



嘉利國際控股有限公司

Karrie International Holdings Limited

(於百慕達註冊成立之有限公司 *Incorporated in Bermuda with limited liability*)

香港交易所上市編號 HKEEx Listing Code (1050)

Focus · Be Meticulous · Breakthrough



2023/24
SUSTAINABILITY REPORT

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ABOUT THIS REPORT

Since the listing of Karrie International Holdings Limited (the “Company”), together with its subsidiaries (which are collectively referred to as the “Group” or “Karrie”) in 1996, the Group has started to prepare the content of sustainability and incorporate it into annual reports as a separate section starting from the annual report for the year ended 31 March 2009. The Group has proactively adopted the latest guidance on sustainability reporting, and has commissioned an independent third party to review and verify the accuracy and readability of the information set forth in the report. When preparing the report for the Year, the Group has engaged its shareholders, business partners, employees, suppliers, regulators, and the public in coming up with their concerns, which have been addressed in the report.

Reporting Standards

This Report (the “Report”) has been prepared in accordance with the GRI Standards issued by the Global Reporting Initiative (“GRI”), and Appendix C2 Environmental, Social, and Governance (“ESG”) Reporting Guide of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (HKEX), as well as with reference to the United Nations Sustainable Development Goals (UNSDGs).

This Report has adopted the following reporting principles:

- **Materiality:** The content in this Report has been determined based on the significance of the Group’s sustainability impact, together with stakeholders’ opinions obtained by different departments from daily work. Please refer to the section “Sustainability Management” for relevant information.
- **Quantitative:** The Report discloses key performance indicators for material topics in compliance with the reporting standards mentioned above, and historical data has been provided for trend comparison. Please refer to the section “Appendix — Key Performance Data Summary” for relevant information.
- **Balance:** The Report provides an unbiased picture of the Group’s sustainability performance. Regardless of whether the performance is good or not, the historical data has been disclosed in the section “Appendix — Key Performance Data Summary”.
- **Consistency:** The Report adopts consistent methodologies to allow for meaningful comparisons of the data over time.



ABOUT THIS REPORT (CONTINUED)

Scope of Reporting

The Report covers the sustainability work and performance during the financial year of 2023/24 (i.e., from 1 April 2023 to 31 March 2024, the “Year”). Taking into account the principle of materiality, the reporting boundary covers the operations of the Headquarters in Hong Kong and the production base in Dongguan, Guangdong (the “Yuquan Production Base”). In the year of 2021/22, the Group established a production base in Thailand (the Karwin Thai, “KWT”) and has already delivered its first order within the Year. The relevant data from KWT is included in this report.

For detailed information related to the governance and financial performance of the Group, please refer to the annual report for the year of 2023/24.

Contact Us

Should you have any suggestions or opinions on the sustainable development of the Group, please contact:

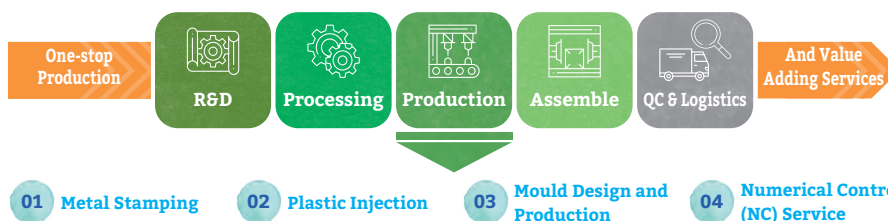
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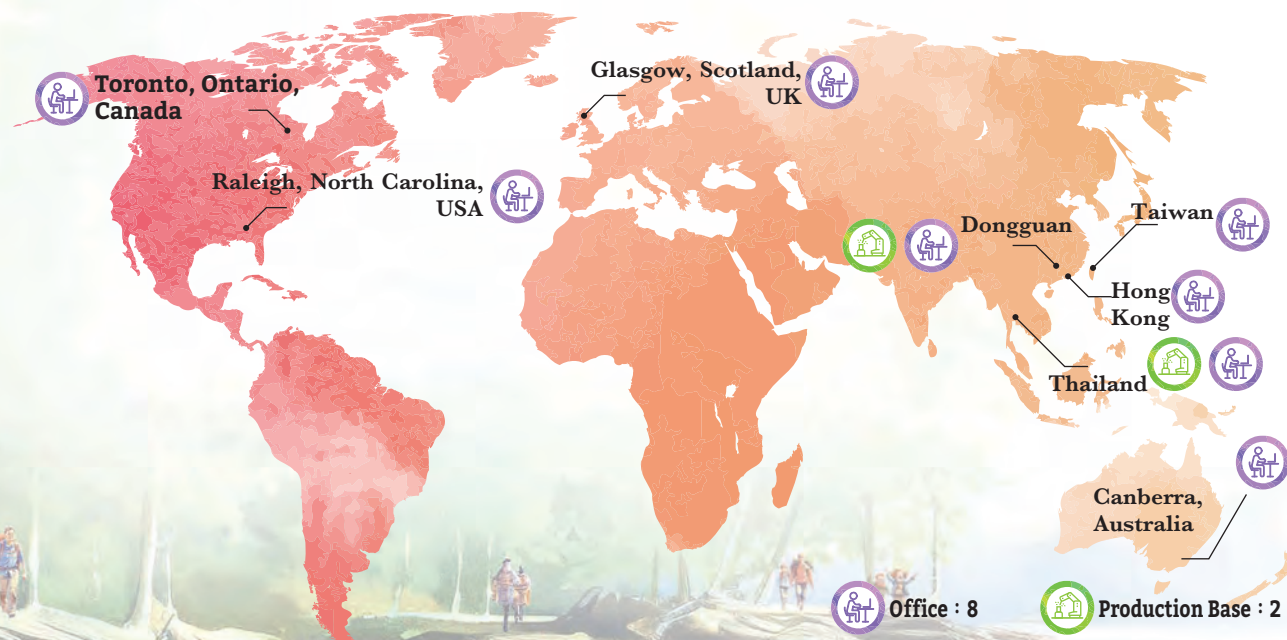
Telephone: (852)2411-0913
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ABOUT KARRIE

The Group is principally engaged in the following business:



The Group's Headquarters is located in Hong Kong, with a production base established in Dongguan, Guangdong Province. Additionally, a design and research center has been established in Taiwan, and offices have been set up in the United States, United Kingdom, and Canada. The Group's production base in Thailand has successfully completed the first batch of order shipments in this Year. It has also obtained ISO 9001, ISO 14001 certifications, and passed the RBA VAP audit. Colleagues from both China and Thailand have engaged in mutual visits for learning. The newly built Karrie Craftsmanship Tower within the Dongguan production base has been put into use during the Year.



CHAIRMAN'S MESSAGE



Ho Cheuk Fai Mentor
Chairman & Chief Executive Officer

Karrie adheres to the strategy of “Focus, Be Meticulous, Breakthrough” to drive sustainable development within the company. We focus on key topics, refine the knowledge and skills of all employees, and rely on the strength of our talent team to continuously enhance our overall performance in sustainability. With the official launch of the comprehensive production building, Karrie Craftsmanship Tower, and the commencement of operations at our Thailand base, our sustainability management have been extended and comprehensively covered. Through close communication with various stakeholders, Karrie continues to learn from strengths and weaknesses, optimise management practices, and commit to achieving the goal of coordinated development for the company and all stakeholders.

Focus

Under the leadership of the Board of Directors, Karrie has established a cross-departmental Corporate Sustainable Development Committee. This committee comprehensively listens to the opinions of different stakeholders, combines them with the company's operation, and focuses on areas for continuous improvement. We have implemented a top-down key performance indicator (the “KPI”) management system, where each department proactively identifies key areas relevant to sustainability and establishes department-specific indicators. Monthly reports on these indicators are presented to the Board of Directors, which helps drive the achievement of our sustainability goals.

Be Meticulous

Talent is the core competitiveness of a company, and Karrie is fully committed to cultivating a talent pool. In response to the recent adjustments in China's vocational education roadmap, which aim to increase the proportion of vocational and technical education students, we have established connections with multiple vocational and technical colleges. We have introduced students for practical internships, supplementing the manpower needs for foundational technical positions within the company. In conjunction with our ongoing “Employee's Juniors Program” and “Summer Internship Program,” which have been implemented for many years, we inject fresh energy from the younger generation into the company. Furthermore, we place great importance on employee development and growth. We offer customised improvement programs for different levels. From the Board of Directors to department managers, we conduct specialised training on sustainability topics to enhance the overall awareness of relevant issues among all employees.



CHAIRMAN'S MESSAGE (CONTINUED)

Under the rapid and significant impact of global climate change, corporate actions need to be swift and effective. We continue to study deep into the appropriate path for emissions reduction that is applicable to our own circumstances, and we initiate and implement various energy-saving projects annually. Within the Year, we collaborated with a university to assess the company's emissions reduction potential and demand for renewable energy, assisting in the orderly execution of emissions reduction actions, with the goal of achieving "net-zero" emissions by 2050 or earlier. All departments have incorporated energy-saving and emissions reduction into their working goals. Cooperating with customers and suppliers, we have started experimenting with the application of recycled iron and plastic materials, implementing comprehensive "carbon reduction" actions throughout the supply chain. At the same time, we have implemented various administrative optimisation measures internally to reduce resource consumption, such as fully transitioning to electronic dissemination of corporate communications to shareholders, reducing the annual printing of thousands of paper documents.

Breakthrough

In terms of product responsibility, Karrie continuously breaks through the utilisation of automation and information technology as tools. We strive for continuous optimisation in areas such as packaging, welding, bending, polishing, silk-screen printing, laser engraving, and assembly. These efforts greatly enhance production efficiency and quality, leading to successful development of new processes, new technologies, and new products. With the operation of the "Karrie Craftsmanship Tower" and our production base in Thailand, we have achieved breakthroughs in our production capacity while also extending our sustainability management principles to overseas bases. The Thailand production base has obtained certifications including RBA, ISO 14001, and ISO 9001, gaining the trust of our customers and successfully delivering the initial batch of orders.

In the future, we will rely on the spirit of "Nothing is Impossible" to actively increase the value of sustainability work. We will optimise management, enhance efficiency, and continue to innovate, driving sustainable development within the company and the industry. By doing so, we will strengthen the Group's competitiveness and create greater value for our stakeholders.

Ho Cheuk Fai Mentor

Chairman & Chief Executive Officer



SUSTAINABILITY MANAGEMENT

Governance Model

The Board of Directors of the Group is responsible for oversight of sustainability issues. The Corporate Sustainable Development Committee is steered by an Executive Director and reports to the Board. The members of the Committee are heads of various departments related to sustainability issues. They are responsible for formulating and reviewing the corporate social responsibility mechanisms and development strategies together, communicating with stakeholders and implementing management measures. The Group has incorporated the Supplier Management Department into the committee to further promote sustainability within the supply chain. The Group has arranged for relevant executive directors to participate in the "Certificate in Sustainability Leadership" course offered by the Hong Kong Institute of Directors, aiming to enhance the sustainability expertise of the board members.



SUSTAINABILITY MANAGEMENT (CONTINUED)

Risk Management

Under the supervision of the Board, the Internal Audit Department of the Group conducts risk assessments every year, identifying current and future, internal and external, financial and non-financial risks and opportunities, evaluating risk levels and formulating management approaches. Department heads are involved in the risk and opportunity investigation. The Internal Audit Department analyses the survey results, summarises the risk and opportunity information and countermeasures, and reports them to the management. According to the risk assessment results, relevant departments are in charge of implementing the risk mitigation measures following instructions from the management. The Board discusses the risk management and the internal control systems with the management to review the risk factors and urgency, and ensure that effective systems are in place.

Stakeholders Engagement



Relevant goal:

- Target 17.16 — Enhance the global partnership for sustainable development by sharing knowledge, expertise, and technology with industrial and regional stakeholders

The Group communicates with stakeholders every year through a variety of activities and reports in order to understand their needs and perspectives, including annual general meetings, results conferences, financial reports, announcements, and receptions for visiting government and non-governmental organisations, supplier evaluations, training, and other activities, as well as understanding the needs and perspectives of various stakeholders in order to contribute to sustainable development. All departments actively collect the stakeholders' opinions on the sustainability performance of the Group in their daily work, and report to the Corporate Sustainable Development Committee.

Shareholders

- Annual general meetings
- Press releases
- Circulars, announcements, annual and interim reports
- Information on the company's website and on the internet
- Shareholders' communication policies

Employees

- Corporate events
- Staff briefing
- Suggestion box
- Workshops
- Meeting with staff representatives
- Karrie's Monthly

Clients

- Factory tours
- Information on the company's website and on the internet
- Sustainability survey and rating
- Questionnaire

Suppliers

- Factory tours
- Corporate events
- Supplier assessment
- Supplier training

Government & NGOs

- Factory tours
- Corporate events
- Mega events
- Seminars and workshops

Local Community

- Corporate tours
- Mega events
- Volunteering
- Charitable projects
- Seminars and workshops

SUSTAINABILITY MANAGEMENT (CONTINUED)

Lean Improvement

The Group continues to implement a performance management system where each department sets performance targets annually. In addition to production indicators, the performance management of each department also includes indicators and goals related to environmental protection, employees, safety, quality, and supplier management. Through monthly review meetings and annual year-end summary conferences, the executive directors and executive committee of the Group review the performance of each department and provide guidance. The achievement of annual targets is also considered in employees promotions and salary adjustments within the relevant departments.

To effectively implement lean production, the Group has implemented a proposal rewards policy to encourage departments to propose improvements in their daily work. The proposal is included as part of the department's key performance indicators. Since 2020, the Group has been organising the annual "Lean Improvement and Innovation Competition" to encourage departments to proactively apply tools such as Value Engineering and Six Sigma to analyse issues and propose improvement solutions. Many proposals have resulted in optimised resource utilisation, improved product quality, and enhanced safety production levels, contributing to the sustainability performance of the Group.

SUSTAINABILITY MANAGEMENT (CONTINUED)

Sustainability Strategy

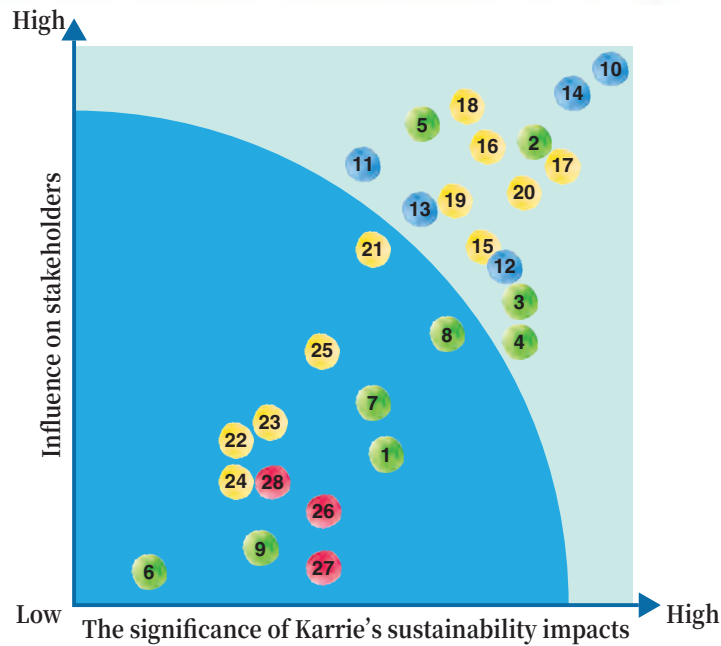
Karrie's scope of CSR covers eight areas, integrating the concepts of Environmental (E), Social (S) and Governance (G) with the United Nations Sustainable Development Goals (UNSDGs) as the guidelines, caring about the environment, employees, clients, investors, suppliers, communities and other stakeholders' benefits. Regarding our CSR missions and the correlation of our business operations, the Group mapped 11 SDG goals to strive for contribution.



SUSTAINABILITY MANAGEMENT (CONTINUED)

Material Topics Identification and Management

The Group updated its material topics in this Year. Based on its business model, the Group compiled a list of sustainability topics that are relevant to our industry, major customers, suppliers, and peers, as identified by the GRI standards, the Sustainability Accounting Standards Board (SASB), and MSCI. The Group evaluated the impact of each topic on its sustainable operations and prioritised them based on stakeholders' opinions.



