



利記控股有限公司
LEE KEE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock code: 637

2021/2022

Environmental,
Social and
Governance Report



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MESSAGE FROM CEO

Lee Kee Group (“Lee Kee” or “the Group”, which includes Lee Kee Holdings Limited and its subsidiaries) is a leading metals solutions provider that provide premium quality, professional, and reliable value-added products, and services to our customers since the Group was founded in 1947. As the world gradually recovers from the COVID-19 pandemic, there are increased consciousness on sustainability and high expectation on environmental, social, and governance (“ESG”) impact.

We are devoted to sustainability and embraces its values in our business. We are committed to protect the interests of our employees and other stakeholders in creating positive impact across the value chain. With the mission of bringing revolutionary impact to our customers and the industry, we accelerated with sustainability and innovation.

Advancing Sustainability at Lee Kee

Sustainability are successfully immersed into the company’s DNA, it becomes self-fulfilling, even natural. We are proud to announce our new ESG targets and progress on previous commitments. In line with the Hong Kong government’s Climate Action Plan 2050, against the goal of carbon neutrality for production facilities and operations, Lee Kee will introduce policies that aim to shift our business towards carbon-neutral operations. The Group continues to stimulate business operations against environmental initiatives, we installed solar panels for renewable energy, enhanced production facilities for resource efficiency. Significant progress is achieved against the energy consumption and GHG emissions targets. We will continue to identify other areas to bring positive environmental impact.

Responsible Sourcing Across Our Value Chain

Eyeing the spectrum beyond Metal industry “We Create Value Solutions Beyond Metals”, Lee Kee continues to lead the industry with ground-breaking solution contributing to the entire supply chain as a unique player. Our unparalleled stringent policies ensuring suppliers are meeting our high standards of environmental and social requirements while advocating a responsible supply chain. These efforts continue to sharpen Lee Kee’s business resilience.

Crafting a Safe, Healthy, and Inclusive Work Environment

Lee Kee embraces positive and inclusive work environment with fairness and diversity, our corporate culture path the way on employee wellness and leading us to navigate the sustainability journey. In addition, with a continual improvement of our workforce, trainings and career development are arranged at the top of our priorities.

The Group has made significant progress over the past few years in bring positive impact on sustainability performance. We are confident our ESG efforts will continue to bring greater value to Lee Kee and create a positive impact on our stakeholders.

CHAN Yuen Shan Clara
Vice-Chairman and Chief Executive Officer

8 July 2022



ABOUT THE REPORT

This Report is the sixth ESG report (the “Report”) of Lee Kee Group, which details the ESG policies, initiatives, and performances of the Group to allow stakeholders to understand our directives and development in various ESG aspects.

2.1 Reporting Scope and Boundary

This Report provides an overview of the ESG management approach, effort, and performance of Lee Kee Group from the period of 1 April 2021 to 31 March 2022 (the “reporting year”). The scope of this Report includes operations in Greater China (i.e., offices, warehouses, production plants and laboratory) and Southeast Asia (i.e., offices). There were no significant changes in the scope and boundaries of reporting compared to the previous reporting year.

2.2 Reporting Standard and Principles

This Report is prepared in accordance with the “mandatory disclosure requirements” and the “comply or explain” provisions of the ESG Reporting Guide (the “ESG Guide”) set out in Appendix 27 of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (“HKEX”).

The Group has followed the four reporting principles as set out in the ESG Guide to define the report content and to ensure the quality of information disclosed in this Report, including:

MATERIALITY

The Group has identified its material aspects through materiality assessment. The identified material aspects have been reviewed and finalized by senior management and the Sustainability Sub-Committee. For further details, please refer to the section headed “Materiality Assessment” of this Report.

BALANCE

Both positive and negative performances are disclosed in this Report in an impartial manner to ensure that the content and data are unbiased.



