016/17	2015/16	2014/15
In Mainland (number of employees)	357	387	489
In Hong Kong and overseas (number of employees)	7.67	8.33	4.58
In Mainland (percentage)	9.37%	9.35%	11.77%
In Hong Kong and overseas (percentage)	4.41%	4.59%	2.58%
Occupational Health and Safety Statistics	2016/17	2015/16	2014/15
Work injury (number of cases) in Mainland	82	75	110
Work injury (number of cases) in Hong Kong	4	3	1
Loss of working days due to work injuries (days) in Mainland	1,366	1,077	2,058
Loss of working days due to work injuries (days) in Hong Kong	79	60.5	2
Employees fatality due to work injury in PRC and Hong Kong	0	0	0
Employee training	2016/17	2015/16	2014/15
Total number of training hours	34,423 hrs	51,793 hrs	71,048 hrs
Average number of training hours of employees	7.95 hrs	11.81 hrs	16.16 hrs
Human rights training (number of employees)	4,871	4,355	6,575
Fire safety training (number of employees)	7,070	7,655	7,943
Gender of Employee training by percentage (Male: Female)	65%: 35%	62%: 38%	55%: 45%
Others	2016/17	2015/16	2014/15
Gender of the Board by percentage (Male: Female)	8: 1	8: 1	8: 1
Number of volunteering service hours in Mainland and Hong Kong	505 hrs	372 hrs	672 hrs
Charitable and other donations made by the Group (in HKD)	\$271,000	\$553,000	\$239,000

(XVI) INDEPENDENT ASSURANCE STATEMENT

Carbon Care Asia Ltd (“CCA”) was engaged by Karrie International Holdings Limited (“Karrie”) to provide independent assurance over the Chinese version of Karrie’s Sustainability Report (the “Report”), covering the financial years of 2014/15, 2015/16 and 2016/17. The Report was prepared in accordance with the Environmental, Social and Governance Reporting Guide issued by The Stock Exchange of Hong Kong Limited and with reference to the Core option of the Global Reporting Initiative G4 Sustainability Reporting Guidelines.

This independent assurance statement is prepared on the basis of review by CCA of information presented to it by Karrie. The review does not extend beyond such information and is solely based on it. In performing such review, CCA has assumed that all such information is complete and accurate.

This statement is intended to be used by all stakeholders of Karrie.

SCOPE

Based on the CCA Sustainability Report Assurance Methodology, the scope of assurance engagement agreed upon with Karrie includes the following:

1. The assurance encompasses the entire report and focuses on assessing materiality and verifying the publicly disclosed management systems and processes of Karrie and its subsidiaries in Hong Kong/Mainland China, which include (i) metal and plastic business; (ii) electronic manufacturing services business; (iii) consumer and services business and (iv) real estate business during the period from 1 April 2014 to 31 March 2017.
2. The assurance engagement was performed in accordance with Type 1 assurance of the AA1000 Assurance Standard (AA1000AS 2008), evaluating the nature and extent of Karrie’s adherence to three principles, which include Inclusivity, Materiality and Responsiveness.
3. This statement was prepared in English and translated into Chinese for reference only.

LEVEL OF ASSURANCE

A moderate level of assurance under AA1000AS 2008 was provided for this engagement. CCA evaluated the plausibility of the Report. The assessment focused on internal records. The assurance did not cover the evaluation of the reliability of data, assertions or other specified performance information.

COMPETENCY AND INDEPENDENCE

CCA is a leading provider of services on sustainability reporting, carbon strategy, greenhouse gas emissions reduction and climate change policy advice. The assurance team has been compiled on the basis of knowledge and experience for this task.

CCA is independent to Karrie and has no financial interest in the operation of Karrie other than for the assessment and assurance of the Report. Karrie was responsible for the preparation of the Report and the accuracy of all statements and figures contained within it. The responsibility of CCA is to provide the independent assurance based on the scope and methodology described and to prepare this assurance statement alone and for no other purpose.

CCA has not been involved in the development of the Report or the disclosed management processes. CCA is not responsible for any actions taken by other parties as a result of the findings presented in this assurance statement. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to Karrie only.