- | | |
|---|--|
| <ul style="list-style-type: none"> 1 Air Pollution 2 Energy Management 3 Water Management 4 Waste Management 5 Climate Change 6 Local Ecology Protection 7 Green Product Innovation 8 Recycled Material Application 9 End-of-Life Product Management 10 Employment Compliance 11 Diversity and Inclusion 12 Training and Development 13 Communication and Support 14 Occupation Health and Safety | <ul style="list-style-type: none"> 15 Risk Management in Compliance 16 Privacy and Data Security 17 Responsible Procurement 18 Business Ethics and Morality 19 Service and Product Innovation 20 Smart Manufacturing and Lean Production 21 Product Safety 22 Public Health Emergencies 23 Individual Consumer Protection 24 Industry Collaboration 25 Intellectual Property Rights 26 Regional Development Support 27 Youth Education 28 Community Projects |
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SUSTAINABILITY MANAGEMENT (CONTINUED)

Order	Topics	Relevant Index	Main Impact Scope	Concerns and Expectation of Stakeholders	Management Indicator	Relevant Department
1.	Employment Compliance	GRI 401 Employment GRI 408 Child Labor GRI 409 Forced or Compulsory Labor HKEX B1 Employment B4 Labor Standards	Internal, suppliers and customers	Assist customers in safeguarding the rights and interests of all workers in the supply chain	Administration audit	Human Resources Department
2.	Occupational Health and Safety	GRI 403 Occupational Health and Safety HKEX B2 Employee Health and Safety	Internal and suppliers	Provide a safe and healthy working environment for employees	Injury rate Loss time	All production departments, Quality and logistic departments, Equipment and safety department
3.	Energy Management	GRI 302 Energy HKEX A2 Use of Resources	Internal	Improve operational efficiency for shareholders	Energy consumption Energy saving rate	All production department Equipment and safety department
4.	Responsible Procurement	GRI 308 Supplier Environmental Assessment GRI 414 Supplier Social Assessment HKEX B5 Supply Chain Management	Internal and suppliers	Build a supply chain that meets customer's sustainability development requirements	Completion rate of supplier audits	Procurement department
5.	Business Ethics and Morality	GRI 205 Anti-corruption HKEX B7 Anti-corruption	Internal, suppliers and customers	Maintain a fair and honest cooperative environment	Completion rate of audit items	Internal audit department
6.	Privacy and Information Security	GRI 418 Customer Privacy HKEX B6 Product Responsibility	Internal, suppliers and customers	Protect customer confidential information	Completion rate of system screening Completion rate of software inspection	IT department
7.	Climate Change	GRI 201-2 GRI 305-1, 305-2, 305-3, 305-4, 305-5 HKEX A4 Climate Change	Internal, suppliers and customers	Assist customers in achieving supply chain emission reduction goals	Energy consumption Energy saving rate	All production department Equipment and safety department
8.	Smart Manufacturing and Lean Production	HKEX B6 Product Responsibility	Internal	Improve business competitiveness, provide customers with superior products, and increase shareholder returns	Number of lean operation proposals Number of automated projects imported	All departments Some manufacturing departments
9.	Service and Product Innovation	HKEX B6 Product Responsibility	Internal	Ditto	Number of new technology R&D	Engineering and R&D Department
10.	Training and Development	GRI 404 Training and Education HKEX B3 Development and Training	Internal and suppliers	Provide employees with knowledge enhancement and development opportunities	Training completion rate	Human Resources Department
11.	Risk Management in Compliance	GRI 2-27 Compliance with laws and regulations HKEX A1 Emission B1 Employment B2 Health and Safety B4 Labour Standards B6 Product Responsibility B7 Anti-corruption	Internal and suppliers	Maintain compliance with regulations and meet the requirements of government and regulatory agencies to protect shareholder interests	Completion rate of audit items	Internal audit department
12.	Water Management	GRI 303 Water Resource and Wastewater HKEX A2 Use of Resource	Internal	Improve operational efficiency for shareholders	Water consumption Water saving	Production departments with water use Equipment and safety department Employee individuals
13.	Diversity and Inclusion	GRI 405 Diversity and Equal Opportunity HKEX B1 Employment	Internal and suppliers	Protect employee rights and maintain good employee relations	New hire retention rate Activities completion rate	All departments Trade Union Office of Administration Department
14.	Communication and Support	HKEX B1 Employment	Internal	Maintain good employee relations	Activities completion rate	All departments Trade Union Office of Administration Department
15.	Waste Management	GRI 306 Waste HKEX A1 Emission	Internal	Emission compliance	Number of recycled and transferred	Production departments Equipment and safety department

ENVIRONMENTAL PROTECTION

Our Progress

In the face of changing external competitive environments and the accelerated pace of global climate action, the Group is deepening its efforts. We analyse climate risks and opportunities, and promote climate change awareness among all employees. Our goal is to continuously reduce energy consumption and greenhouse gas emissions intensity in line with science-based targets. Building upon our previous efforts in lean production and gradual adoption of energy-saving and emission-reducing technologies, we have started collaborating with customers to conduct experiments in recycled material production during the Year. This prepares us for the future full-scale implementation of low-carbon recycled raw material production. The Group will continue to uphold the philosophy of Chairman Ho Cheuk Fai Mentor:

“Do everything with care and leave resources for the next generation”.

as we explore the path that aligns environmental protection with business development.

Performance in Relevant Scope of Karrie's CSR

Deepening climate action

Continued promotion of energy-saving and water-saving projects

ENVIRONMENTAL PROTECTION (CONTINUED)

Responding to Climate Change



Responding to Climate Change

- Target 13.3 — Improve capacity on climate change mitigation, adaptation, impact reduction and early warning

Commitment

The Group supports global actions to control global warming to no more than 1.5°C, and is in the process of setting medium-term and long-term emission reduction targets in accordance with the Science-Based Targets Initiative (SBTi), aiming to achieve net-zero emissions by 2050 or earlier, in line with the global emission reduction trend.

Climate Risk

The Group is conducting climate change risk assessments in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and planning relevant mitigation measures. We are gradually strengthening the accounting and management of greenhouse gas emissions associated with the supply chain and products, and developing low-carbon products. To address physical risks such as sea-level rise, increased frequency, and intensity of extreme weather events, the Group has implemented regular inspections, clearance of sewage and rainwater pipes, reinforcement of doors, windows, and outdoor facilities to ensure the flood control and wind resistance capabilities of our production bases.

Scenario		Risk	Business Impact	Financial Impact
BAU	Physical			
	<ul style="list-style-type: none"> • Frequency of heavy rain, typhoons, and extreme weather events has significantly increased, and sea levels are rising 	<ul style="list-style-type: none"> • Lead to frequent flooding and inundation 	Hinder logistics transportation and affect the delivery schedule of goods	Strong
	<ul style="list-style-type: none"> • Number of hot days has significantly increased. 	<ul style="list-style-type: none"> • Significant increase in demand for air conditioning 	Increase electricity consumption for air conditioning	Medium
	Policy			
	<ul style="list-style-type: none"> • Major economies are maintaining their current emission reduction policies 	<ul style="list-style-type: none"> • Fossil fuels continue to dominate as the mainstream energy source 	Greenhouse gas emissions from the production process of products have not been reduced, resulting in the imposition of carbon tariffs on exports to the European Union	Medium
		<ul style="list-style-type: none"> • Increase in fuel demand 	Electricity costs have increased	Mild



ENVIRONMENTAL PROTECTION (CONTINUED)

Scenario	Risk	Business Impact	Financial Impact	
1.5–2 Celsius Degree	Physical			
	<ul style="list-style-type: none"> Frequency of heavy rain, typhoons, and extreme weather events has increased slightly, and sea levels have slightly risen 	<ul style="list-style-type: none"> Higher frequency of flooding and inundation 	Have impact on logistics transportation	Mild
	<ul style="list-style-type: none"> A slight increase in the number of hot days 	<ul style="list-style-type: none"> Increase in demand for air conditioning 	Electricity cost for air conditioning has increased	Mild
	Policy			
	<ul style="list-style-type: none"> Major economies are adopting proactive emission reduction policies 	<ul style="list-style-type: none"> Companies need to rapidly reduce emissions to achieve “net-zero” emissions by 2050 or earlier 	If the emission reduction pace is insufficient, it may result in carbon tax payments and reduced orders	Strong
		<ul style="list-style-type: none"> The demand for energy-saving technologies in the market is growing rapidly 	If products fail to meet market demands, it will lead to a decrease in orders	Strong
	<ul style="list-style-type: none"> There is a sharp increase in the demand for renewable energy 	The cost of electricity procurement is increasing	Medium	

Action Progress

The Group has communicated climate targets to all departments and is implementing feasible measures to achieve a reduction in greenhouse gas emissions while ensuring business growth.

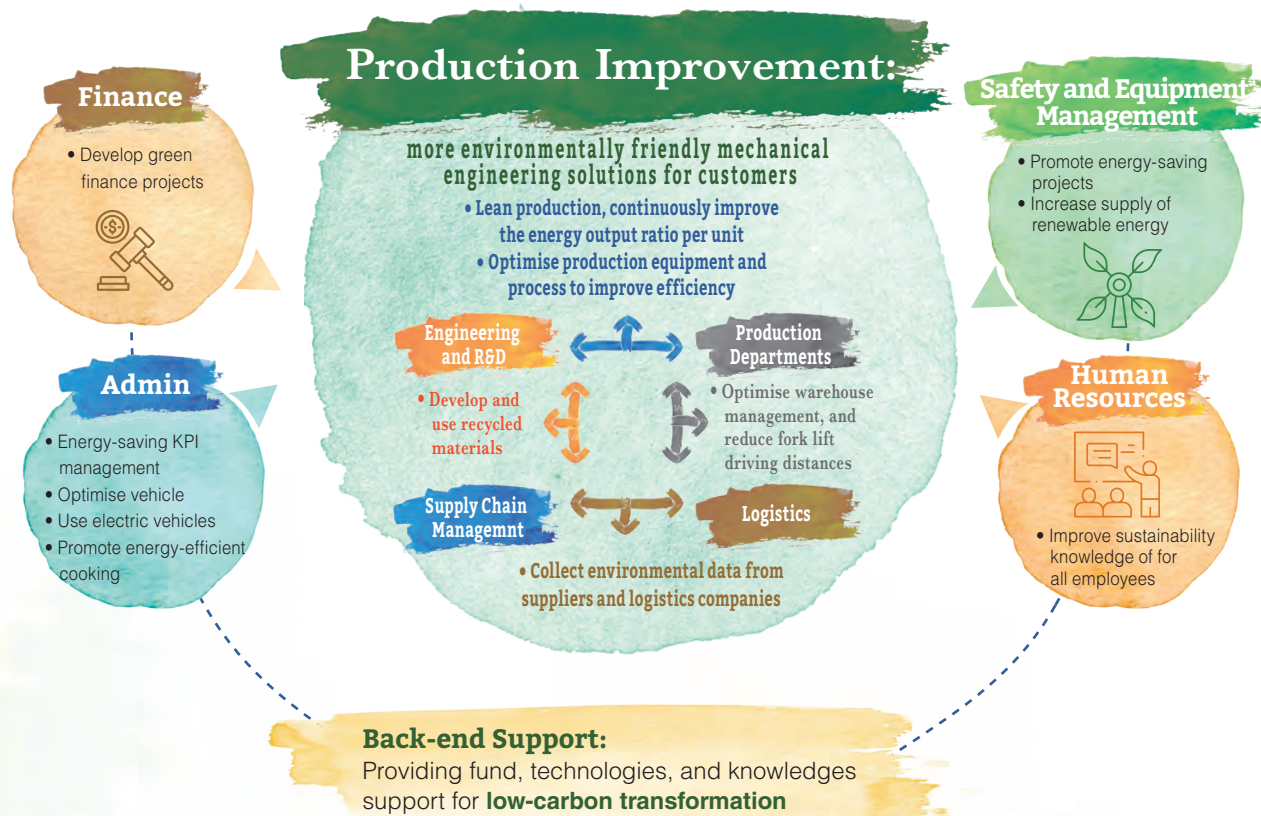
On the improvement of production plans, the Group is dedicated to creating more environmentally friendly mechanical engineering solutions for customers. Actions taken by departments such as design, procurement, production, and logistics include:

- 100% implementation of Value Analysis/Value Engineering (VAVE) to enhance material utilisation and production efficiency;
- Collaborating with customers to conduct trials production with steel with recycled content (RC) and Post-Consumer Recycled (PCR) plastics;
- Monitoring energy consumption per unit of production output and the reuse rate of scrap materials in production workshops, linking them to the performance evaluation of the department heads;
- Adjusting the layout of production workshops to reduce internal logistics transportation distance in coordination with the completion of the “Karrie Craftsmanship Tower”;
- Investigating the carbon emissions of raw materials from upstream suppliers.

ENVIRONMENTAL PROTECTION (CONTINUED)

On the backend support side, functional departments such as finance, equipment management, administration, and human resources are working together to implement projects including the adoption of green energy and green finance. They provide financial, technical, and knowledge support for the low-carbon transformation at the production level.

- Developing equipment energy-saving projects;
- Establishing a system for accounting products greenhouse gas emissions;
- Utilising on-site renewable energy and developing channels for purchasing additional renewable energy;
- Conducting comprehensive training to promote climate change awareness among all employees.



ENVIRONMENTAL PROTECTION (CONTINUED)

The Group has developed a roadmap for greenhouse gas emission reduction, focusing on three levels: monitoring emissions, internal optimisation, and the development of a low-carbon supply chain. The Group utilises the Climate Change questionnaire by CDP survey, to benchmark excellent management models, and continuously improve its own management practices. During the Year, the Group has achieved a B- rating.

Monitoring

- Scopes I and II
- Scope III

Internal Optimisation

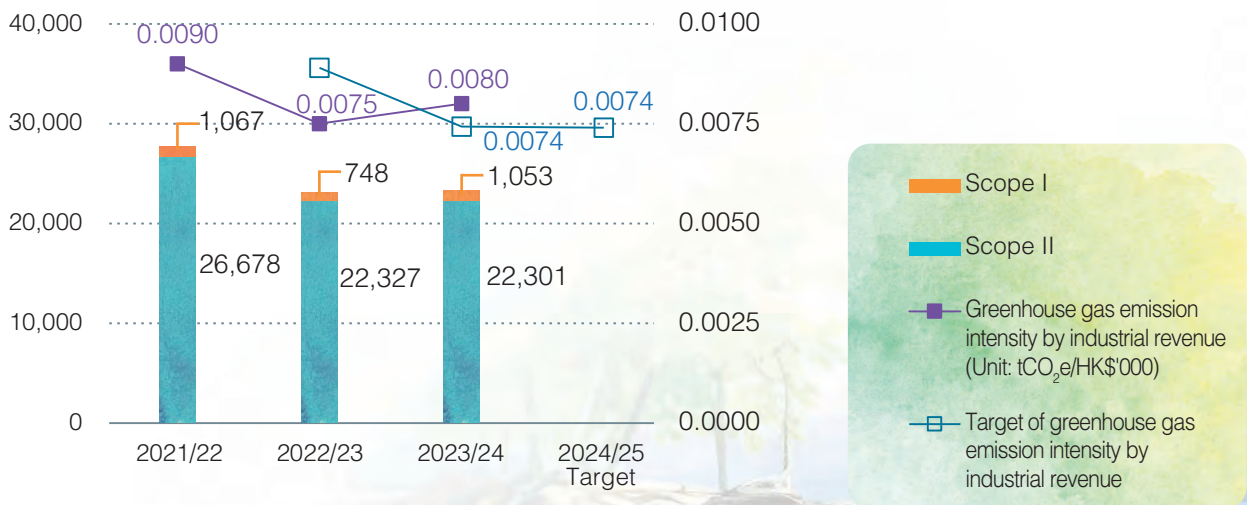
- Energy-saving potential analysis
- Optimisation of material utilisation

Supply Chain Management

- Developing renewable energy
- Developing low-carbon material supply

Karrie has been monitoring greenhouse gas emissions in accordance with the ISO14064-1 standard and preparing a greenhouse gas report that has been independently verified by a third party since 2014. During the Year, the Group emitted 1,053 tCO₂e of Scope I Direct Emissions and 22,301 tCO₂e of Scope II Indirect Emissions, totaling 23,354 tCO₂e. The greenhouse gas emission intensity by industrial revenue was 0.0080 tCO₂e/HK\$'000, representing a 6.7% increase compared to the previous year. This increase was primarily due to market factors causing end-customers capital expenditures to be more conservative, resulting in a decline in the Group's revenue and profit. In line with the energy consumption intensity target and in combination with the expected downward trend of the Chinese electricity emission factor, the Group aims to maintain its target greenhouse gas emission intensity for the 2024/25, reducing it by 7.5% to 0.0074 tCO₂e/HK\$'000 of industrial revenue compared to the 2023/24.

Greenhouse Gas Emissions (Unit : tCO₂e)



ENVIRONMENTAL PROTECTION (CONTINUED)

Resources Conservation



Relevant goal:

- Target 7.3 — Improve global energy efficiency



The Group has established the **Clean Production and Energy-Saving Committee** and obtained **ISO 14001 environmental management system certification**. For more details, please refer to the “Karrie Sustainability Overview webpage — Caring for the Environment”.

Adhering the principles of lean production, the Group manages the use of energy, water resources, and raw materials at production bases. The Administration Department and various production departments at the Dongguan production base collaborate to develop new energy-saving and water-saving technology applications on an annual basis. The implemented projects within the Year result in an annual energy savings of 300,000 kilowatt-hours.

Air Compressor Heat Recovery for Dehumidification

By adopting a low humidity rotary dehumidification system, the waste heat from the air compressor is recovered and used for the regeneration of the rotary wheel. This reduces the use of electric heating during the regeneration process. The dehumidification area exceeds 3,400 square meters, resulting in an annual electricity savings of 120,000 kilowatt-hours.