QUANTITATIVE

The Group has recorded and disclosed key performance indicators (“KPI”) in quantitative terms whenever possible. Information on the standards, methodologies, assumptions and source of conversion factors used for the calculation of environmental data are also indicated in this Report.

CONSISTENCY

The preparation approach of this Report is substantially consistent with the previous year. Any changes in the reporting scope and calculation methodologies will be disclosed where applicable.

ESG HIGHLIGHTS

Value Chain



Our dedication to a responsible supply chain is recognized by our status as an Established Member of the **Sustainable Procurement Charter**.

Our annual customer satisfaction surveys received a satisfaction rate of **93.3%**.

Sustainability Achievements

Lee Kee will introduce policies to achieve carbon neutrality in line with Hong Kong's **Climate Action Plan 2050**.

Our focus of the **5 selected Sustainable Development Goals ("SDGs")** connects our corporate strategy and business priorities closely with the global vision.



Environment

14.8% reduction in GHG emission intensity compared to FY2020/21.

Adopted clean energy in our headquarters with **200kW** solar panel installed.

Introduced the **I4.0 project** to enhance energy efficiency.

Replaced conventional fuel vehicles with **electric vehicles** in our Ningbo operations.

Plastic bag for our own zinc alloy brand Mastercast and Genesis have been reduced by **27%** and **69%** (in term of weight), respectively.



People

Total **4,647 hours** of training.

Defined **4 ambitious safety-related targets** to enhance health and safety.



Community

Transformed our CSR Committee to the **T.R.E.E. Foundation** for enhanced focus on stakeholders, community engagement and environmental protection.



2021 HKMA Quality Award - Special Award of Established and Medium Enterprises

The Hong Kong Management Association



Hong Kong Sustainability Award 2020/21 - Distinguished Sustainability Leadership Award (SMEs)

The Hong Kong Management Association



CarbonCare® ESG Label 2021 - Level 3

CarbonCare® InnoLab



BOCHK Corporate Environmental Leadership Awards 2020 - EcoChallenger & 5 Years+ EcoPioneer

Federation of Hong Kong Industries



CarbonCare® Label 2021 - Level 3

CarbonCare® InnoLab



Industry Cares Recognition Scheme - Industry Cares 5+ Year

Federation of Hong Kong Industries



Mental Health Workplace Charter - Mental Health Friendly Organisation

Department of Health



Partner Employer Award 2021 - Partner Employer 5+ Year

The Hong Kong General Chamber of Small and Medium Business



Sustainable Procurement Charter - Established Member

Green Council



Tier 2 Authorized Economic Operator

Customs and Excise Department of HKSAR



AWARDS AND CERTIFICATES

Lee Kee Group's performance has been recognized through awards and certificates.

Caring Company 15 Years+

The Hong Kong Council of Social Service



Energy Saving Charter & 4T Charter

Environmental Bureau & EMSD



Happiness at Work Promotional Scheme - Happy Company 10 Years

Promoting Happiness Index Foundation



Global Recycled Standard 4.0 (GRS 4.0)

Intertek Testing Services NA, Inc.



HOKLAS Accredited Laboratory under ISO/IEC 17025: 2017

Hong Kong Accreditation Service



ISO 9001:2015 Quality Management Systems Certification IATF 16949:2016 Automotive Quality Management Systems Certification

SGS United Kingdom Ltd.
TÜV SÜD Management Service GmbH



ISO 14001:2015 Environmental Management Systems Certification

SGS United Kingdom Ltd.



Hong Kong Green Organisation

Environmental Campaign Committee



Hong Kong Q-Mark Elite Brand 2021 - Product Category

Hong Kong Q-mark Council / Federation of Hong Kong Industries



Hong Kong Q-Mark License - Tin Copper Solder Wire

Hong Kong Q-mark Council / Federation of Hong Kong Industries



GB/T 24001-2016 / ISO 14001:2015 Environmental Management Systems Certification

Beijing Head International Certification Co., Ltd.