ASSURANCE METHODOLOGY

The assurance procedures and principles used for this assurance engagement were drawn from the AA1000AS 2008 and methodology developed by CCA, which consists of the following steps:

- Identify the statements made in the Report and request evidence of the data sources.
- Challenge the claims made in the Report and request explanation to substantiate the claims.

(XVI) INDEPENDENT ASSURANCE STATEMENT (CONTINUE)

- Discuss with the management on Karrie's approach to stakeholder engagement. CCA had no direct contact with Karrie's external stakeholders.
- Assess Karrie's reporting and management processes in the preparation of the Report against the principles of Inclusivity, Materiality and Responsiveness.
- Provide recommendations for immediate correction where required or for future improvement of the report content.

CONCLUSIONS AND RECOMMENDATIONS

A detailed review against the principles of Inclusivity, Materiality and Responsiveness is set out below:

Inclusivity — How does the organization engage with stakeholders and enable their participation in identifying issues and finding solutions?

Karrie maintains a range of mechanisms to engage stakeholders. Methods employed to engage internal stakeholders on a regular basis include meetings, workshops, house journal and more. Programs such as visit activities and opinion surveys are also key engagement mechanisms with external stakeholders. The local communities are also engaged through charitable activities and seminars. A process for the identification of the issues to be included in the Report is performed using questionnaires. It is our conclusion that Karrie adheres to the principle of Inclusivity.

We recommend that Karrie continue to deepen its communication with stakeholders and to engage with a wider range of external stakeholders. This should be based on a formal stakeholder engagement plan. For the stakeholder engagement process to be effective, Karrie should take account of the future business strategy, allowing stakeholders to participate in the development of its sustainable development strategy, in order to align its strategic objectives with stakeholder expectations.

Materiality — How does the organization take into account relevant issues that are significant to the organization and its stakeholders?

Karrie used the output of the survey conducted to confirm the material issues. The Report addresses the material issues facing Karrie and its stakeholders. The Report publishes information that enables its stakeholders to make informed judgments about Karrie's management approach and performance. It is our conclusion that Karrie adheres to the principle of Materiality.

Although materiality determination draws on issues raised by some stakeholders, the process is not formalized. We recommend that Karrie formally link the materiality process to wider stakeholder participation on an annual basis and works to develop a more detailed analysis of the issues that turned out to be critical.

Responsiveness — How does the organization respond to stakeholder issues and feedback through decisions, actions, performance and communication?

The Report provides an overview of Karrie's economic, environmental and social performance, and demonstrates a certain level of response with resources and programs for the material issues. Karrie offers multiple channels and events to inform stakeholders of its decisions, actions and achievements. It is our conclusion that Karrie adheres to the principle of Responsiveness.

We recommend that Karrie continue to formalize its commitment to sustainability through actions such as establishing its sustainability governance structure. This would result in increased ambition at the Board and Executive leadership level, as well as develop a timely response to material issues that address the needs, concerns and expectations of stakeholders.

On behalf of the assurance team



Chloe Mok
Director of Sustainability Services
Carbon Care Asia Limited

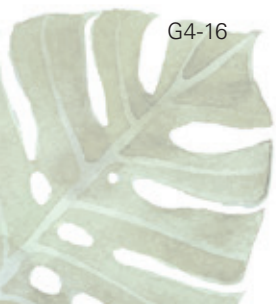
Hong Kong
15 January 2018



(XVII) GRI CONTENT INDEX

The report is prepared in compliance with the hierarchies set forth in Sustainability Reporting Guidelines G4 issued by the Global Reporting Initiative (GRI) and the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) of Hong Kong Stock Exchange. The disclosures are presented below with either linkage to the reported section(s) or direct answer.