ENVIRONMENTAL PROTECTION (CONTINUED)

Replacement of Outdoor Pathway Lighting with Solar Lights

The nighttime lighting fixtures for the main outdoor pathways within the factory area have been replaced with solar lights, resulting in an annual electricity savings of 70,000 kilowatt-hours.



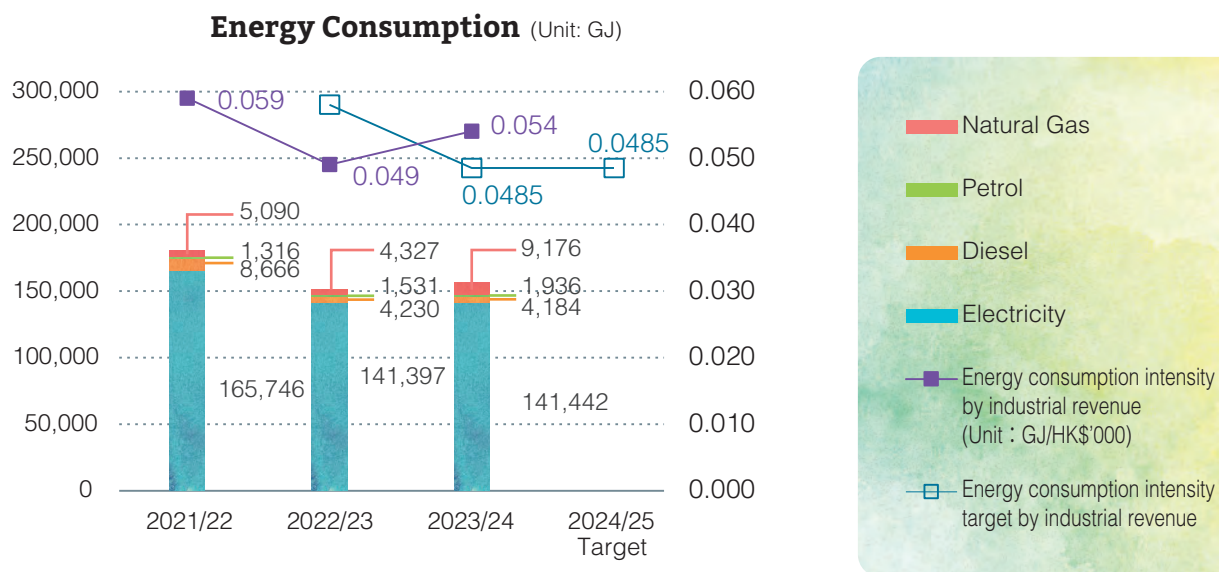
The Group sets annual targets and monitors the consumption of resources on a monthly basis by department, which is incorporated into performance management. The Executive Committee oversees the performance of each department and provides guidance for their work.

Indicators	2023/24 Target	2023/24 Performance	Achievement	2024/25 Target
Rate of packaging material internal reuse (%)	≥ 44.55	44.56	✓	44.56
Metal — scrap metal rate (%)	0.42	0.58	-38%*	0.53
Plastic — scrap rate of raw material (%)	2.00	1.90	✓	1.90

* Due to the influence of product types, the target for 2023/23 was not achieved in terms of recycling. The percentage difference from the target value is listed as follows:

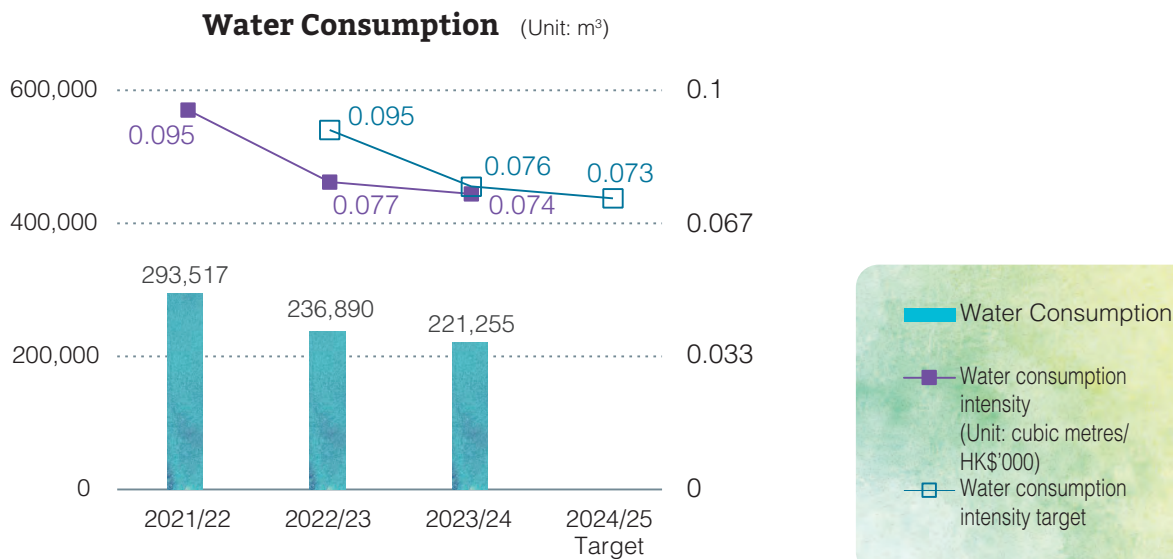
ENVIRONMENTAL PROTECTION (CONTINUED)

During the Year, the Group consumed 156,738 GJ of energy, of which electricity consumption accounted for 90.2%, followed by natural gas at 5.9%, diesel at 2.7% and petrol at 1.2%. Calculated by industrial revenue, the energy consumption intensity was 0.054 GJ/HK\$'000, with a year-on-year increase of 10.2%, which was consistent with the trend and factors affecting greenhouse gas emissions. Considering the projected business performance for the next period, the Group aims to maintain its target for the year of 2023/24 and reduce the energy consumption intensity by 10.2% to 0.0485 GJ/HK\$'000 in the next fiscal year.



ENVIRONMENTAL PROTECTION (CONTINUED)

During the Year, the Group's water consumption was reduced to 221,255 m³ since the proportion of water reused continuously increased. The water consumption intensity by industrial revenue was 0.074 m³/HK\$'000, with a year-on-year decrease of 3.9%. The Group has set a target for water consumption intensity in its environmental management system. Under the condition that the product types and processing remain stable, the Group aims to reduce water consumption intensity by 1.5% to 0.073 m³/HK\$'000 industrial revenue in 2023/24.



Emissions Control



Relevant goals:

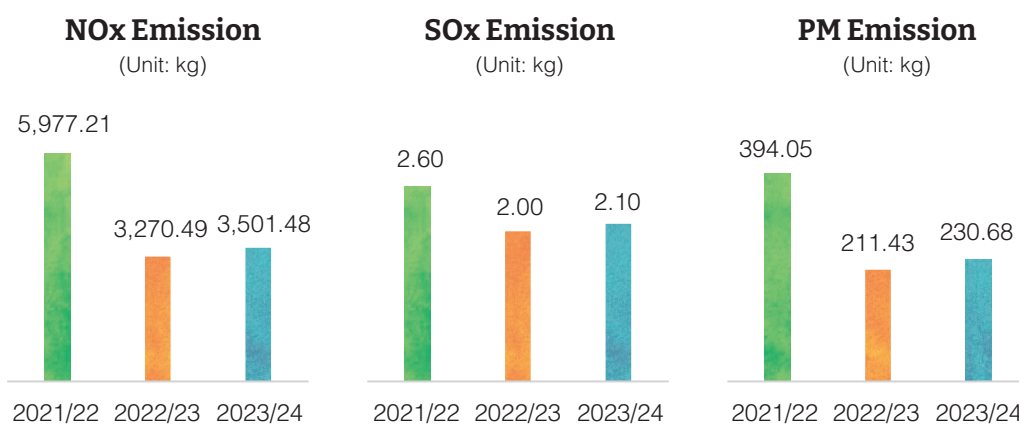
- Target 12.4 — Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle
- Target 12.5 — Substantially reduce waste generation through prevention, reduction, recycling and reuse



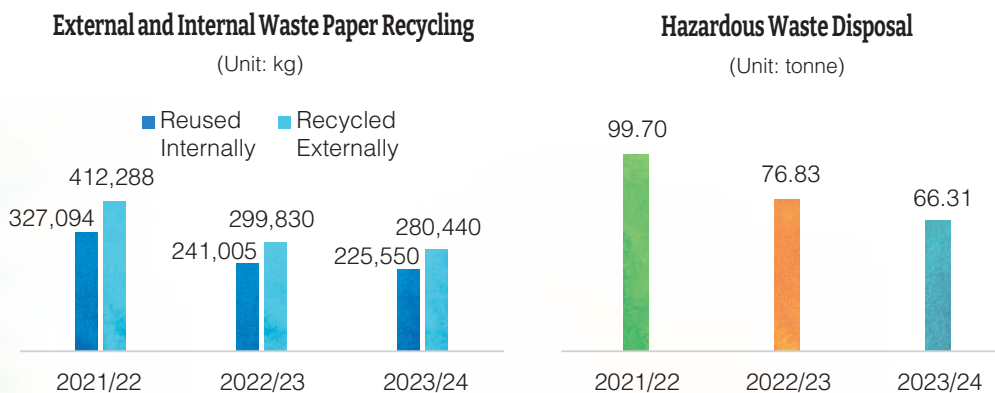
The Group strictly complies with **relevant environmental laws and regulations**. It has established facilities for the treatment of **exhaust gas** and **wastewater**, as well as the **proper collection** and disposal of **solid waste**. There have been no environmental violations recorded throughout the Year. For more details, please refer to the "Karrie Sustainability Overview webpage — Caring for the Environment".

ENVIRONMENTAL PROTECTION (CONTINUED)

The Group has established a ventilation system to collect volatile organic compounds (VOCs) generated during the production process and remove the pollutants. The Group regularly conducts exhaust gas testing, ensuring that it is compliant with the relevant standards. The Group emitted 3,501.48 kg of NO_x, 2.10 kg of SO_x and 230.68 kg of PM during the Year. With the comprehensive lifting of epidemic prevention and control measures in China, there has been an increase in cross-border passenger and freight transportation for the Group. As a result, the emissions have rebounded.



During the Year, the Group maintained a stable production and operation situation. The internal recycling volume of general waste and the external transfer volume of hazardous waste experienced a slight decrease.



TALENTS

Our Progress

The Group continues to align with the Responsible Business Alliance (RBA) Code of Conduct, establishing a fair, non-discriminatory, and respectful work environment. We implement various employee-friendly measures and initiatives. Throughout the Year, the Group has developed diverse employee activities to further enrich their leisure time and promote their physical and mental well-being. We also continue to attract young talent and collaborate with vocational colleges to cultivate technical students. Additionally, we expand our training resources and provide continuous training courses and development opportunities for employees. The average training hours per employee has shown a continuous increase during the Year.

Performance in Relevant Scope of Karrie's CSR

Caring for the employees

- Organise various employee activities to promote the physical and mental well-being
- **Continuous decrease** in the **occupational injury rate** for three consecutive years

Training and development

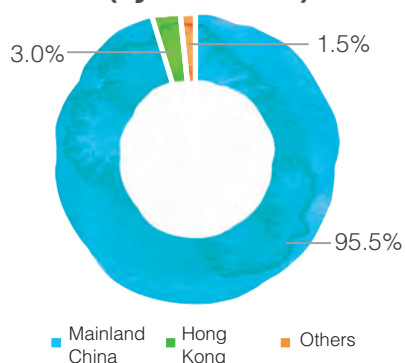
- The average training hours reached **13.3** hours, increased **15%** year-on-year
- **76%** of employees received training during the Year

TALENTS (CONTINUED)

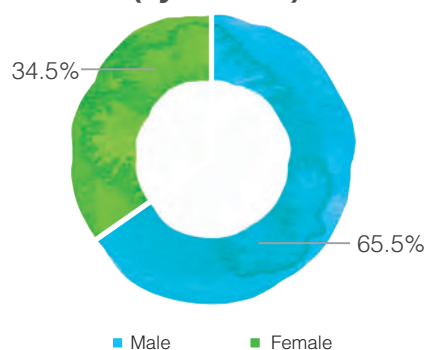
The Group has established "Development of professionals, training of talents, emphasis on the physical and mental health of employees, and work-life balance" as parts of Karrie's CSR mission. The Group treats all employees sincerely, continually maintaining a safe workplace, and providing a diverse, inclusive and supportive working environment.

During the Year, the Group optimised workforce allocation according to production demand, resulting in a decrease of 5.9% in the monthly average number of employees compared to the previous year. The monthly average number of employees of the Group was 3,349, of which 95.5% were in Mainland China, 3.0% were in the Headquarters in Hong Kong, and 1.5% were in Taiwan, Thailand, the United States, the United Kingdom and Canada. When compared with the previous financial year, the gender, age distribution of employees and employment type were similar.

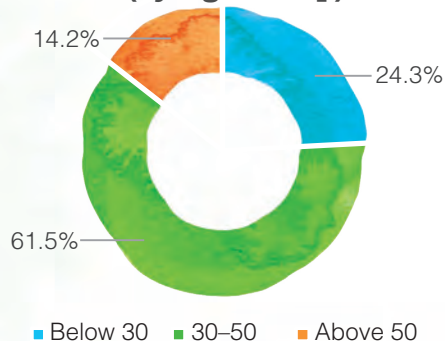
Number of Employees (by Locations)



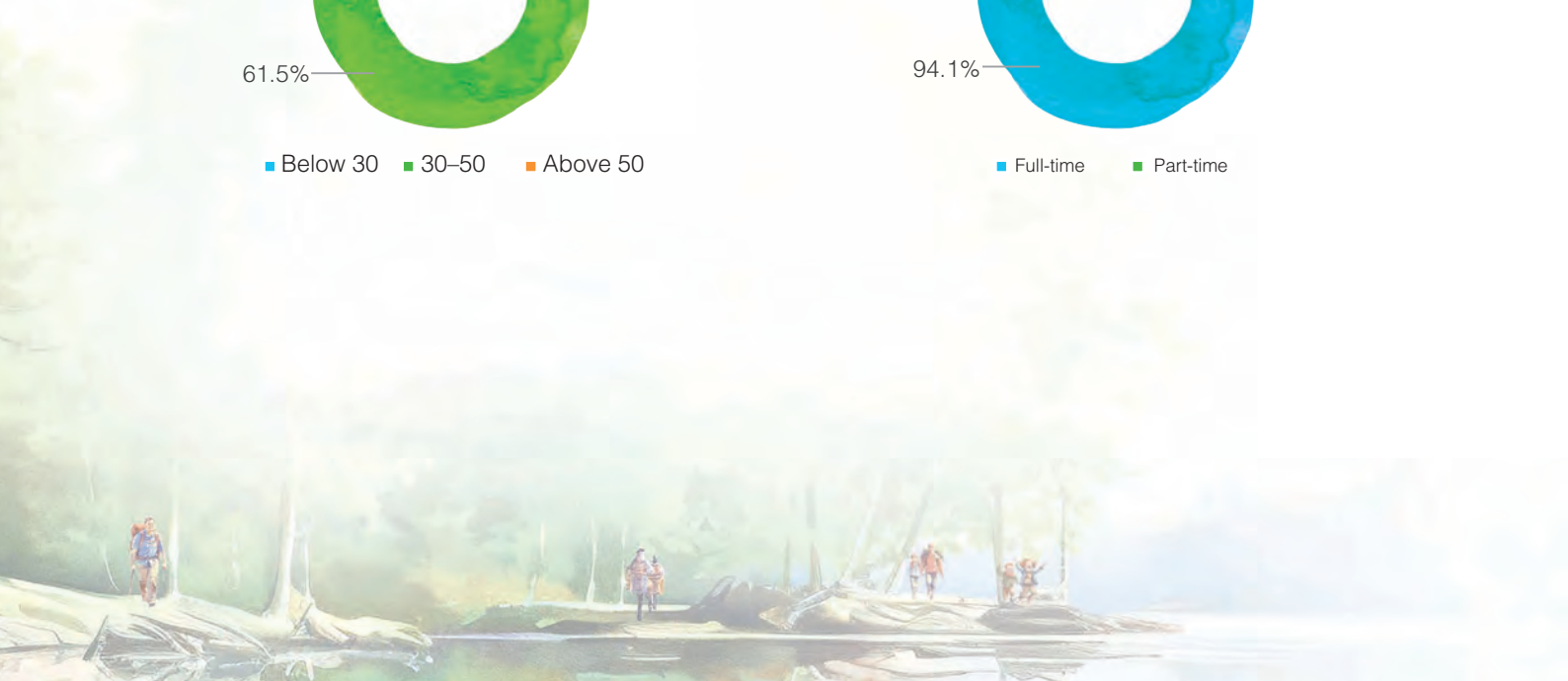
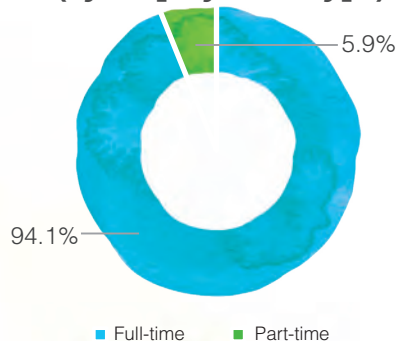
Number of Employees (by Gender)



Number of Employees (by Age Group)



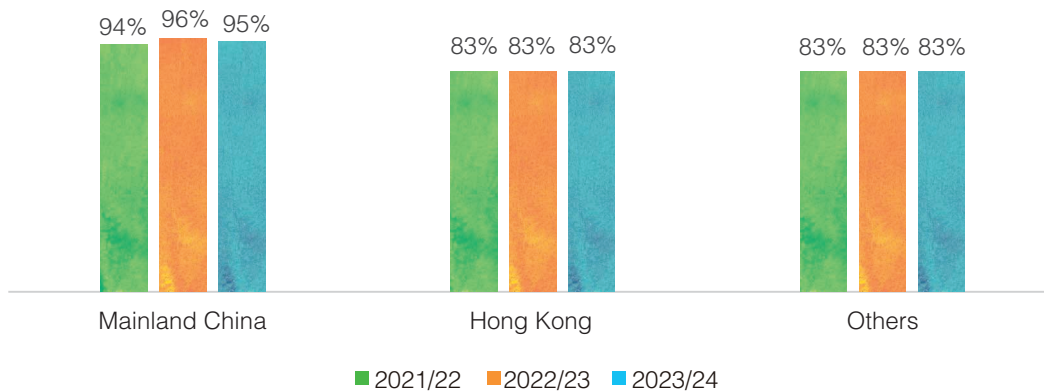
Number of Employees (by Employment Type)



TALENTS (CONTINUED)

The Group actively integrates into the local communities where it operates and is willing to hire local talents to promote local economic development while enhancing the human resources advantage. In Mainland China, Hong Kong, Taiwan, as well as Thailand production base and offices in the United States, the United Kingdom, Karrie employs local people to take on management roles. During the Year, more than 83% of employees at the management level were locals.