ISO 45001:2018 Occupational Health and Safety Management Systems Certification

SGS Hong Kong Limited



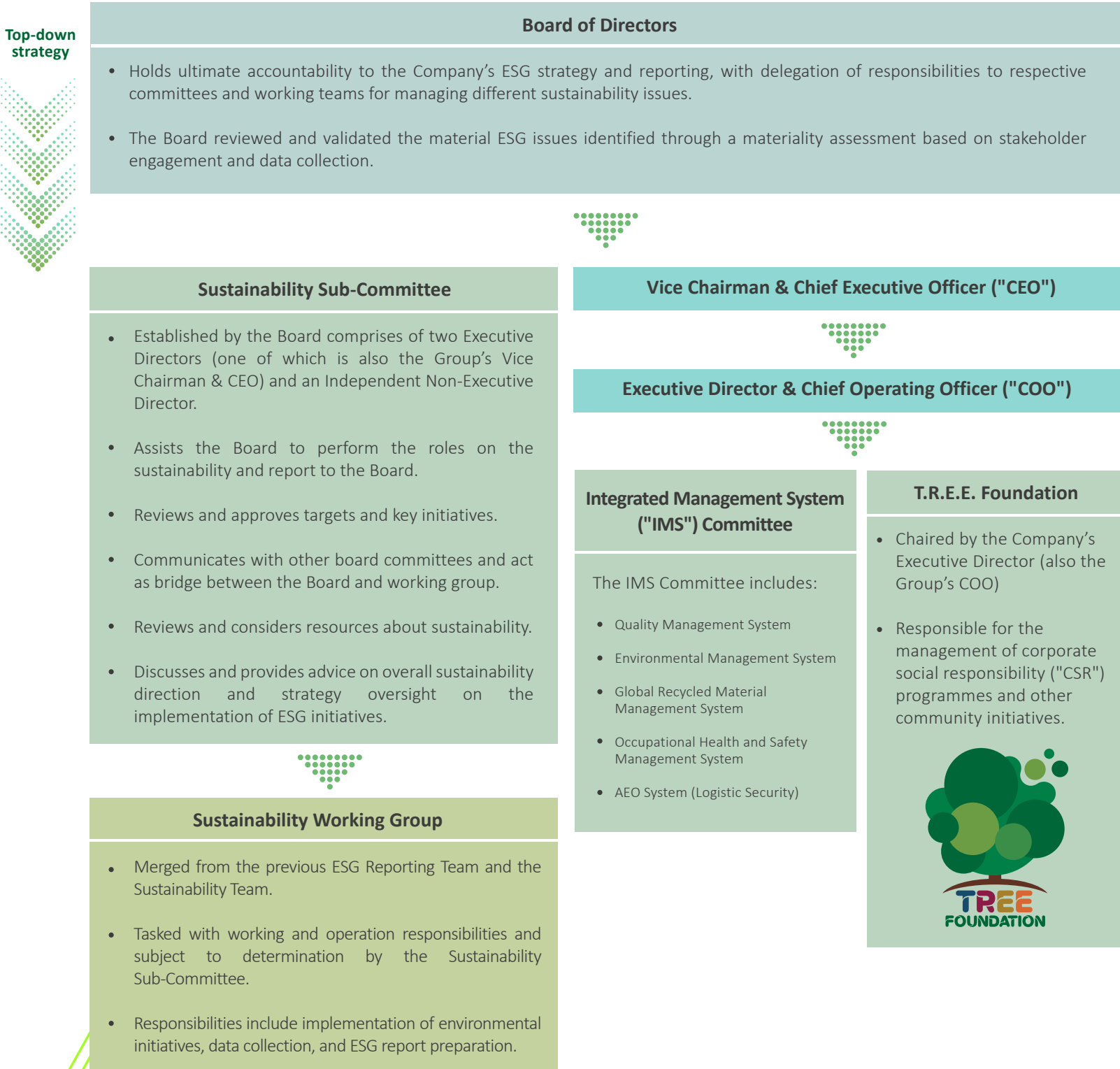
Work Safety Standardisation - 3rd Level (Non-ferrous)

Ministry of Emergency Management of the People's Republic of China

5.1 Sustainability Governance

Our sustainability governance structure guides the effective management of ESG risks and identification of opportunities to enhance our sustainability performance.