GRI G4 Indicator	Description	Cross-references/Comments	ESG Reporting Guide Reference	Page(s)
Strategy and Analysis				
G4-1	Statement from the highest decision-maker of the organisation	Chairman’s Statement		6-7
Organisational Profile				
G4-3	Name of the organisation	About the sustainability report and reporting standards		2-5
G4-4	Primary brands, products and services	About Karrie		4
G4-5	Location of organization’s headquarters	About the sustainability report and reporting standards		2-5
G4-6	Number of countries the organization operates	About Karrie		4
G4-7	Nature of ownership and legal entity	About Karrie		4
G4-8	Markets served	Annual report 2014–2017 — Financial Highlights		/
G4-9	Scale of the organisation	— About Karrie — Annual report 2014–2017 — Chairman’s Statement		4
G4-10	Number of employees	About Karrie	B1.1	4
G4-11	Percentage of employees covered by collective bargaining agreements	No current employees are covered by collective bargaining agreements		/
G4-12	Organisation’s supply chain	Product Responsibility and Supplier Management	B5.1	29-30
G4-13	Significant changes regarding size, structure, ownership/ organisation’s supply chain	No significant changes		/
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization	Corporate Governance Annual report 2014–2017 — Corporate Governance Report		24-25
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives	Major Awards, Recognition, Charters and Membership		34-39
G4-16	Memberships in associations and/or national/international advocacy organisations	Major Awards, Recognition, Charters and Membership		34-39



(XVII) GRI CONTENT INDEX (CONTINUE)

GRI G4 Indicator	Description	Cross-references/Comments	ESG Reporting Guide Reference	Page(s)
Identified Material Aspects and Boundaries				
G4-17	Entities included in the organisation's consolidated financial statements or equivalent documents	Annual report 2014–2017 — Notes to the Financial Statements		/
G4-18	Process for defining report content	About the sustainability report and reporting standards		2-5
G4-19	Material aspects identified in the process for defining report content	Materiality Assessment		12
G4-20	Aspect boundary within the organisation for each materials aspect	— About the sustainability report and reporting standards — Materiality Assessment		2-5,12
G4-21	Aspect boundary outside the organisation for each material aspect	— About the sustainability report and reporting standards — Materiality Assessment		2-5,12
G4-22	Explanation of the effect of any restatements	No restatement on information in previous report was made.		/
G4-23	Significant changes from previous reporting periods in the scope and boundary	Real Estate Business was increased in Year 2016–2017		/
Stakeholder Engagement				
G4-24	List of stakeholder groups engaged by the organization	Stakeholders' Participation		10-11
G4-25	Basis for identification and selection of stakeholders with whom to engage	Stakeholders' Participation		10-11
G4-26	Approaches to stakeholder engagement	Stakeholders' Participation		10-11
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns	Materiality Assessment		12





(XVII) GRI CONTENT INDEX (CONTINUE)

GRI G4 Indicator	Description	Cross-references/Comments	ESG Reporting Guide Reference	Page(s)
Report Profile				
G4-28	Reporting period	About the sustainability report and reporting standards		2-5
G4-29	Date of previous report	June 2016		/
G4-30	Reporting cycle	About the sustainability report and reporting standards		2-5
G4-31	Contact Point for Report enquiries and its contents	About the sustainability report and reporting standards		2-5
G4-32	GRI Content Index, the 'in accordance' option the organization has chosen and the reference to the External Assurance (if any)	GRI Content Index		/
G4-33	Policy and current practice with regard to seeking external assurance for the report	— About the sustainability report and reporting standards — Independent Assurance Statement from CCA		2-5, 44-45
Governance				
G4-34	Governance structure of the organisation	Annual report 2014–2017 — Corporate Governance Report		/
Ethics and Integrity				
G4-56	Organisation's values, principles, standards and norms of behavior	— Visions on Corporate Social Responsibility — Corporate Governance		13-14, 24-25
Economic Performance				
G4-DMA				8-9
G4-EC1	Direct economic value generated and distributed	Annual report 2014–2017 — Financial Highlights	B8.2	/
Market Presence				
G4-DMA		Annual report 2014–2017 — Chairman's Statement	B1	/
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	We complied with local minimum wages laws in Hong and Mainland. Employees' wage is based on performance and experience		/



(XVII) GRI CONTENT INDEX (CONTINUE)