Proportion of Senior Management Hired from the Local Community

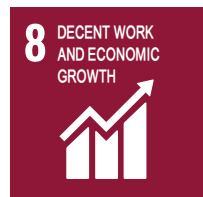


CARING FOR EMPLOYEES



The Group has established **an effective talent management and communication system**. For more details, please refer to the “Karrie Sustainability Overview webpage — Staff Caring”.

Employment Compliance, Concertedly Building the “Karrie” Family



Relevant goal:

- Target 8.5 — Provide relevant training and skills to employee for achieving success at work

The Group adheres to the principle of equal opportunity throughout the processes of recruitment, selection, appointment, promotion, training, and development. Discrimination based on gender, race, age, or any other factors is strictly prohibited. The Group respects and protects human rights, ensuring that all employees are not subjected to harassment in the workplace. Any form of intimidation, verbal abuse, sexual harassment, or any other type of harassment is not tolerated. The Group provides channels for employees to report such incidents.

TALENTS (CONTINUED)

The Group strictly prohibits all forms of forced labor, including slavery and human trafficking. All employees enjoy the freedom to choose their occupation. The Group has established a unified recruitment process to prevent incidents related to child labor and forced labor. This includes the following measures:

- No withholding of any employee's documents or information is allowed;
- Employment contracts specify equal notice periods or severance pay for both parties, allowing employees to resign according to their own will and following the proper procedures;
- The Human Resources Department verifies the age and other information of applicants before making any employment decisions.

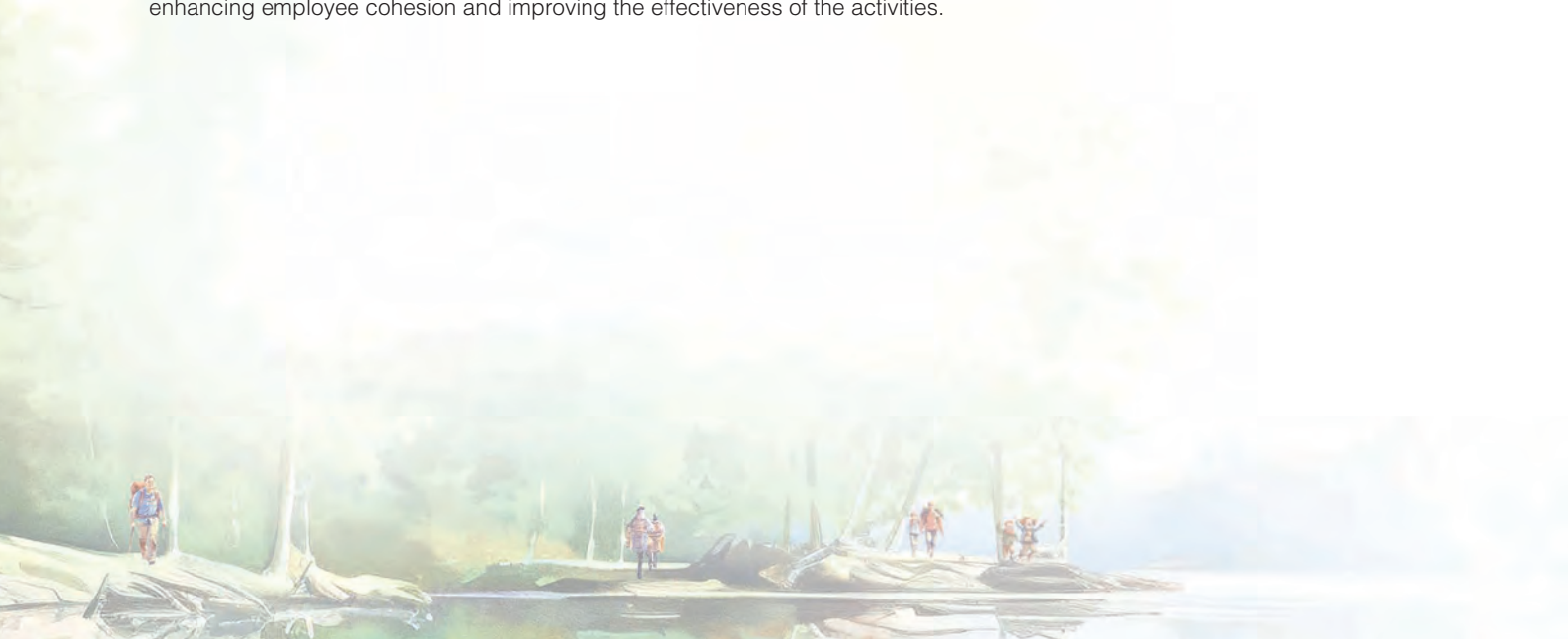
The Group has established procedural documents that outline remedial measures in case of the erroneous employment of child labor. These measures include escorting the child worker back to their place of residence and providing support for their education.



The Group complies with **relevant employment laws and regulations**, providing employees with **equal and comprehensive benefits and support** for their daily lives. There have been no compliance violations within the Year. For more details, please refer to the “Karrie Sustainability Overview webpage — Staff Caring”.

The Group has established a committee as the working body of the Trade Union. This committee is responsible for supervising the implementation of decisions made by the Trade Union, participating in labor relations coordination, and mediating labor disputes. Suggestion boxes are set up in the working areas and employee living areas of the production facilities in mainland China for employees to provide feedback. The Group distributes the latest management regulations and employee activity information to employees through bulletin boards and the intranet. Through monthly administrative meetings, the Group extensively listens to employee opinions and provides optimisation measures or support as needed.

The Group proactively cares for the mental health of employees and organises a diverse range of employee activities. The annual “Karrie Cup” sports series takes place throughout the year and includes basketball, table tennis, badminton, chess, and other categories. The Group also organises autumn mountain hiking trips to allow employees to connect with nature. Employees are encouraged and sponsored to participate in public recreational activities such as the Hong Kong Standard Chartered Marathon. The Group actively explores the integration of training and team-building into employee activities, enhancing employee cohesion and improving the effectiveness of the activities.



TALENTS (CONTINUED)



The Group once again organised the annual “Karrie Evergreen Tree Planting Day” event on “Hong Kong Tree Planting Day 2023”

April
2023



The Group hosted the “Gratitude Mother’s Day: Fragrant Flowers, Blessings Sent” event in 2023, featuring the “Karrie People” parent-child flower arrangement theme



The Group partnered with the Dongguan General Federation of Trade Unions to carry out the “Movie in Enterprises” event

May
2023



The Group organised the “Creative Collage Art Contest with Metal Scraps” in collaboration with the Fenggang Publicity, Education, Culture, and Tourism Office, Cultural Center, and Economic Development Bureau. The event aimed to bring together numerous visitors and employees to showcase their artistic talents



The Group organised the “Youth Blossoms: Uniting Us” 2023 Karrie Youth Employee Networking Event for employees



The Group collaborated with the Town Health and Sanitation Bureau to conduct a health knowledge seminar and provide free health check-up services

TALENTS (CONTINUED)



The "Karrie Cup" Table Tennis Competition

June
2023



The Group invited employees and their families to participate in the "Water Wonderland: Fun-filled Competition" Employee Family Day event held at the 4A scenic spot, Longfeng Villa



The Group invited professors from the Hong Kong Fire Services Department to conduct a course on "Press to shock — Save a life" CPR & AED Course" to empower employees with life-saving knowledge. This course enabled them to respond and assist in emergency situations

July
2023



The Group achieved fourth place in the "Huangdong Cup" Basketball Competition

"The Group encourages us to undergo systematic training in CPR and the operation of AED, which is very meaningful. I can now utilise these skills anytime in the community to assist those in need, even including my family members." — Mr. Chan, Design Department

August
2023



Karrie Group's Next Generation Work Committee organised the "Together Under the Blue Sky: 2023 Care for Little Left Behind Children" event at Longfeng Villa

TALENTS (CONTINUED)



Karrie, in collaboration with the Fenggang Town Community Health Service Center, organised free screenings for hypertension and diabetes



Karrie, in collaboration with the Fenggang Town Community Health Service Center, organised free screenings for hypertension and diabetes



The "Karrie Cup" Dance Competition

August
2023



Mental Health Workplace Charter — Singing Bowl Experience Workshop

Singing bowls are ancient stress-relief tools that produce beautiful sounds and specific vibrations. They work on the principle of sound healing and create resonance with the water in our bodies, leading to healing effects. The Group invited a professional instructor to provide us with an opportunity to explore the wonders of singing bowls and learn how to use them for stress reduction and balancing our mind and body!" — Ms. Lam, Corporate Communications Department

September
2023



The Group organised a "Teacher's Day" appreciation event to express gratitude and present gifts to internal teachers

TALENTS (CONTINUED)



The Group organised the "Karrie Cup" Singing Competition



The Group promoted first aid knowledge and organised employee training to enhance their self-rescue and mutual assistance capabilities



Occupational Safety and Health Bureau Mental-Friendly Workplace — Ba Duan Jin Workshop



The Karrie basketball team participated in the inaugural "Factory BA" tournament in Dongguan

September
2023



The "Karrie Cup" Pool Competition

October
2023



"Mental Health Workplace Charter" — Team Building Journey: Boardgame Workshop

"During the lunch break, many colleagues gathered together for a tabletop game experience guided by a professional game instructor. Laughter filled the air, showcasing the collaborative spirit of teamwork and collective problem-solving skills!" — Ms. Wong, Operations Department

November
2023



The 33rd "Karrie Cup" Basketball Competition commenced, with the participation of 13 representative teams and over 140 employee athletes, lasting for one-month competition

TALENTS (CONTINUED)



Karrie invited "Food Wise Hong Kong" to conduct a "Food Waste Reduction Seminar" for employees

"The abundance of food in our city sometimes makes us overlook the preciousness of it. This valuable food waste reduction seminar has helped us regain appreciation for food and raised awareness of living a low-carbon lifestyle! I even had the opportunity to take a photo with the mascot!" — Ms. Chan, Finance and Accounting Department

November
2023



The "Peel Eco-Enzyme Workshop"

"The company arranged for an environmental group to teach us how to utilise peels to make eco-enzymes that can be used in our daily lives. It was an eye-opening experience for me, and I attended the workshop with many colleagues who are passionate about environmental conservation. Together, we learned that creating eco-enzymes is much easier than we thought. In the future, I plan to make use of these enzymes more often, reducing the need to purchase chemical-based household products. It's not only cost-effective but also more environmentally friendly!" — Mr. Or, Warehouse Department



One-Day Leisure Vacation Trip to Mount Luofu

"The company invited my wife and me to participate in this activity, allowing us to join our colleagues on a day trip to Mount Luofu. We had the opportunity to explore the scenic beauty of nature together and truly enjoyed the experience. It was a wonderful and memorable time!" — Mr. Chan, Molding Department

December
2023



Organised an outdoor team-building activity with the theme "Breakthrough and Conquer New Heights"

TALENTS (CONTINUED)



The "Karrie Cup" Chess Competition



The "Karrie Cup" Badminton Competition

December
2023



Sponsored employees to participate in the Standard Chartered Hong Kong Marathon



Learn Together:
Acupressure
Points for Eye
Health



"The company cares about our eye health and organised a learning session on acupressure points for eye care. They even provided us with eye massagers for daily use. It's really thoughtful!" — Miss Lo, Import and Export Department

January
2024

"The feeling of running is truly amazing. When you stop on the track, the participants beside you will quickly catch up. So, it's important to stay focused and keep moving forward on the racetrack. Just like running, we are building Karrie's century-old foundation. Our employees are united and determined to maintain the company's leading position in the industry." — Mr. Cheng, Marketing Department

TALENTS (CONTINUED)



The Group sponsored employees to participate in the “Green Run” organised by the Green Council



Tzu Chi Foundation and Jocky Club co-organised — Environmental Floral Art Workshop

“It was a wonderful experience to learn that we can create such beautiful decorations using old red envelopes, extending their lifespan. It’s a great way to promote sustainability and make something beautiful out of recycled materials.” — Miss Wong, Marketing Department



Employee New Year Celebration: Karrie Annual Dinner

February
2024

March
2024



Celebration International Women’s Day with employees — Microalgae Handmade Soap Workshop

TALENTS (CONTINUED)

Occupational Health and Safety



Relevant goal:

- Target 3.3 — Support our staff to fight communicable diseases

The occupational health and safety management of the Group covers the areas of production, plant areas, equipment, personnel and other levels. A safety responsibility system has been implemented internally for everyone in the Group, from the management to employees, responsible for safety production. All employees and visitors, including external contractors, are regulated by the related safety policy when they enter the production base.



Each department sets safety goals and plans, and the responsible person signs a commitment letter and instills the responsibility requirements for all personnel to jointly assume safety responsibilities in the department. Any employee can raise concerns about safety and health matters with the department safety officer, supervisor, or directly to the equipment and safety management team of the Administration Department. The Group holds a monthly administrative meeting for the entire production base to report on employee feedback received that month and to develop improvement measures by the equipment and safety management team.

The equipment and safety management team of the Administration Department organises safety risk assessments for all departments to participate regularly, identify potential hazards and potential accidents in different positions, places and activities, evaluate the degree of danger, and review and revise the safety production policies and operating procedures. The Group analyses the potential occupational hazards that may occur in various positions and provides appropriate personal protective equipment for employees who may be exposed to dangers such as noise, mechanical injuries and dust, including earplugs, gloves, masks, etc. Karrie also installs safety light curtains. When personnel are detected to have entered the working area of the machinery, the operation will be immediately suspended, minimising the chances of mechanical injuries. During the Year, the Group did not receive any reports of employees suffering from occupational diseases.



TALENTS (CONTINUED)

All departments regularly inspect their safety work, including supervising the allocation and use of fire equipment and personal protective equipment and participating in fire drills regularly. All new employees will receive training about occupational health, safety, and fire protection, and they are required to take an examination before commencing of their posts. During the Year, the Group also held the “Safety Production Month” event, which included safety production knowledge competitions and fun activities to convey safety knowledge to all employees in a lively manner.



In May 2023, the Group held “Safety Production Month” activity

TRAINING AND DEVELOPMENT

4 QUALITY EDUCATION



Relevant goal:

- Target 4.4 — Provide relevant training and skills to employee for achieving success at work

To continuously attract young talents, the Group collaborates with vocational colleges in alignment with the national professional and technical education roadmap. The Group has initiated joint training programs with these institutions to provide internship opportunities for students. This not only helps the Group identify promising young talents but also encourages them to stay with us. Additionally, the Group has established the “Employee’s Juniors Program” and “Summer Internship Program,” which recruit employees’ relatives’ children and college students for summer internships, respectively. Furthermore, the Group has introduced “Trainee Programs” for engineers, finance professionals, and other roles to cultivate specialised talents to support the Group’s operations and development.



In August 2023, the Group’s executive directors organised a farewell party for dozens of interns participating in the “Employee’s Juniors Program.”