Lee Kee’s Sustainability Governance Structure



SUSTAINABILITY AT LEE KEE

The Sustainability Sub-Committee holds meetings on an ad-hoc basis as necessary for the discussion of ESG-related issues. In the reporting year, the Sustainability Sub-Committee conducted a review of the Group’s sustainability progress, including the constitution of the Sustainability Working Team and resources available to support sustainability efforts. The ESG governance structure and target setting were also reviewed with proposed amendments and ESG issues reported to the Board.

To enhance the sustainability capability of the Board and our sustainability team, we arranged a number of external and internal ESG training workshops on various topics such as corporate governance and general updates on ESG for the Board, members from the Sustainability Working Team, office staff and frontline operators across different office and operations.

Further information about our risk management, internal controls, and corporate governance can be found in the Corporate Governance Report in the Company’s Annual Report 2021/2022.

5.2 Stakeholder Engagement

The Group engages different stakeholder groups including suppliers, employees, customers, shareholders, local communities, and authorities through various channels such as meetings and surveys. We greatly value their feedback and facilitate open communication to understand different views and values. The Group collects insights from stakeholders to understand market needs to facilitate decision-making in relation to its sustainability practices, initiatives, and disclosures.

We welcome feedback and suggestions. Please feel free to contact us with any comments at: ir@leekeegroup.com.



5.3 Materiality Assessment

This year, the Group engaged an external consultant to conduct a comprehensive materiality assessment to identify and prioritize the sustainability issues that are perceived to be most significant to Lee Kee and its stakeholders. The final list of material issues has been reviewed and finalized by senior management and the Sustainability Sub-Committee.

Materiality Assessment Process

01 IDENTIFICATION

- Using the list of material issues from previous year’s materiality assessment as a basis, refined the issue list based on a review of sustainability trends, benchmarking of peers’ disclosure practices, and international reporting standards and guidelines.

02 PRIORITIZATION

- Mapped the identified material issues for the metals and industrial goods sector based on local and international reporting frameworks such as the Sustainability Accounting Standards Board (“SASB”).
- Assessed the importance of issues based on internal policies and procedures related to sustainability, stakeholder concerns, benchmarking industry peers , and regulator expectations.
- Prioritized issues that have a significant impact on Lee Kee’s ability to create long-term and sustainable value for stakeholders.

03 VALIDATION

- The updated prioritized list of material issues was reviewed and finalized by senior management and the Sustainability Sub-Committee to ensure that it reflected the key areas for disclosure in this report.

Results of the Materiality Assessment

The material issues identified can be assigned to three categories:

Environment

- 1. Climate Change and Energy Efficiency
- 2. Waste and Effluent Management

Social

- 3. Supply Chain Management
- 4. Occupational Health and Safety
- 5. Labor Management
- 6. Corporate Engagement

Governance

- 7. Business Ethics

The seven issues listed in the table above are identified as material issues relevant to the Group. The material issues include environmental, social and governance concerns reflecting diverse external stakeholder’s priorities, and the Group’s operational and regulatory risk focus. The materiality results set the focus of this Report, as described in the sections below, including the disclosures on the material issues, key initiatives and performance in the reporting year.

Other issues include human resource management, training and development and product responsibility.





5.4 Contribution to UNSDGs

This year, the Group has announced our focus on five of the SDGs that our business has the greatest capacity for impact and action, and will continuously review and incorporate additional SDGs relevant to us in the future. The SDGs represent the collective actions that can be taken to address the most pressing issues communities around the world face – inequality, injustice, poverty, and climate change. The 17 SDGs recognize the need for balance between social, environmental, and economic aspects in driving sustainability initiatives.