GRI G4 Indicator	Description	Cross-references/Comments	ESG Reporting Guide Reference	Page(s)
Materials				
G4-DMA		Caring for the Environment		20-23
G4-EN1	Materials used by weight or volume	The Group currently does not report on the volume of total packaging materials used for finished products	A2.5	/
Energy				
G4-DMA		Caring for the Environment	A2, A3	20-23
G4-EN3	Energy consumption within the organisation	CSR Indicators	A2.1	40-43
Water				
G4-DMA		Caring for the Environment	A2, A3, A2.3	20-23
G4-EN8	Total water withdrawal by source	CSR Indicators	A2.2	40-43
Emissions				
G4-DMA		Caring for the Environment	A1, A3	20-23
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	CSR Indicators	A1.1, A1.2	40-43
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	CSR Indicators	A1.1, A1.2	40-43
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	CSR Indicators	A1.1, A1.2	40-43
Effluents and Waste				
G4-DMA		Caring for the Environment	A1, A3, A1.6	20-23
G4-EN23	Total weigh of waste by type and disposal method	CSR Indicators	A1.4	40-43
Products and Services				
G4-DMA		Caring for the Environment		20-23
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Caring for the Environment		20-23
Regulatory Compliance (Environmental)				
G4-DMA		Caring for the Environment		20-23
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	No significant fines or non-monetary sanctions for non-compliance recorded in 2014–2017	A1	/



(XVII) GRI CONTENT INDEX (CONTINUE)

GRI G4 Indicator	Description	Cross-references/Comments	ESG Reporting Guide Reference	Page(s)
Labor/Management Relations				
G4-DMA		Staff Caring	B2	15-17
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	CSR Indicators	B2.1, B2.2	40-43
Occupational Health and Safety				
G4-DMA		Staff Caring	B2, B2.3	15-17
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	CSR Indicators	B2.1, B2.2	40-43
Training and Education				
G4-DMA		Staff Caring	B3	15-17
G4-LA9	Average hours of training per year per employee by gender, and by employees category	CSR Indicators	B3.2	40-43
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	All employees in Hong Kong and employees who rank Level 5 or above in Mainland will receive the performance appraisal every year		/
Diversity and Equal Opportunity				
G4-DMA		Staff Caring	B1	15-17
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Staff Caring	B1.1	15-17



(XVII) GRI CONTENT INDEX (CONTINUE)

GRI G4 Indicator	Description	Cross-references/Comments	ESG Reporting Guide Reference	Page(s)
Human Rights				
Investment				
G4-DMA		Staff Caring		15-17
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	CSR Indicators		40-43
Assessment				
G4-DMA		Visions on Corporate Social Responsibility		13-14
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	— Staff Caring — The two plants in Mainland were audited by EICC in December 2016		15-17
Society				
Local Communities				
G4-DMA		Caring for the community		26-28
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programmes	The Group has joined different community activities for employees in Mainland Plants, Hong Kong office and shops to participate		/
Anti-corruption				
G4-DMA		Corporate Governance		24-25
G4-SO4	Communication and training on anti-corruption policies and procedures	Corporate Governance		24-25
Regulatory Compliance (Social)				
G4-DMA				24-25
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	There were no significant fines or non-monetary sanctions for non-compliance with laws and regulations		/



(XVII) GRI CONTENT INDEX (CONTINUE)

GRI G4 Indicator	Description	Cross-references/Comments	ESG Reporting Guide Reference	Page(s)
Product Responsibility				
Customer Health and Safety				
G4-DMA				26-28
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	During the reporting year, there were no incident of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	B6	/
Product and Service Labeling				
G4-DMA		Product Responsibility and Suppliers Management	B6	29-30
G4-PR5	Results of surveys measuring customer satisfaction	Product Responsibility and Suppliers Management	B6.2	/
Customer Privacy				
G4-DMA			B6	24-25
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	During the reporting year, there were no incidents and substantiated complaints concerning breaches of customer privacy or losses of customer data.	B6, B6.2	/
Compliance				
G4-DMA				29-30
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	There were in significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	B6	/