TALENTS (CONTINUED)

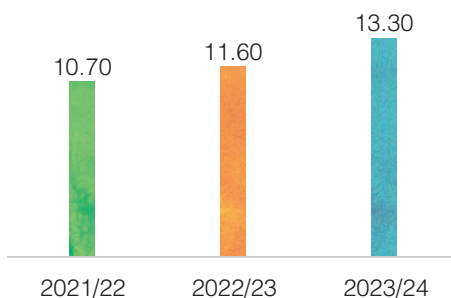


The Group provides **comprehensive training and assessment for employees**. For more details, please refer to the “Karrie Sustainability Overview webpage — Training and Development”.

During the Year, the Group implemented several key courses targeting the skill enhancement needs of various departments. The average training hours per employee reached 13.3 hours, and the percentage of employees who received training during the year accounted for 76.1% of the total workforce at the end of the Year.

Employee Average Training Hours

(Unit: Hours)



Specialised Training for Middle-level Management

In July to August 2023, the Group organised specialised training for middle-level management. The training program included topics such as management role awareness, document training, effective delegation and coaching, execution skills training, and PowerPoint presentation skills. The goal was to provide comprehensive knowledge to all middle-level managers and enhance their understanding of management concepts among their colleagues.



TALENTS (CONTINUED)

Specialised Training in Sustainability Management

In March 2024, the Group conducted two specialised training sessions on sustainability development management for all department supervisors. The training aimed to raise awareness and knowledge on climate change, information security, compliance hiring, and supply chain management. Following the training, each department analysed its role in addressing these issues, developed action plans, and updated performance management processes to strengthen support for sustainability initiatives.



Team Building

The Group has established a team-building fund available for all departments to apply for, with the aim of conducting team-building activities and enhancing team cohesion.



TALENTS (CONTINUED)

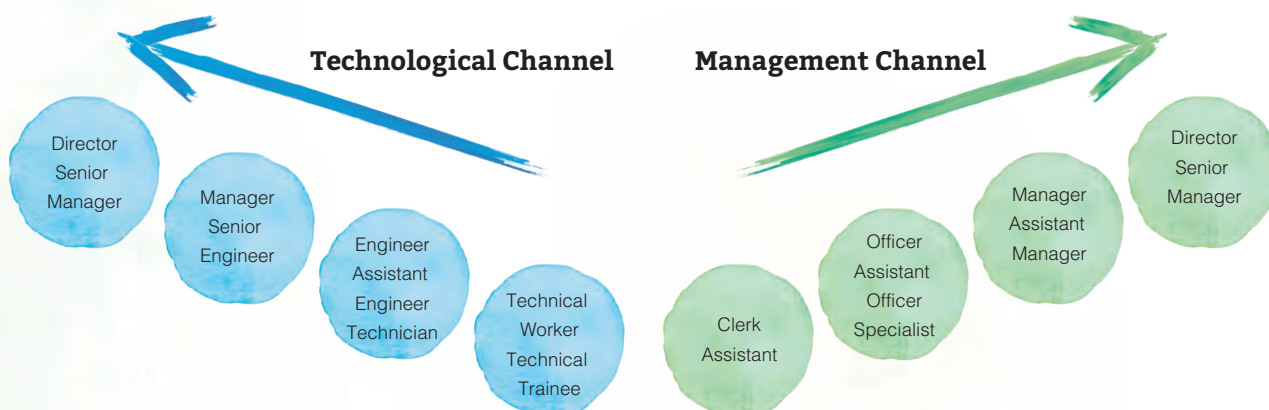


First-aid Training

To ensure that employees have the necessary skills to respond appropriately in emergency situations and provide assistance to those around them, the Group organises regular CPR and AED training courses. Professional paramedics are invited annually to provide employees with training. During the course, colleagues receive instruction on emergency procedures and engage in hands-on practice using mannequins to simulate real-life scenarios. The professional paramedics provide guidance and supervision to ensure that trained employees acquire the necessary skills in first aid.



Employees in different positions enjoy opportunities for development and promotion. The Group has formulated the assessment indicators in combination with the job responsibilities and personal professionalism and willingness. The supervisors evaluate and communicate with the corresponding employees every year. To ensure that capable people can make contributions at a higher level, promotion assessment will be determined according to the capacity requirements of target positions, including written examination, interview and personality test. For each position, the Group establishes training plans for talented employees to ensure the effective inheritance of corporate operations.



COMMUNITY

Our Progress

Karrie is committed to actively fulfilling its social role by fostering community cohesion, creating valuable interactions, and promoting positive values. With a foundation of human care, Karrie strives to address and share social responsibilities, establishing long-term partnerships with the community. Since 2005, community work has been incorporated into Karrie's scope of social responsibility. During the Year, we have continued to focus on and support the elderly and the youth in the community while actively participating in international charitable initiatives. We encourage employees to engage in public wellness activities to promote a healthy lifestyle. Additionally, we support the educational needs of Hong Kong's youth in understanding the country and its situation. We welcome visits from various educational institutions to our manufacturing and business facilities to enhance their understanding of industrial and cultural tourism development. Through these initiatives, we aim to bring about positive impacts on the community and continue to play a meaningful role.

Performance in Relevant Scopes of Karrie's CSR

Community Building

- Participating in and sponsoring **diverse social responsibility projects**, aligning with international charitable initiatives
- Organising annual tree-planting activities to **promote greening in the community**

Passing on Values

- Supporting **higher education scholarship** programs
- Inherit the "**Karrie Nothing is Impossible**" project and continue to benefit underprivileged children

COMMUNITY (CONTINUED)

Our Community Commitment

Karrie, adhering to the spirit of caring and love for those in need, upholds the principle of “Giving Back to Society”. With a commitment to harmonious and sustainable growth in the Hong Kong community, Karrie actively plays a role in providing resources and promoting community development. In our community services, Karrie places special emphasis on the physical and mental well-being of children and the elderly. We focus on two key areas: “Community Building” and “Passing on Values”. Through annual project plans, we collaborate with our employees to serve the community and care for vulnerable groups. Additionally, we welcome school visits to foster understanding of industrial development and facilitate meaningful exchanges with young individuals.



The Group has established a **social responsibility policy** and a **social service team**. For more details, please refer to the “Karrie Sustainability Overview webpage — Caring for the Community”.

COMMUNITY BUILDING

Relevant goals:



- Target 1.5 — Help those in need to build resilience to environmental, economic, and social disasters



- Target 2.1 — End hunger and ensure access by all people, in particular the poor and people in vulnerable situations, to safe, nutritious and sufficient food



- Target 3.4 — End the epidemics of tuberculosis, waterborne diseases and other communicable diseases

In the post-pandemic era, as social activities resume, the Group has also resumed various types of reception activities, including industry exchanges and school visits. The Group continues to encourage employees to contribute to the community by organising visits, blood donation, and recycling activities. The Group regularly visits elderly homes in the community and sponsors travel opportunities for the residents. Moreover, the Group actively pays attention to international charitable activities, involving all employees to maximise the impact and the number of beneficiaries.



COMMUNITY (CONTINUED)

Caring for the Grassroots — Regular Visits to the Elderly and Diverse Community Care

Karrie has partnered with the Hong Kong Sheng Kung Hui Tai Wo Neighbourhood Elderly Centre and Dongguan Fenggang Elderly Home to provide support and assistance for many years. The Group regularly organises employee volunteers to meet with the elderly, visit lonely seniors, and especially during traditional festivals such as Dragon Boat Festival, Mid-Autumn Festival, Christmas, and around the Lunar New Year, they deliver festival gift packs, daily necessities, and greetings. The Group also actively participates in community activities organised by the local government in Fenggang, Dongguan. During the summer, the Group provided refreshing herbal tea to the grassroots sanitation workers, expressing gratitude for their hard work and sweat, while enhancing the cleanliness of the community.



Mr. Lu, Administration Department, shared his thoughts after participating in the activity: "Sanitation workers are the ones closest to the scorching heat. They work day and night, traversing the streets and alleys, and even in sweltering weather, they remain dedicated to their positions, ensuring that the community stays clean and tidy. They deserve our utmost respect!"

Greening the Community — Karrie Evergreen Tree Planting Day

Karrie has placed great importance on environmental and ecological conservation. Every spring, the Group leads employees in tree planting activities to contribute to greening initiatives, invites environmental professionals to teach about tree planting, promoting environmental education among its staff. In 2023, the Group participated in the "Hong Kong Tree Planting Day 2023" event organised by Wofoo Social Enterprise. The event drew over 600 participants, including the Chief Executive of the Hong Kong Special Administrative Region, the People's Liberation Army Garrison in Hong Kong, the Liaison Office of the Central People's Government, the Ministry of Foreign Affairs, and various organizations. They all joined together to plant trees in Tai Tong, Yuen Long.



"Our Karrie employees enthusiastically participated in the Hong Kong Tree Planting Day, contributing their efforts to the environment. Through tree planting, we deeply appreciate the importance of a green ecosystem to the city and experience the power of unity and cooperation. We will continue to support Tree Planting Day and strive to create a better future."
— Mr. Chow, Finance and Accounting Department



COMMUNITY (CONTINUED)

PASSING ON VALUES

4 QUALITY EDUCATION



Relevant goals:

- Target 4.5 — Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable
- Target 4.7 — Promote the knowledge and skills needed to achieve sustainable development
- Target 4.a — Build and upgrade education facilities that are child, disability and gender sensitive

The Group upholds the educational mission of its founder, Mr. Ho, by carrying on his spirit. It donates scholarships funds to universities and vocational colleges, organises youth development activities, maintains active communication with educational institutions, and warmly welcomes student visits and exchanges. These initiatives aim to deepen the understanding of industrial development, unleash the potential of young people, and foster an innovative spirit. Karrie Group considers these efforts as important corporate social responsibilities.

Nurturing Talent — Business-School Partnership Program

Karrie participates in the annual Business-School Exchange Program organised by the Hong Kong General Chamber of Commerce (HKGCC), which aims to allow students to gradually understand the workings of the business world and inspire the youth to contemplate their future career paths. During the Year, Karrie has further dedicated efforts to support Hong Kong's youth civic education and specifically designed an experiential tour that combines smart manufacturing, modern living, and traditional culture. Students and teachers from various secondary schools have participated in these experiences. This initiative not only broadened students' horizons but also allowed them to gain a deeper understanding of national development, corporate operations, social responsibility, and ignited their positive values.



COMMUNITY (CONTINUED)

Shadow Leader Mentorship Program

The executive directors and senior management of the Group actively served as corporate mentors this Year, supporting the “Shadow Leader Mentorship Program” organised by the Hong Kong Social Welfare Department in collaboration with various organisations. They welcomed students to visit the company and different business locations, providing hands-on teaching and guidance during their day-to-day operations. Through this program, they aimed to inspire students and familiarise them with the workplace and the business world. They shared the challenges they have faced and the solutions they have employed throughout their careers, providing clarity and guidance to help students plan their future paths. The Group also arranged for colleagues from different departments to share their work experiences in various positions, enabling the participants to gain a deeper understanding of how the business operates.



“Thanks to the Group for entrusting and recommending me as a corporate mentor for this year’s program. It has been a meaningful experience to engage with high school students, understand their thoughts on future careers, and help them discover their own strengths. I truly appreciate this opportunity!” — Mr. Yip, Group Human Resources and Administration Department

COMMUNITY (CONTINUED)

“Karrie Nothing is Impossible” Program — Interacting with Children and Elite Athletes, Promoting Karrie Walk Month across Hong Kong

Since 2005, the Group has been sponsoring the S.K.H. St. Christopher’s Home in organising the annual “Karrie Nothing is Impossible” program, aiming to cultivate resilience and determination among children. This Year, we went a step further by inviting the children to become junior reporters. They had the opportunity to personally interview several outstanding athletes in Hong Kong, engaging in close interactions and exchanges with them. They sought advice from the athletes on perseverance and overcoming challenges, aiming to help them break through all barriers and achieve their dreams on their journey of growth. With the theme of sportsmanship, we aim to inspire people across Hong Kong to participate in the Karrie Walk Month event, challenging themselves to achieve a daily step count of 8,000 steps.



Scan the QR code to watch the interview video conducted by the junior reporters

Community Engagement

17 PARTNERSHIPS FOR THE GOALS



Relevant goals:

- Target 17.16 — Enhance the global partnership for sustainable development, with multi-stakeholder partnerships that mobilising and sharing knowledge, expertise, and technology to support the achievement of the sustainable development goals

The Group actively joins various industry organisations and serves as board members in academic institutions to actively participate in business exchanges, educational development, and other discussions and learning opportunities. The Group warmly welcomes visits from peers, shares experiences, and learns from each other regarding advanced management practices and scientific technologies, strives to provide resources and support to the community and partners. We also maintain good collaborative relationships with industry chambers of commerce, contributing to community exchanges and making our contribution.



COMMUNITY (CONTINUED)



Karrie participated in the “Business-School Exchange Program” and was paired with Munsang College (H.K Island), welcoming visiting teachers and students



The Dongguan production base organised voluntary blood donation activities for its employees



Mr. Ying Pei Tsz, principal of the Shun Tak Fraternal Association Leung Kau Kui College led a group of 45 teachers and students to tour the industrial tourism route designed for young student by the Group

April
2023



The Shun Tak Fraternal Association Leung Kau Kui College teachers and students visited the Hong Kong Headquarters. The visit was personally hosted by Ms. Chan, one of our executive directors, who shared her insights and experiences regarding career planning and professional development



The Vocational Training Council (VTC) from Hong Kong visited the Group's business in Dongguan, Mentor Ho, our Chairman and CEO, welcomed the visiting delegation



May
2023



The Liaison Office of the Central People's Government in Guangdong visited the Group's smart production base and toured the industrial tourism route designed for the youth, exploring future cooperation opportunities and development directions



COMMUNITY (CONTINUED)



The Group supported the Hong Kong Sheng Kung Hui Tai Wo Elderly Neighbourhood Centre in organising the community celebration for the elderly during the Dragon Boat Festival



The Group organised corporate volunteering activities where our employees visit the elderly residents living alone, elderly couples, or other vulnerable seniors in Tai Wo Estate



The party branch, youth league branch, women's committee, and union representatives of our Dongguan company visited the elderly care home in Fenggang Town to deliver holiday gifts and present a donation

June
2023



The Group collaborated with the S.K.H. St. Christopher's Home to launch the "Karrie Nothing is Impossible" program, and a ceremony was held to commence the initiative

July
2023



Karrie participated in the "Caring for Sanitation Workers, Sending Coolness in Summer" public welfare campaign in Fenggang Town, Dongguan, providing cooling herbal tea to the sanitation workers who work tirelessly in the high temperatures

August
2023



Karrie sponsored the Environmental Education Series "Green Little Warriors Summer Showcase" organised by the Hong Kong International Youth Musicians Competition (HKIYMC)

COMMUNITY (CONTINUED)



Karrie invited its employees to participate in the "Orbis World Sight Day" charity fundraising event



Karrie sponsored the "Karrie Walk Month 2023" event, a citywide walk organised in support of the S.K.H. St. Christopher's Home



The Group led its employees in a community elderly care visit in Fenggang, Dongguan, demonstrating their concern for the elderly residents

September 2023

October 2023



The Group participated in the Business-School Partnership Program 2023–24, was paired with Pui Kiu College and Hong Kong True Light College to share its business development journey



Karrie hosted a visit and exchange program for a delegation of 25 outstanding private entrepreneurs from the Gaoming District General Chamber of Commerce in Foshan City



Karrie sponsored the "Uniquely Common" Concert organised by the Hang Seng University of Hong Kong

COMMUNITY (CONTINUED)



Karrie welcomed a visit from the directors of the Bureau of Commerce of Dongguan and Fenggang Town Bureau of Commerce to the Group's Hong Kong Headquarters

October
2023

November
2023



Karrie's corporate mentors were recognised and commended for their participation in the "Shadow Leader Mentorship Program 2023"



Karrie supported in the "Karrie Nothing is Impossible" Commendation Ceremony

December
2023



Karrie sponsored a local tour for the Tai Wo elderly, bringing joy to the elderly participants and providing them with an opportunity to enjoy local outings

COMMUNITY (CONTINUED)



Karrie supported the charitable organisation “Travel Kind” in its initiative named the “First Nepali Physiotherapist Volunteer Group” and donated building blocks to the local community



Karrie participated in the “Christmas Neighbourhood Visit to Tai Ho Elderly Centre” to spread holiday cheer and deliver festive greetings



Provided Christmas celebration gift sponsorship for S.K.H. St. Christopher’s Home

December
2023



Participated in the “Joyful Christmas Celebration” event at Tai Ho Elderly Centre



Welcomed a group of teachers and students from Hong Kong Design Institute for a visit to the Group’s business in Dongguan



Welcomed teachers and students from The Church of Christ in China Kei San Secondary School for a visit to the Dongguan production base

COMMUNITY (CONTINUED)



Karrie sponsored the participation of teachers and students from HHCKLA Buddhist Po Kwong School in the "Standard Chartered Hong Kong Marathon"



Karrie donated to the scholarship program for the 2023/24 academic year at the Polytechnic University

January
2024



Supported the Greeners Action — Red Packet Recycling and Reuse Campaign

February
2024

March
2024



Karrie joined hands to assist HHCKLA Buddhist Po Kwong School Charity Walk and Carnival



Karrie actively participated in and supported the "Earth Hour" event and received recognition from the World Wide Fund for Nature (WWF)

OPERATION

Our Progress

To achieve sustainable operations, the Group regularly monitors any changes in external laws and regulations, and adjusts policies and systems in a timely manner to maintain an honest and upright corporate governance model. In order to keep a competitive advantage, the Group continues to strengthen its production capabilities, and create products for customers with high quality and efficiency through process innovation and automation solutions. In terms of supplier management, the Group continues to strictly implement the new supplier audit and existing supplier regular review systems, and updates them in conjunction with external sustainability norms, instilling new rules and requirements in all business partners.