SDGs	Why they matter?
<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div> <div>SDG 8 Decent work and economic growth We have policies on safe, inclusive and secure practices for a decent working environment that promotes equality and employee satisfaction within the Group, contributing to our business continuity and future resilience.</div>	
<div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div></div></div> <div>SDG 9 Industry, innovation and infrastructure Ensuring the quality of production allows room for innovation and the integration of sustainability factors in our processes, helping us build resilient infrastructure for our communities.</div>	
<div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div> <div>SDG 12 Responsible consumption and production Lee Kee endeavors to promote responsible sourcing across our value chain and engage suppliers in improving their sustainability performance.</div>	
<div><div>13</div><div>CLIMATE ACTION</div><div></div></div> <div>SDG 13 Climate action The Group has also made a commitment to introduce carbon neutrality initiatives in the coming years in preparation for a rapid shift towards a low-carbon economy to mitigate the impacts of climate change, while taking the opportunity to improve resilience.</div>	
<div><div>17</div><div>PARTNERSHIPS FOR THE GOALS</div><div></div></div> <div>SDG 17 Partnership for the goals The UN SDGs can only be achieved through working together. Lee Kee works closely with different organizations as a team to create a positive impact for our stakeholders and the communities in which we operate and drive sustainable progress.</div>	

5.5 Business Ethics

Anti-Corruption

The Group is committed to upholding high standards of ethical behavior throughout our operations and value chain. Our Code of Conduct and Employee Handbook provide guidance on our anti-corruption policies that all employees are required to abide by. We ensure new employees are familiar with our Code of Conduct and the expected standard of ethical behavior by mandating training during their orientation. Each year, we invite the Independent Commission Against Corruption to deliver training sessions to employees in Hong Kong office on anti-corruption.

During the reporting year, there have been no reported cases of non-compliance relating to bribery, extortion, fraud, or money laundering.

Whistleblowing

Lee Kee has an established whistleblowing policy to provide employees and outside parties with a channel to inform our senior management or Audit Committee of any potential instances of malpractice or impropriety. Employees and outside parties may elect to report anonymously, and we make every effort to treat all disclosures in a confidential and sensitive manner. This procedure facilitates cooperation between employees, outside parties and management to collectively resolve any issues and prevent further misconduct.

Intellectual Property

The Group’s policies on intellectual property are set out in our Employee Handbook. Employees are required to act in accordance with the information security measures set out in the Employee Handbook, which include complying with relevant copyright laws, the use of computer software for business purposes, and security precautions in accessing the Company network.



OUR VALUE CHAIN

6.1 Supply Chain Management

Sustainable Procurement

Supplier Questionnaire Checklist

With the mission of being a leader in the metals industry, we recognise the importance of sustainability impacts across our value chain. In Hong Kong, our Supplier Questionnaire Checklist helps to identify and mitigate potential environmental and social risks along our supply chain. The Supplier Questionnaire Checklist references the Organisation for Economic Cooperation and Development ("OECD") Due Diligence Guidance for Responsible Supply Chains.

Avoidance of the Use of Conflict Minerals

The Group has implemented special requirement for our mineral supply chain by requiring declaration of conflict minerals present in raw materials, and whether such materials are sourced from conflict-affected area. This supplier screening process ensures that materials are not sourced from conflict regions.

Sustainability in Supplier Selection

In our Ningbo operations, suppliers are required to sign an environmental protection agreement before onboarding. Suppliers of our Shenzhen and Wuxi operations are also required to complete a supplier questionnaire with environmental and social factors.

Suppliers of the raw materials and products must fulfil these requirements or provide rectification or face termination. Upholding these standards reduces potential environmental or social risks in our supply chain while also ensuring delivery of premium quality products and services that are responsibly produced.

Supplier Engagement

Supplier Environmental Support Statement

Prior to engagement, suppliers within our scope of assessment must be either ISO 14001-certified or are required to sign a Supplier Environmental Support Statement stipulating the expectation of high standards and ethical behavior from our business partners. This aims to prevent and address any regulatory, environmental, and social risks along our supply chain. The Supplier Environmental Support Statement covers suppliers of raw materials and products, external services and repairs, and transport providers. These include terms such as compliance with relevant laws and regulations, managing environmental impacts from production, and ensuring the environmental and occupational safety of their staff.

Supplier Evaluation

The Group's supplier performance evaluation process aims to ensure the quality of goods and services provided by suppliers, taking into account environmental protection and the interests of our customers. For instance, we will consider whether suppliers are ISO 9001 or ISO 14001-certified, the practices in place to prevent child or forced labor, the policies in place for maintaining business integrity, and other measures for human rights protection.

We are also an Established Member of the Green Council Sustainable Procurement Charter, and commit to implementing sustainable procurement procedures with reference to ISO 20400.



Measures to Promote Environmentally Friendly Practices Across Our Supply Chain

Under our Supplier Environmental Support Statement, raw materials and products suppliers are encouraged to:

- Use environmentally friendly chemical production techniques and facilities
- Use recyclables for product packaging

Under our Environmental Agreement, transportation suppliers are encouraged to:

- Use green fuel
- Formulate emergency response procedures and provide training to employees to reduce environmental pollution caused by accidents

Under our Environmental Agreement, suppliers of external services and repair are encouraged to:

- Use environmentally friendly materials and avoid pollutive materials and tools
- Promote environmental practices and awareness with staff



6.2 Product Responsibility

Quality Management and Product Traceability

Quality Policy

Lee Kee’s new mission “We Create Value Solutions Beyond Metals” and commitment to providing high quality products with integrated services is enshrined in our Quality Policy. We strive to continually improve our Quality Management System and Environmental Management System as part of our services for clients and other stakeholders. The Quality Objectives include targets for timely shipment, minimizing external complaints, and achieving customer satisfaction levels.

Quality Management System

Our factories in Mainland and Hong Kong have adopted the international ISO 9001:2015 Quality Management Systems and IATF 16949:2016 Automotive Quality Management System standards to ensure quality standards. Promet Metals Testing Laboratory Limited, a subsidiary of the Group, is also an ISO/IEC 17025:2017 Accredited Laboratory. Our products comply with applicable international standards for regulating product specifications to ensure our clients’ expectations are met.

Quality Assurance Process

The Group has a comprehensive quality assurance process, which includes the monitoring of supplier performance, quality control, employee training and development, customer feedback analysis, and corrective and preventative actions. Lee Kee inspects supplier’s test reports, conformance certificates and/or materials declaration to ensure all raw materials comply with product specification, RoHS 2.0 and REACH requirements. Testing is conducted for the verification of some product's RoHS and EN 71-3 compliance.

Product Traceability and Transparency

We have standards in place for clear marking and labelling to ensure product traceability from raw materials to our production processes to the final product. This includes a QR code on product labels for our major own zinc alloy brands that show the chemical composition of the end product, and the GHG emissions per ton of product produced.

During the reporting year, there were no cases of non-compliance relating to health and safety, advertising, labelling, and privacy matters relating to products and services provided and methods of redress.



Customer Relationship Management

As part of our quality assurance process, we have specific procedures for handling customer complaints. Our Quality Team is attentive to customer feedback and responds promptly with effective corrective actions. Insights from complaints will be directed to the responsible department to identify the source of the issue and implement corrective action. Our annual customer satisfaction surveys received a satisfaction rate of 93.3%, and we look to continue working with our stakeholders to drive continuous improvement.