Performance in Relevant Scopes of Karrie's CSR

Corporate Governance

- Provide clear **whistleblowing channels** for employees and business partners

Product Responsibility

- Research and development of automation technology, authorised **69** patents
- Created **9** new production technologies during the Year

Suppliers Management

- Regular supplier audit covering ESG aspects
- **87%** of the suppliers are located in Mainland China and Hong Kong, beneficial to reducing the GHG emissions from the transportation of raw materials

OPERATION (CONTINUED)

Our Business Philosophy



The Group adheres to the “**Craftsmanship Spirit**” to provide customers with high-quality products and services. For more details, please refer to the “Karrie Sustainability Overview webpage — Product Responsibility”.

CORPORATE GOVERNANCE



Relevant goals:

- Target 16.5 — Substantially reduce corruption and bribery in all their forms

The Group has built up a diverse and balanced Board of Directors. The Company's Secretary Department assists all board members with the updating of corporate governance requirements and training in a timely manner. An Executive Committee composed of our professional management team has been set up to deal with daily operations. The Internal Audit Department conducts regular audits to identify and analyse the major risks faced by the Company and the risk management projects, reviews the operational compliance, and reports to the Board and the Audit Committee.



The Group has established **an integrity and anti-corruption system** and complies with relevant laws and regulations. No violations have occurred within the Year. For more details, please refer to the “Karrie Sustainability Overview webpage — Corporate Governance”.

All new employees must receive ethics and integrity management training while existing employees will get regular reminders through company announcements and other channels. The Internal Audit Department organises internal trainings on ethics and integrity management several times a year, covering employees at manager level or above or in core positions.

The Group has established a whistleblowing system for all employees, suppliers and service providers. They can directly report their concerns to two executive directors and the Audit Committee members through different channels, such as face-to-face, by letter, telephone, or email. The identities and information of whistleblowers will be kept confidential, and the Group will protect their legitimate rights and interests and prohibit retaliation against them. If a report is confirmed to be true after the investigation, the person concerned will be disciplined, or even terminated if the case is found to be very serious. If it is suspected of violating the law, the Group will report it to the local authority immediately. With the use of the whistleblowing system, the Group can check potential loopholes in the current policies and take timely corrective measures.

OPERATION (CONTINUED)

PRODUCT RESPONSIBILITY

The Group provides international leading technology enterprises with mechanical engineering solutions, manufacturing metal and plastic parts, tape drive data storage, POS systems and other computer peripheral products. The Marketing Department and Engineering R&D Department maintain close communication with customers, transfer customer needs to relevant departments, such as Production, Environmental Protection, Safety and Human Resources, and cooperate with customers to continuously improve the corporate operation.



The Group has established a dedicated team to manage **product-related regulations and standards**, and no violations have occurred within the Year. For more details, please refer to the “Karrie Sustainability Overview webpage — Product Responsibility”.

Innovation and Intelligent Manufacturing

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



Relevant goals:

- Target 9.4 — Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency
- Target 9.5 — Enhance scientific research and upgrade the technological capabilities of industrial sectors

The Group introduced automatic production technology in 2007. After years of development, the production base in Dongguan has been equipped with more than 900 six-axis robot arms and AOI systems, which realise automation in most manufacturing processes. Automation helps the Group to improve product quality control, and mitigate the impact of rising labour costs and labour shortage. The Group also invests in affiliated companies to develop automation technology. The R&D results are not only applied in its factory, but also provided relevant solutions for the industry.

The Group has established the R&D Project Management Committee, which is responsible for the innovation in new products, production technologies, automation and control systems, has obtained 69 practical patent certificates issued by the China National Intellectual Property Administration. The production base in Dongguan has also been awarded the “High and New Tech Enterprise Certificate” jointly by the Department of Science and Technology of Guangdong Province, the Department of Finance of Guangdong Province and the Guangdong Provincial Tax Service, State Taxation Administration.

During the Year, the Group developed a video standard operating procedure system, which plays instructional videos for workers on the production line. These videos provide clear guidance on operating procedures, thereby enhancing production quality.

Innovative Production Technology

- Dual-layer stack laser welding
- Seamless welding tracking system
- Flexible wire assembly
- Plastic contour laser engraving
- Sheet metal automatic laser engraving

Innovative Automation

- Quick-change platform and fixture
- Automated screen printing and intelligent screen cleaning
- Automated polishing
- NCT visual inspection

OPERATION (CONTINUED)

Creating Safe and Green Products

Since 1998, the Group has introduced the ISO Quality Management System (ISO9001) and established the quality policy. The Group has developed product safety, environmental protection and quality standards in strict compliance with customer and regulatory requirements, and controls quality in accordance with the established procedures.



The Group has established the Quality Management Committee to integrate the capabilities of various departments and enforce strict **quality control** measures. For more details, please refer to the “Karrie Sustainability Overview webpage — Product Responsibility”.

Inspection points are set up in key production processes, and reliability tests are carried out to ensure the quality of the products delivered. Based on the application scenarios of the OEM products and clients' requirements, the Group conducts testing on food contact safety, metal rust resistance, mechanical strength, etc. Unqualified materials and products found in procurement or production or the products returned by customers will be recorded, isolated and disposed of according to a standard procedure, and improvement measures will be implemented according to the Corrective and Preventive Measures Procedure. The Group also adopts scientific quality management methods, such as risk assessment, FMEA, SPC, and 6 Sigma, to improve product quality and minimise the risks of errors.

The Group regularly conducts quality audits to ensure that the quality management system meets the relevant requirements and is effectively implemented. Production plants conduct internal quality audits at least twice a year and set up task forces to review the quality management process. If any nonconformity is found, corrective and preventive measures will be formulated and implemented by the audited department. The external quality audit is conducted annually by an independent third-party audit organisation and there are on-site audits by customers from time to time.

Information Security and Customer Service

The Group will keep products designed, developed or processed for customers confidential in accordance with the agreements signed with customers, respect the intellectual property rights of customers and third parties and protect our rights through patent application. All employee computers' hardware and software systems are managed by the IT Department, and protective measures are in place to prevent employees from installing any software by themselves, in order to eliminate the possibility of using pirated software. Employees who require access to the Company's confidential information, need to sign an agreement with the Company and fulfill the confidentiality responsibility. The Group implements information security works covering physical control, employee education and network and software.

On-site Environment

- Access control management
- Security inspections for incoming and outgoing items
- Equipped with fire protection devices and the emergency response plan is in place
- Monitoring server room temperature

Employee Education

- Confidentiality agreements for sensitive positions
- Information security training for all computer users

Network and Software

- Enabling antivirus functionality on all computers
- Regular vulnerability checks for servers and client computers
- Weekly checks on server CPU load and fan operation
- Regular data backups stored in fireproof and magnetic-resistant cabinets

OPERATION (CONTINUED)

In dealing with client communication, the Group has established a client complaint and product reclaim mechanism so that clients can contact the responsible persons in the first instance. Special client service teams will respond actively and handle problems within the time permitted by clients, carry out improvement actions internally, which include product reclaim, thorough checking, replenishment, implementation of remedies and preventive measures, and report the treatment to clients until they are satisfied. During the Year, all of the customer feedbacks that the Group received were resolved through communication with the customers and subsequent improvement work, resulting in customer satisfaction.

The Group carries out customer satisfaction surveys according to the regular practices of its clients' industries. The Group collects their opinions through interviews, phone calls, emails and other channels to evaluate their satisfaction with product quality, engineering technology and delivery cycle. The Group evaluates the overall satisfaction of clients by taking into considerations of some indicators such as return rate, customer complaints, and audit results.

SUPPLIERS MANAGEMENT

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



Relevant goal:

- Target 12.4 — Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle



The Group has implemented **supplier control procedures**. For more details, please refer to the “Karrie Sustainability Overview webpage — Supplier Management”.

In order to comply with the regulations of ISO 9001 Quality Management System and ISO 14001 Environmental Management System, the Group assesses the environmental and social risks of different suppliers, and prefers suppliers with quality guarantees and environmental protection commitments.

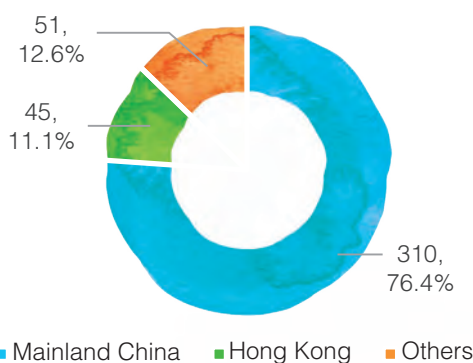
OPERATION (CONTINUED)

The Group has also signed agreements with suppliers to ensure that they comply with the environmental protection standards of the Group and clients, including the requirements for environmentally hazardous substances specified in REACH, RoHS, etc. According to the minerals regulations in conflicting regions of the RBA Code of Conduct and the American Dodd-Frank Act, suppliers must confirm that they have not used the conflict minerals, including tantalum, tin, gold, tungsten, cobalt and mica produced by the Democratic Republic of Congo ("DRC") or its neighbouring countries. The Group conducts due diligence for suppliers involved in tantalum, tin, gold, tungsten, cobalt, and mica using the Conflict Minerals Reporting Template (CMRT).

The Group refuses to cooperate with any supplier who may be involved in forced labour or human trafficking and adopts the RBA Code of Conduct as an internal standard to evaluate the labour conditions of suppliers. The Quality Department's ISO Task Force Group works with the Supplier Management Team to supervise suppliers' compliance with the Group's social and environmental responsibility standards and to collect and evaluate their compliance with the RBA Code of Conduct. 100% of new suppliers are required to participate in the Group's RBA investigation and evaluation, while all existing suppliers are required to complete the Group's RBA investigation every two years.

The Group continues to implement local procurement strategies to reduce the transportation of raw materials and the corresponding energy consumption and environmental impact. Mainland China is still the main procurement location of the Group, together with suppliers from Hong Kong, accounting for more than 87% of the total number of suppliers. Through the process of new supplier assessment or regular supplier reviews, the Group has not identified any suppliers with significant environmental or social risks.

Number of Suppliers (by Region)



APPENDIX

1. **Key Performance Data Summary**
2. **Memberships**
3. **Awards and Recognition Received during the Year**
4. **Content Index**
5. **Verification Statement**

APPENDIX (CONTINUED)

1. KEY PERFORMANCE DATA SUMMARY

Environmental

The scope of the following data included the Hong Kong Headquarters and the Yuquan production base in Fenggang, Dongguan.

Energy Consumption	Unit	2023/24	2022/23	2021/22
Electricity	kWh	39,289,515	39,276,959	46,040,593
Intensity of electricity consumption (by floor area)	MWh/m ²	263	263	308
Diesel	Litre ("L")	110,127	111,349	228,116
Energy consumption of diesel	GJ	4,183.65	4,230.07	8,665.92
Petrol	L	55,172	43,641	37,514
Energy consumption of petrol	GJ	1,935.97	1,531.36	1,316.33
Natural gas	Cubic Meter ("m ³ ")	235,704	111,156	130,734
Energy consumption of natural gas	GJ	9,176.19	4,327.41	5,089.61
Total energy consumption	GJ	156,738.06	151,485.89	180,818.00
Total energy intensity (by floor area)	GJ/m ²	1.049	1.014	1.21
Total energy intensity (by industrial revenue)	GJ/\$'000	0.054	0.049	0.059

GHG Emissions	Unit	2023/24	2022/23	2021/22
GHG emission Scope I — direct emission ¹	tonne CO ₂ e	1,053	748	1,067
GHG emission Scope II — indirect emission ¹	tonne CO ₂ e	22,301	22,327	26,678
Total GHG emission ¹	tonne CO ₂ e	23,354	23,075	27,745
Intensity of GHG emissions ¹ (by floor area)	tonne CO ₂ e/m ²	0.156	0.154	0.186
Intensity of GHG emissions ¹ (by industrial revenue)	tonne CO ₂ e/\$'000	0.0080	0.0075	0.0090

¹ The types of GHG include: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydro-fluorocarbons (HFCs), per-fluorocarbons (PFCs) and sulfur hexafluoride (SF₆). Emission factors and global warming potential (GWP) calculations and data sources are derived from the Accounting and Reporting Guidelines for Greenhouse Gas Emissions and Deductions for Hong Kong Buildings (Commercial, Residential or Public Use) by Environmental Protection Department and the Electrical and Mechanical Services Department, the sustainability reports of CLP Holdings Limited, the How to Prepare an ESG Report by HKEX, the Accounting Methods and the Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Enterprises for Power Generation Facilities (2022 Revision) and the Notice on Doing a Good Job in 2023-2025 Reporting and Management of Greenhouse Gas Emissions of Power Generation Enterprises by the Ministry of Ecology and Environment of PRC, the GHG Protocol Tool for Energy Consumption in China (ver. 2.1) by World Resources Institute, the Fifth Climate Change Assessment Report (AR5) and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories by IPCC.

APPENDIX (CONTINUED)

Air Pollutants Emissions	Unit	2023/24	2022/23	2021/22
Nitrogen oxides (NO _x) ²	Kilogram ("kg")	3,501.48	3,270.49	5,977.52
Sulphur oxides (SO _x) ²	kg	2.10	2.00	2.60
Particulates ²	kg	230.68	211.43	394.05
Use of Resource	Unit	2023/24	2022/23	2021/22
Water consumption	m ³	221,255	236,890	293,517
Intensity of water consumption (by floor area)	m ³ /m ²	1.45	1.59	1.96
Intensity of water consumption (by industrial revenue)	m ³ /\$'000	0.074	0.077	0.095
Paper used (Only paper used for printing in the office is calculated)	kg	13,195.56	14,206.27	16,390.07
Total packaging material used for finished products — Paper	tonne	2,290	2,246	2,966
Total packaging material used for finished products — Plastic	tonne	273	323	345
Total packaging material used for finished products — Others	tonne	198	125	140
Effluent and Waste Management	Unit	2023/24	2022/23	2021/22
Wastewater Treatment	m ³	83,826	92,779	109,831
Total waste disposed to landfill per day (Only relevant data of plants in Mainland China is collected)	m ³	7.74 per day	7.74 per day	7.74 per day
Total chemical waste disposed (Only relevant data of plants in Mainland China is collected)	tonne	66.31	76.83	99.70
Testliner reused internally (Only relevant data of plants in Mainland China is collected)	kg	225,500	241,005	327,094
Waste paper recycled externally	kg	280,440	299,830	412,288

² The emissions of NO_x, SO_x and Particulates were calculated based on the amount of fossil fuels and natural gas that used by The Group; relevant calculations and data sources are derived from the EMFAC-HK Vehicle Emission Calculation by the H.K. Environmental Protection Department, the Vehicle Emission Modeling Software - MOBILE6.1 by the U.S. Environmental Protection Agency, the EMEP/EEA Air Pollutant Emission Inventory Guidebook - 2019 by European Environmental Agency, and the Accounting Methods for Investigation of Pollution Emissions and Manual of Emission Factors by the Ministry of Ecology and Environment of PRC.

APPENDIX (CONTINUED)

Social

Number of Employees	2023/24	2022/23	2021/22
Average number of employees of the Group during the Year ³	3,349	3,559	3,760
By region			
Mainland China	3,198	3,434	3,631
Hong Kong	102	103	116
Others	49	22	13
By gender			
Male	2,193	2,309	2,455
Female	1,156	1,250	1,305
By age group			
Below 30	814	904	1,046
30-50	2,059	2,233	2,331
Above 50	476	422	383
By employment type			
Full-time	3,153	3,457	3,562
Part-time	196	102	198
Proportion of senior management hired from the local community (%)			
Mainland China	94.83	95.83	93.83
Hong Kong	83.33	83.33	83.33
Others	83.33	83.33	83.33
Ratio of the China standard entry-level wage			
Compared to local minimum wage (Male)	1.13	1.13	1.13
Compared to local minimum wage (Female)	1.13	1.13	1.13
Ratio of the senior management			
Gender ratio of the Board members (Male:Female)	6:1	8:1	8:1

³ Monthly average number of employees of the Group during the reporting year.

APPENDIX (CONTINUED)

Number and Rate (%) of Full-time Employee Turnover (Monthly Average) ⁴	2023/24	2022/23	2021/22
By region			
Mainland China	295 (9.22%)	318 (9.26%)	412 (11.36%)
Hong Kong and Others	5 (3.33%)	3 (2.67%)	3 (2.45%)
By gender			
Male	203 (9.27%)	230 (9.98%)	301 (12.26%)
Female	97 (8.36%)	91 (7.26%)	115 (8.78%)
By age group			
Below 30	166 (20.41%)	158 (17.49%)	232 (22.16%)
30–50	126 (6.12%)	159 (7.10%)	178 (7.62%)
Above 50	8 (1.63%)	5 (1.09%)	6 (1.57%)
Number and Rate (%) of New Hires (Monthly Average)⁵			
By region			
Mainland China	333 (10.40%)	281 (8.18%)	446 (12.27%)
Hong Kong and Others	8 (5.17%)	4 (3.20%)	4 (3.42%)
By gender			
Male	238 (10.87%)	208 (9.01%)	319 (12.99%)
Female	103 (8.88%)	77 (6.15%)	131 (10.05%)
By age group			
Below 30	194 (23.78%)	150 (16.63%)	247 (23.60%)
30–50	142 (6.91%)	133 (5.96%)	198 (8.51%)
Above 50	5 (0.95%)	1 (0.32%)	5 (1.22%)

⁴ Monthly turnover rate (%) of a type of employee = monthly average number of that type of employee turned over/monthly average number of that type of employee.

⁵ Monthly new hires rate (%) of a type of employee = monthly average number of that type of employee new hired/monthly average number of that type of employee.

APPENDIX (CONTINUED)

Return to Work and Retention after Maternity Leave/ Paternity Leave	2023/24	2022/23	2021/22
Number of employees who took maternity leave/ paternity leave			
Male	22	18	26
Female	21	27	22
Number and rate (%) of employees who returned to work after maternity leave/paternity leave ended ⁶			
Male	22 (100.00%)	14 (77.78%)	22 (84.62%)
Female	14 (93.33%)	25 (92.59%)	18 (81.82%)
Number and rate (%) of employees who remained employed for 12 months after the end of maternity leave/ paternity leave⁷			
Male	15 (83.33%)	18 (81.82%)	18 (81.82%)
Female	13 (81.25%)	8 (44.44%)	16 (64.00%)
Occupational Health and Safety	2023/24	2022/23	2021/22
Mainland China			
Number and rate (%) of occupational fatalities	1 ^a (0.031%)	0 (0%)	1 ^a (0.028%)
Number of occupational injuries	36	36	59
Rate of recorded occupational injuries (every 200,000 working hours)	0.90	1.05	1.62
Number of serious occupational injuries	1	3	6
Rate of serious occupational injuries (every 200,000 working hours)	0.03	0.09	0.17
Number of lost day	511	1,317	1,249
Occupational disease rate (%)	0%	0%	0%
Number of absentee days	24,740	38,248	41,355
Absentee rate (%) ⁷	3.10%	4.47%	4.55%
Hong Kong and others			
Number and rate (%) of occupational fatalities	0 (0%)	0 (0%)	0 (0%)
Number of occupational injuries	0	2	0
Rate of recorded occupational injuries (every 200,000 working hours)	0	1.66	0
Number of serious occupational injuries	0	0	0
Rate of serious occupational injuries (every 200,000 working hours)	0	0	0
Number of lost day	0	90.5	0
Occupational disease rate (%)	0%	0%	0%
Number of absentee days	347	315	278
Absentee rate (%) ⁷	1.03%	1.05%	0.94%

^a During the Year, one employee suffered fatal injuries due to non-compliant operations and passed away after being hospitalised. During the year of 2021/22, another employee suffered from a sudden illness during work and passed away after being hospitalised. According to the Regulations of the PRC on Work-related Injury Insurance, he was recognised as a work-related injury. The Group expressed heartfelt condolences and provided care and support to their family, reinforced safety education and provided information about health check-ups to employees.

⁶ Number and rate (%) of employees who returned to work after maternity leave/paternity leave ended were calculated according to the GRI 401-3.

⁷ Absentee rate refers to the rate (percentage) of the number of absentee days/total number of working days for the employees.

APPENDIX (CONTINUED)

Staff Training	2023/24	2022/23	2021/22
Total training hours	44,401.8 hours	41,323.7 hours	40,117.6 hours
Average training hours per employee (%) ⁸	13.3 (76.1%)	11.6 (97.5%)	10.7 (88.9%)
By gender			
Male	13.3 (72.7%)	11.9 (97.9%)	11.4 (89.7%)
Female	13.1 (82.8%)	11.1 (96.8%)	9.2 (87.5%)
By category			
Management	38.7 (82.3%)	28.5 (94.9%)	27.4 (75.6%)
Manager and department heads	25.1 (80.3%)	20.5 (97.8%)	18.4 (79.8%)
Middle level	16.5 (75.6%)	16.4 (93.2%)	13.3 (82.8%)
Technicians and team leaders	12.4 (75.0%)	13.2 (99.1%)	12.9 (99.2%)
Frontline	10.7 (74.5%)	9.0 (97.6%)	8.4 (88.0%)
Number and Rate (%) of Suppliers by Region			
Hong Kong	45 (11.08%)	47 (11.61%)	49 (12.28%)
Mainland China	310 (76.35%)	304 (75.06%)	288 (72.28%)
Overseas	51 (12.56%)	54 (13.33%)	62 (15.54%)
Social Responsibilities			
Volunteer service hours in Mainland China and Hong Kong	326.3 hours	150.0 hours	191.5 hours
Charitable and other donations (HK\$)	\$490,420	\$699,010	\$335,958

⁸ Average training hours completed per employee = total training hours/total number of employees; Training rate = number of employees getting trained during the year (only counting the employees still on job at the end of the year)/total number of employees at the end of the year.

APPENDIX (CONTINUED)

2. Memberships

Name of Institution/Association	Member Company	Class of Membership
The Hong Kong General Chamber of Commerce	Karrie Industrial Company Limited	Full Member
The Hong Kong Chinese Importers' & Exporters' Association	Karrie International Holdings Limited	Life Member
The Chinese Manufacturers' Association of Hong Kong	Karrie Industrial Company Limited, Fullhouse World International Limited	Basic Member
Federation of Hong Kong Industries	Karrie Industrial Company Limited	Member
Federation of Hong Kong Industries — Group 7 (Fabricated metal products and iron, steel and nonferrous metal basic industries and machinery)	Karrie Industrial Company Limited	Member
Occupational Safety & Health Council — Green Cross Group	Karrie Industrial Company Limited	Member
The Hong Kong Management Association	Karrie International Holdings Limited	Member
Hong Kong Institute of Human Resource Management	Karrie Industrial Company Limited	Corporate Member
The Hong Kong Polytechnic University Foundation	Karrie International Holdings Limited	Honorary Life Vice President
The Hong Kong Metals Manufacturers Association	Karrie International Holdings Limited	Company Member
Hong Kong Mould and Product Technology Association (HKMPTA)	Karrie International Holdings Limited	Company Member

APPENDIX (CONTINUED)

3. Awards and Recognition Received during the Year

Category	Awarding Organisations	Honors/Recognitions Granted	Companies with Awards
Sustainability	EcoVadis	Sustainability Rating — Bronze	Karrie International Holdings Limited
Environmental Protection	CDP	Climate Change Rating — B-	Karrie Industrial Company Limited
	Environmental Campaign Committee	Hong Kong Green Organisation Certification — Good Level of Energywise Certificate	Karrie International Holdings Limited
	Department of Industry and Information Technology of Guangdong Province and the Environmental Bureau of the Hong Kong Special Administrative Region Government	“Hong Kong — Guangdong Cleaner Production Excellent Partners (Manufacturing)”	Karrie International Holdings Limited
	TÜV — TÜV Rheinland	Sustainable Carbon Reduction Strategic Partner Award	Karrie International Holdings Limited
	Federation of Hong Kong Industries	“EcoChallenger”, “5 Years+ EcoPioneer” and “Low-Carbon Commitment” in the “BOCHK Corporate Environmental Leadership Award 2022”	Karrie International Holdings Limited
Social Responsibility	The Hong Kong Council of Social Service	“Caring Company 15+” Logo (2005–2024)	Karrie International Holdings Limited
	Federation of Hong Kong Industries	“Industry Cares Recognition — Outstanding Caring Awards”	Karrie International Holdings Limited
	The Hong Kong Polytechnic University	Certificate of Appreciation for Over 15 Years of Donating Scholarships	Karrie International Holdings Limited
	Mandatory Provident Fund Schemes Authority	“Good MPF Employer Award 5 Years+”, “MPF Support Award” and “e-Contribution Award”	Karrie International Holdings Limited
	UNICEF Hong Kong	Certificate of Appreciation (2023–2024) — “Say Yes to Breastfeeding Campaign”	Karrie International Holdings Limited
Technology Support	New Product Development and Materials Technology Department of ZTE	Outstanding Quality Award	Karrie Group — Shenzhen Zhetong Electronics Company Limited
	DELL EMC	Quality Excellence Award	Karrie International Holdings Limited

APPENDIX (CONTINUED)

4. Content Index

This report was prepared in accordance with the GRI Standards and “ESG Reporting Guide” issued by the Stock Exchange of Hong Kong. The Table below provides cross-references to related chapters or direct explanations in respect of each disclosure requirement.

Statement of use	Karrie International Holdings Limited has reported in accordance with the GRI Standards for the period 1 April 2023 to 31 March 2024
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/REMARK	HKEX ESG REPORTING GUIDE RELEVANT DISCLOSURE	PAGE
General disclosures				
GRI 2: General Disclosures 2021	The organisation and its reporting practices			
	2-1 Organisational details	About Karrie The Company is a limited liability company incorporated in Bermuda, and was listed on the main board of the Stock Exchange of Hong Kong in 1996. Annual Report 2023/24 — Financial Highlights (Page 8–11), Chairman’s Statement (Page 12–21)		4
	2-2 Entities included in the organisation’s sustainability reporting	About this Report	Mandatory Disclosure Requirements — Reporting Boundary	2-3
	2-3 Reporting period, frequency and contact point	About this Report		2-3
	2-4 Restatements of information	No restatements of information		
	2-5 External assurance	Appendix: 5. Verification Statement		79-80
Activities and workers				
	2-6 Activities, value chain and other business relationships	About Karrie Annual Report 2023/24 — Financial Highlights (Page 8–10), Chairman’s Statement (Page 12–21)		4
	2-7 Employees	Talent Appendix: 1. Key Performance Data Summary — Social	B1.1	24-25 60
	2-8 Workers who are not employees	There was no workers who are not employees and whose work is controlled by the Group		
Governance				
	2-9 Governance structure and composition	Sustainability Management — Governance Model Annual Report 2023/24 — Corporate Governance Report (Page 31–51)		7-9

APPENDIX (CONTINUED)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/REMARK	HKEX ESG REPORTING GUIDE RELEVANT DISCLOSURE	PAGE
	2-10 Nomination and selection of the highest governance body	Annual Report 2023/24 — Corporate Governance Report (Page 31–51)		
	2-11 Chair of the highest governance body	Annual Report 2023/24 — Corporate Governance Report (Page 31–51)		
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Management — Governance Model, Sustainability Strategy Annual Report 2023/24 — Corporate Governance Report (Page 52–59)	Mandatory Disclosure Requirements — Governance Structure	7-12
	2-13 Delegation of responsibility for managing impacts	Sustainability Management — Governance Model, Sustainability Strategy Annual Report 2023/24 — Corporate Governance Report (Page 31–59)	Mandatory Disclosure Requirements — Governance Structure	7-12
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Management — Governance Model, Sustainability Strategy	Mandatory Disclosure Requirements — Governance Structure	7-12
	2-15 Conflicts of interest	Operation — Corporate Governance Annual Report 2023/24 — Senior Management (Page 65–71), Report of the Directors (Page 104–107)		52
	2-16 Communication of critical concerns	Sustainability Management — Governance Model		7-9
	2-17 Collective knowledge of the highest governance body	Sustainability Management — Governance Model, Sustainability Strategy Annual Report 2023/24 — Corporate Governance Report (Page 31–42)		7-12
	2-18 Evaluation of the performance of the highest governance body	Annual Report 2023/24 — Corporate Governance Report (Page 31–59)		
	2-19 Remuneration policies	Annual Report 2023/24 — Chairman's Statement (Page 24–25) Corporate Governance Report (Page 31–52)		
	2-20 Process to determine remuneration	Annual Report 2023/24 — Corporate Governance Report (Page 31–52)		
	2-21 Annual total compensation ratio	Due to confidentiality restrictions, the disclosure of this item is omitted as the median employee income is considered confidential information.		
Strategy, policies and practices				
	2-22 Statement on sustainable development strategy	Chairman's Message		5-6
	2-23 Policy commitments	Sustainability Management — Sustainability Strategy Operation — Product Responsibility		10-12 53-55
	2-24 Embedding policy commitments	Sustainability Management — Governance Model Talent — Caring for Employees (Employment Compliance, Concertedly Building the "Karrie" Family) Operation — Corporate Governance		7-9 25-35 52

APPENDIX (CONTINUED)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/REMARK	HKEX ESG REPORTING GUIDE RELEVANT DISCLOSURE	PAGE
	2-25 Processes to remediate negative impacts	Sustainability Management Environmental Protection		7-12 13-22
	2-26 Mechanisms for seeking advice and raising concerns	Operation — Corporate Governance		52
	2-27 Compliance with laws and regulations	Sustainability Management — Sustainability Strategy Operation — Corporate Governance		10-12 52
	2-28 Membership associations	Appendix — 2. Memberships		64
Stakeholder engagement				
	2-29 Approach to stakeholder engagement	Sustainability Management — Governance Model	Mandatory Disclosure Requirements — Reporting Principles (Materiality)	7-9
	2-30 Collective bargaining agreements	Within the Year, the Group did not have any effective collective contracts. The Group had previously signed a collective contract with the union, which expired in 2018. As the relevant contents were already protected by laws and regulations, the employees and company representatives agreed to terminate the contract through negotiation.		
Material topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Management — Governance Model, Sustainability Strategy	Mandatory Disclosure Requirements — Reporting Principles (Materiality)	7-12
	3-2 List of material topics	Sustainability Management — Sustainability Strategy	Mandatory Disclosure Requirements — Reporting Principles (Materiality)	10-12
Climate Change				
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Protection — Responding to Climate Change	A4 Climate Change: General Disclosure	14-17
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Environmental Protection — Responding to Climate Change	A4.1	14-17
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental Protection — Responding to Climate Change	A1.2	14-17
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Protection — Responding to Climate Change	A1.2	14-17



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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/REMARK	HKEX ESG REPORTING GUIDE RELEVANT DISCLOSURE	PAGE
	305-3 Other indirect (Scope 3) GHG emissions	Due to incomplete information, disclosure is omitted. The Group has identified the main sources of scope 3 GHG emissions, including raw materials such as purchased iron and plastic, production equipment, and transportation processes. Emissions from other activities are relatively low in proportion. Accurate calculation of these emissions requires data collection from suppliers and service providers, and the Group is currently developing a data collection method. It is expected to be completed by 2025.		
	305-4 GHG emissions intensity	Environmental Protection — Responding to Climate Change	A1.2	14-17
	305-5 Reduction of GHG emissions	Environmental Protection — Responding to Climate Change	A1.5	14-17
HKEX ESG Reporting Guide	A1.5 Description of emission target(s) set and steps taken to achieve them	Environmental Protection — Responding to Climate Change	A1.5	14-17
Business Ethics and Morality				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management Operation — Corporate Governance	B7 Anti-corruption: General Disclosure, B7.2	7-12 52
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	All operational sites conduct an annual review of the effectiveness of their risk management. Sustainability Management Operation — Corporate Governance Annual Report 2023/24 — Corporate Governance Report (Page 53–54)		7-12 52
	205-2 Communication and training about anti-corruption policies and procedures	Operation — Corporate Governance All Board members and employees are required to receive information and training on integrity and ethics, and all partners are required to sign a code of ethics agreement.		52
	205-3 Confirmed incidents of corruption and actions taken	Operation — Corporate Governance	B7 Anti-corruption: General Disclosure, B7.1	52
HKEX ESG Reporting Guide	B7.3 Description of anti-corruption training provided to directors and staff	Operation — Corporate Governance	B7.3	52
Employment Compliance				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management Talent — Caring for Employees (Employment Compliance, Concertedly Building the “Karrie” Family)	B1 Employment: General Disclosure B4 Labour Practice: General Disclosure, B4.1, B4.2	7-12 25-35
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Appendix: 1. Key Performance Data Summary	B1.2	61