OUR PEOPLE

7.1 Occupational Health and Safety

Health and Safety Management System

Lee Kee upholds the safety and health of all employees as an utmost priority in its operations. Our Occupational Health and Safety Policy sets out our commitments and objectives in maintaining high standards of occupational health and safety (“OHS”) in accordance with relevant laws and regulations. Responsibilities of top management include maintaining and continually improving the OHS management system to prevent work-related injuries, providing a framework for setting OHS Objectives, eliminating hazards and reducing OHS risks, among others. Our Hong Kong operation mitigates and controls OHS risk through a system that is certified under ISO45001:2018.

OHS Objectives

0

Zero fatal & serious accidents

≤4

No more than 4 accidents cases in a year

90%

90% achievement of safety training according to the yearly safety management plan

90%

Obtain 90% achievement in safety inspections according to the yearly safety management plan

Safety Committee

In Hong Kong, we have a Safety Committee with the Associate Production Director overseeing OHS. The Safety Committee holds monthly meetings to discuss and review accidents, safety issues follow-up and reporting, safety inspection findings, review safety briefings and agreements with contractors, and share other safety information.

Health and Safety Inspections

We undertake safety inspections every month, which consist of surveying working sites to identify potential safety, environmental and 5S issues that may be harmful to our workers. If any issues are identified, the responsible departments are required to follow-up the case within specific period according to its risk level.

Safety Audit

At Lee Kee, we conduct an internal audit once per year, and are also subject to a three-year external audit cycle, which includes a recertification audit in the first year, and a surveillance audit in the second and third year. The scope includes the supply and logistics management of non-ferrous metals and stainless steel, manufacturing of tin alloys, solder, and zinc alloys, as well as provision of chemical testing, physical testing, and microbiological testing services.

Health & Safety Standards for Suppliers

To ensure high OHS standards across our value chain, we prescreen suppliers for safety performance and risks through the supplier questionnaire. Contractors are required to sign a safety agreement before work commencement.



Safety Training

The Group conducts regular safety training to enhance health and safety awareness.

Forklift Training - Operation Team

100% attendance on forklift training to achieve zero safety issues when operating forklifts.

Risk Assessment Training

Trained employees on preparing for risk assessments by identifying the working processes and defining any potential risks that may occur during the processes.

Safety Training during Safety Committee Meetings

Discussed some safety topics such as hazard identification, 5S workplace organization method, mask selection etc.

0

Work-related Fatalities
in the Past Three Years

4

Lost Days
due to Work Injuries
(2020/21: 36)

Emergency Response and Contingency Planning

In addition to safeguarding the health and safety across our value chain through a comprehensive OHS management system, we strive to enhance emergency preparedness through contingency planning and emergency drills. The Contingency Plan has been formulated to set out the essential requirements and instructions for the purpose of enhancing emergency preparedness and handling potential OHS emergencies respectively. The planned responses are communicated to workers, contractors, visitors, emergency response service providers, government authorities and the local community as appropriate.

As stipulated in our Contingency Plan, responsible departments are expected to perform annual tests and maintain proper testing records to identify existing problems together with potential room for improvement. The effectiveness of contingency procedures can be guaranteed in the meantime.

By regularly reviewing and evaluating the testing performance, our contingency plans will be revised after testing or after the occurrence of emergency situations whenever necessary.

Fire Safety at Workplaces

In Hong Kong, we organized fire safety training during the reporting year to ensure our fire safety planning has met required standards and to strengthen the fire safety knowledge of employees. Information on the latest escape routes, precautions for escape in case of fire accident and chemical leakage, the use of fire extinguishers and hose reel systems were provided. Representatives from the Fire Services Department were also invited to share knowledge on fire safety in our fire prevention talks.



7.2 Labor Management

Preventing Child Labor and Forced Labor

Lee Kee strives to protect the rights and interests of employees, and strictly prohibits the use of child labor and forced labor. In compliance with applicable laws and regulations related to preventing child and forced labor, we have set out strict requirements in the internal recruitment regulations and procedures overseen by the HR & Admin Department. This includes inspection of identification documents of job applicants to ensure they are of the legal working age. Our supplier evaluation criteria require suppliers to adopt the same standards for labor practices to ensure there are no instances of child labor or forced labor across our supply chain.