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/REMARK	HKEX ESG REPORTING GUIDE RELEVANT DISCLOSURE	PAGE
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent — Caring for Employees (Employment Compliance, Concertedly Building the “Karrie” Family) Annual Report 2023/24 — Consolidated Financial Statements (Page 266) The Group provides statutory benefits for part-time employees, while full-time employees can additionally enjoy benefits that are more favorable than statutory benefits, including extended maternity leave, cooperative medical funds, children’s education funds, and some employees are entitled stock options.	B1 Employment: General Disclosure	25-35
	401-3 Parental leave	Talent — Caring for Employees (Employment Compliance, Concertedly Building the “Karrie” Family) Appendix: 1. Key Performance Data Summary All full-time employees have the right to take maternity leave or paternity leave	B1 Employment: General Disclosure	25-35 62
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Talent — Caring for Employees (Employment Compliance, Concertedly Building the “Karrie” Family) Operation — Suppliers Management The Group does not have operational sites or suppliers with significant risks of child labour	B4.1, B4.2	25-35 55-56
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Talent — Caring for Employees (Employment Compliance, Concertedly Building the “Karrie” Family) Operation — Suppliers Management The Group does not have operational sites or suppliers with significant risks of forced labour	B4.1, B4.2	25-35 55-56
Energy Management				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management Environmental Protection — Resources Conservation	A2 Use of Resources: General Disclosure A3 The Environment and Natural Resources: General Disclosure, A3.1	7-12
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Environmental Protection — Resources Conservation Appendix: 1. Key Performance Data Summary	A2.1	18-21 58-59
	302-2 Energy consumption outside of the organisation	Due to incomplete information, disclosure is omitted. Similar to 305–3 other indirect (Scope 3) GHG emissions, the accurate calculation of the data requires data collection from suppliers and service providers. The Group is currently developing a data collection method, and it is expected to be completed by 2025.		
	302-3 Energy intensity	Environmental Protection — Resources Conservation	A2.1	18-21
	302-4 Reduction of energy consumption	Environmental Protection — Resources Conservation	A2.3	18-21
	302-5 Reductions in energy requirements of products and services	Environmental Protection — Resources Conservation	A2.3	18-21

APPENDIX (CONTINUED)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/REMARK	HKEX ESG REPORTING GUIDE RELEVANT DISCLOSURE	PAGE
Water Management				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management Environmental Protection — Resources Conservation	A2 Use of Resources: General Disclosure A3 The Environment and Natural Resources: General Disclosure, A3.1	7-12 18-21
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Environmental Protection — Resources Conservation	A2 Use of Resources: General Disclosure, A2.4 A3 The Environment and Natural Resources: General Disclosure, A3.1	18-21
	303-2 Management of water discharge-related impacts	Environmental Protection — Resources Conservation	A2 Use of Resources: General Disclosure, A2.4 A3 The Environment and Natural Resources: General Disclosure, A3.1	18-21
	303-3 Water withdrawal	Environmental Protection — Resources Conservation Appendix: 1. Key Performance Data Summary	A2.2	18-21 58-59
	303-4 Water discharge	Environmental Protection — Resources Conservation Appendix: 1. Key Performance Data Summary	A2.2	18-21 58-59
	303-5 Water consumption	Environmental Protection — Resources Conservation Appendix: 1. Key Performance Data Summary	A2.2	18-21 58-59
Waste Management				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management Environmental Protection — Resources Conservation, Emissions Control	A1 Emissions: General Disclosure, A3 The Environment and Natural Resources: General Disclosure, A3.1	7-12 18-22
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Environmental Protection — Resources Conservation, Emissions Control	A1 Emissions: General Disclosure, A3 The Environment and Natural Resources: General Disclosure, A3.1	18-22
	306-2 Management of significant waste-related impacts	Environmental Protection — Resources Conservation, Emissions Control	A1 Emissions: General Disclosure, A3 The Environment and Natural Resources: General Disclosure, A3.1	18-22

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/REMARK	HKEX ESG REPORTING GUIDE RELEVANT DISCLOSURE	PAGE
	303-3 Waste generated	Environmental Protection — Emissions Control Appendix: 1. Key Performance Data Summary	A1.3, A1.4	21-22 59
	306-4 Waste diverted from disposal	Environmental Protection — Emissions Control Appendix: 1. Key Performance Data Summary	A1.3, A1.4	21-22 59
	306-5 Waste directed to disposal	Environmental Protection — Emissions Control Appendix: 1. Key Performance Data Summary	A1.3, A1.4	21-22 59
Occupational Health and Safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management Talent — Caring for Employees (Occupational Health and Safety)	B2 Health and Safety: General Disclosure, B2.3	7-12 34-35
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Talent — Caring for Employees (Occupational Health and Safety)	B2 Health and Safety: General Disclosure, B2.3	34-35
	403-2 Hazard identification, risk assessment, and incident investigation	Talent — Caring for Employees (Occupational Health and Safety) Potential risks, including machinery-related injuries, chemical-related injuries, and traffic accidents, have all been covered in the scope of safety management.		34-35
	403-3 Occupational health services	Talent — Caring for Employees (Occupational Health and Safety; Employment Compliance, Concertedly Building the “Karrie” Family)	B2.3	25-35
	403-4 Worker participation, consultation, and communication on occupational health and safety	Talent — Caring for Employees (Occupational Health and Safety) Each department has administrative personnel responsible for collecting employee feedback. Monthly administrative meetings are held to provide feedback to management and collectively discuss solutions to problems encountered by employees, including safety policies and measures.		34-35
	403-5 Worker training on occupational health and safety	Talent — Caring for Employees (Occupational Health and Safety)	B2.3	34-35
	403-6 Promotion of worker health	Talent — Caring for Employees (Occupational Health and Safety)		34-35
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Talent — Caring for Employees (Occupational Health and Safety)	B2.3	34-35
	403-8 Workers covered by an occupational health and safety management system	Talent — Caring for Employees (Occupational Health and Safety) All employees of the Group and people who enter the Group’s workplace are covered by the Group’s health and safety management system. The relevant management system follows the ISO 45001 Occupational Health and Safety Management System and is developed in accordance with the Responsible Business Alliance (RBA) Code of Conduct and has been reviewed by RBA.		34-35

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/REMARK	HKEX ESG REPORTING GUIDE RELEVANT DISCLOSURE	PAGE
	403-9 Work-related injuries	Talent — Caring for Employees (Occupational Health and Safety) Appendix: 1. Key Performance Data Summary During the Year, there were no non-employees who have suffered occupational injuries at the Group's workplace	B2.1, B2.2	34-35 62
	403-10 Work-related ill health	Talent — Caring for Employees (Occupational Health and Safety)		34-35
Risk Management in Compliance				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management Environmental Protection — Resources Conservation Operation — Corporate Governance		7-12 18-22 52
HKEX ESG Reporting Guide	A1 Emission: General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. B1 Employment: General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. B2 Health and Safety: General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Environmental Protection — Resources Conservation, Emissions Control There were no violations of laws and regulations in the social and economic fields during this Year. Talent — Caring for Employees (Occupational Health and Safety, Employment Compliance) Operation — Corporate Governance, Product Responsibility	B1 Employment: General Disclosure B2 Health and Safety: General Disclosure	18-22 25-35 52-55

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/REMARK	HKEX ESG REPORTING GUIDE RELEVANT DISCLOSURE	PAGE
	B4 Labour Standards: General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		B4 Labour Standards: General Disclosure	
	B6 Product Responsibility: General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		B6 Product Responsibility: General Disclosure	
	B7 Anti-corruption: General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		B7 Anti-corruption: General Disclosure	
Privacy and Information Security				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management Operation — Product Responsibility	B6 Product Responsibility: General Disclosure, B6.2, B6.5	7-12 53-55
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Operation — Product Responsibility During the Year, the Group had no confirmed cases concerning breaches of customer privacy and losses of customer data, and there were no complaints received from external or regulatory organisations.	B6.2	53-55
Service and Product Innovation				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management Operation — Product Responsibility	B6 Product Responsibility: General Disclosure	7-12 53-55
Internal Management Indicator	Number of new technology innovation	Operation — Product Responsibility	B6.3	53-55

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/REMARK	HKEX ESG REPORTING GUIDE RELEVANT DISCLOSURE	PAGE
Communication and Support				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management Talent — Caring for Employees (Employment Compliance, Concertedly Building the “Karrie” Family)	B1 Employment: General Disclosure	7-12 25-33
Smart Manufacturing and Lean Production				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management Operation — Product Responsibility	B6 Product Responsibility: General Disclosure	7-12 53-55
Internal Management Indicator	Number of lean operation proposals Number of automated projects imported	Operation — Product Responsibility	B6 Product Responsibility: General Disclosure	53-55
Green Product Innovation				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management Operation — Product Responsibility	B6 Product Responsibility: General Disclosure	7-12 53-55
HKEX ESG Reporting Guide	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Operation — Product Responsibility Environment — Environmental Protection (Responding to Climate Change)	B6.3	53-55 14-17
Responsible Procurement				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management Operation — Suppliers Management	B5 Supply Chain Management: General Disclosure, B5.2, B5.3, B5.4	7-12 55-56
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Operation — Suppliers Management		55-56
	308-2 Negative environmental impacts in the supply chain and actions taken	Operation — Suppliers Management		55-56
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Operation — Suppliers Management All new suppliers must complete evaluation and screening using the RBA Code of Conduct adopted by the Group.		55-56
	414-2 Negative social impacts in the supply chain and actions taken	Operation — Suppliers Management		55-56
HKEX ESG Reporting Guide	B5.1 Number of suppliers by geographical region	Operation — Suppliers Management	B5.1	55-56

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/REMARK	HKEX ESG REPORTING GUIDE RELEVANT DISCLOSURE	PAGE
Diversity and Inclusion				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management Talent — Caring for Employees (Employment Compliance, Concertedly Building the “Karrie” Family)	B1 Employment: General Disclosure	7-12 25-33
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Talent — (Employee Composition) Talent — Caring for Employees (Employment Compliance, Concertedly Building the “Karrie” Family) Appendix: 1. Key Performance Data Summary Annual Report 2023/24 — Corporate Governance Report (Page 35–37)	B1.1, B1.2	24-25 25-33 60
	405-2 Ratio of basic salary and remuneration of women to men	Talent — Caring for Employees (Employment Compliance, Concertedly Building the “Karrie” Family) Appendix: 1. Key Performance Data Summary	B1 Employment: General Disclosure	25-33 60
Training and Development				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management Talent — Training and Development	B3 Development and Training: General Disclosure	7-12 35-38
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Appendix: 1. Key Performance Data Summary	B3.2	63
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent — Training and Development The Group provides re-employment opportunities for retired employees based on job requirements and individual employee wishes. In the event of business adjustments, the Group provides affected employees with the opportunity to transfer to other positions.	B3 Development and Training: General Disclosure	35-38
	404-3 Percentage of employees receiving regular performance and career development reviews	Mainland employees at Level 5 or above and all employees in Hong Kong will receive annual performance evaluations.		
HKEX ESG Reporting Guide	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Appendix: 1. Key Performance Data Summary	B3.1	63



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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/REMARK	HKEX ESG REPORTING GUIDE RELEVANT DISCLOSURE	PAGE
Other HKEX ESG Reporting Guide Disclosures				
HKEX ESG Reporting Guide	Mandatory Disclosure Requirements — Reporting Principles A description of, or an explanation on, the application of the following Reporting Principles, including materiality, quantitative and consistency, in the preparation of the ESG report	About this Report Sustainability Management — Governance Model Appendix: 1. Key Performance Data Summary	Mandatory Disclosure Requirements — Reporting Principles	2-3 7-9 58-63
	A1.1 The types of emissions and respective emissions data.	Environmental Protection — Emissions Control Appendix: 1. Key Performance Data Summary	A1.1	21-22 58-59
	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions			
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Protection — Emissions Control Appendix: 1. Key Performance Data Summary	A1.3	21-22 58-59
	A1.4 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Protection — Emissions Control Appendix: 1. Key Performance Data Summary	A1.4	21-22 58-59
	A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	Environmental Protection — Emissions Control	A1.6	21-22

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/REMARK	HKEX ESG REPORTING GUIDE RELEVANT DISCLOSURE	PAGE
	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Appendix: 1. Key Performance Data Summary	A2.5	59
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	During the Year, the Group did not have any products subject to recalls for safety and health reasons	B6.1	
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	Operation — Product Responsibility	B6.3	53-54
	B6.4 Description of quality assurance process and recall procedures	Operation — Product Responsibility	B6.4	53-54
	B8 Community Investment: General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	Community	B8 Community Investment: General Disclosure	39-50
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	Community	B8.1	39-50
	B8.2 Resources contributed (e.g. money or time) to the focus area	Community Appendix: 1. Key Performance Data Summary	B8.2	39-50 63

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5. Verification Statement



Independent Assurance Statement

Introduction

TÜV Rheinland (Shanghai) Co., Ltd, member of TÜV Rheinland Group, Germany (hereinafter "TÜV Rheinland", "We") has been entrusted by the management of Karrie International Holdings Limited (hereinafter "Karrie", "the Company") to conduct independent assurance of the Sustainability Report 2023/2024 of Karrie (hereinafter "the Report"). All contractual contents for this assurance engagement rest entirely within the responsibility of the Karrie. Our task was to give a fair and adequate judgment on the Report.

The intended users of this assurance statement are stakeholders who have relevance to the Karrie's overall sustainability performance and impacts of its business activities during fiscal year 2023/2024 (1 April 2023 ~ 31 March 2024).

TÜV Rheinland is a global service provider of Corporate Social Responsibility (CSR) & Sustainability Services in over 65 countries, having qualified professionals in the field of Corporate Sustainability Assurance, Environment, Social and Stakeholder Engagement. We have maintained complete impartiality and independence during the assurance engagement, and we were not involved in the preparation of the Report contents.

Assurance Standard

TÜV Rheinland undertook the assurance work in accordance with the AA1000 Assurance Standard v3 (AA1000AS v3) Moderate level assurance.

Scope & Type of Assurance

Our assurance engagement was carried out in accordance with the AA1000AS v3, Type 1 Moderate level on Karrie's sustainability performance in the Report. The following assurance criteria were used in performing the assurance work:

- In accordance with ESG Reporting Guide in Appendix C2 to the Rules Governing Listing of Securities on the Stock Exchange of Hong Kong Limited (HKEX).
- In accordance with the GRI Sustainability Reporting Standards (GRI Standards).
- The United Nations Sustainable Development Goals (SDGs).
- Adherence to the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact.

Assurance Methodology

Our assurance activities included:

- Reviewing management practices and processes to assess Karrie's sustainability management system, which includes Corporate Social Responsibility (CSR) concepts and policies, risk assessment, stakeholder engagement, materiality assessment, and performance data.
- Conducting interviews with management with responsibility for management of sustainability performance, information collection and reporting.
- Reviewing and inspecting sustainability performance information and data of indicators, to test accuracy of information and data on a sample basis and based on analytical procedures.
- Collecting and assessing documentary evidence and management representations that support adherence to the AccountAbility Principles.

APPENDIX (CONTINUED)



Limitations

TÜV Rheinland performed the assurance based on the scope of defined engagement agreement, and on a moderate level assurance under the AA1000AS for engagement. Information and performance data subject to assurance is limited to the contents of the Report.

Procedures performed in a moderate assurance vary in nature from, and are less in extent, than high level assurance. Our assurance work did not cover financial data and other information not related to sustainability.

Conclusions

Based on our methodology and activities performed within the scope of this assurance, we can reach a conclusion that no instances or information came to our attention that would be to the contrary of the statement made as below:

- Karrie Sustainability Report 2023/2024 and its contents adhere to the AccountAbility Principles and align with disclosure requirements of GRI Standards.
- Karrie has implemented related management processes to collect and aggregate key quantized performance data in relation to important topics within the reporting boundary. Data of key performance indicators disclosed in the Report are measured, and accurate and consistent for comparability with historical data, to follow HKEX ESG Reporting Guide.
- Information and performance data of sustainability disclosed in the Report are assessed and supported by documentary evidence, which can reflect Karrie's management practices on sustainability.

TÜV Rheinland shall not bear any liability or responsibility to a third party for perception and decision on Karrie based on this Assurance Statement.

Adherence to the AA1000 AccountAbility Principles

Inclusivity: Karrie's key stakeholders include shareholders, employees, customers, suppliers, governmental and non-governmental organizations, and the local community. The company collected stakeholder views on the company's sustainability efforts and reported to the Corporate Sustainability Committee.

Materiality: Based on the analysis of its own business model and industry issues, and combined with the opinions of stakeholders, Karrie updated the material issues, and evaluated and prioritized them from the two dimensions of "impact on stakeholders" and "importance to the company's sustainable development". As indicated in the Topic Matrix, high-materiality topics include, but are not limited to, employment compliance, occupational health and safety, energy management, responsible procurement, and business ethics and integrity, etc.

Responsiveness: Karrie's communication with stakeholders on sustainability issues is diverse. These communication channels include company announcements, shareholder meetings, supplier audits and training, occasional communications with government and non-governmental organizations, and employee training. This report discloses comparable key performance, including metrics covering greenhouse gas (GHG) emissions, energy consumption, resource use, pollution and wastes, employee employment, and occupational health and safety, etc.

Impact: Karrie has always paid great attention to risks in various areas, including climate risks and compliance risks, and has taken measures to manage and mitigate them. The company benchmarked against the United Nations Sustainable Development Goals (SDGs), identified 11 annual targets, implemented action plans, and monitored progress on key sustainability performance indicators (KPIs). We recommend that Karrie conduct ongoing environmental and social impact analysis on its operations and business relationships and assess and manage these impacts.

Daniel Pan

Corporate Sustainability Service Technical Manager
TÜV Rheinland (Shanghai) Co., Ltd
Shanghai, China, 18 July 2024



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