Diversity and Inclusion

At Lee Kee, we believe a diverse workforce is essential to our business operations. Therefore, we are committed to maintaining a workplace free of discrimination and harassment for all employees. As stipulated in our Code of Conduct, we prohibit any form of discrimination, harassment or vilification and require employees to strictly comply with relevant laws and regulations.

In order to prevent any form of discrimination or harassment, our policies are reviewed from time to time. Employees are welcome to raise any suggestions or concerns regarding relevant policies. We also encourage them to report any suspected discrimination to the HR & Admin Department through the internal grievance procedures. All complaints will be handled in the highest confidential manner. Any violations against the laws and regulations or Lee Kee's policies will be subject to disciplinary actions or dismissal.



7.3 Human Resource Management

Recruitment and Promotion

The Group strives to provide equal opportunities and fair treatment to our employees and job candidates. As set out in our Employee Handbook, equal opportunities are offered to all employees and job candidates regardless of race, gender, religion, age, marital status, disability, or nationality throughout the recruitment process. We have established a sound recruitment screening process to strengthen our employment practices.

In terms of promotion, all employees are offered opportunities to utilize their potential while recognizing outstanding performances. Our Employee Handbook has set out the requirements for promotion, where the employee shall meet the necessary goals and objectives and demonstrate the ability to fulfil duties of a higher position with greater responsibilities. All promotions must be recommended by the employee's respective department head and subject to senior approval. All promotion and salary recommendations shall also be reviewed and endorsed by the HR & Admin Department to ensure fairness and consistency.

Compensation and Dismissal

Guided by our three guiding principles of Fairness and Consistency, Pay for Performance, and Market Competitiveness, we provide employees with equitable remuneration in relation to responsibility and performance to attract and retain talents. Our Employee Handbook stipulates the principles and structure of the salary policies. To ensure the salary provided is consistent with market standards, annual reviews are arranged for salary adjustments, taking into account our business performance, current market rates, the economic climate, and the performance and potential of employees.

Regarding the dismissal of employees, we have set out the conditions for the termination of the employment contract by both parties and the termination procedure in our Employee Handbook to further protect the rights and interests of employees. Any feedback from employees will be carefully evaluated and considered by the management to continuously enhance our employment practices.

Benefits and Welfare

In the view of recognizing the contributions of our employees, we offer competitive remuneration packages. All regular full-time employees who have completed a full year's service are eligible to a discretionary performance bonus according to the policy. On top of statutory holidays, we also provide annual leave, sick leave, marriage leave, maternity leave, bereavement leave, paternity leave and examination leave to accommodate their needs.

Upon successful completion of probation, all permanent full-time employees will be entitled to join the Group medical scheme that covers outpatient and hospitalization. We also insure employees 24-hours in travel insurance during authorized business travel outside the place of employment for business purpose to provide them with additional protection. The Long Service Award program was also established to recognize employees for their contributions, commitment, and loyalty to Lee Kee.

We have stipulated the requirement on working hours in the Employee Handbook, where overtime allowance will be provided to eligible employees with prior authorization from their supervisor. Also, compensation leave will also be provided to eligible employees who worked on rest days, holidays or days of adverse weather, so as to ensure that their efforts are reasonably rewarded.

Employee Engagement

Striving to recognize the needs of our employees, we encourage uninhibited dialogues between employees and the Group. In addition to serve as a tool for measuring and assessing employees' performances, performance appraisals also act as a two-way communication platform for employees to identify a clear understanding of expected performance standard and plan for future career development. The results of performance appraisals will contribute to the bonus sharing, salary adjustment, promotion, transfer and future career development of employees.



7.4 Training and Development

The development and growth of employees are indispensable to the continuous development of our business. Therefore, we continuously deploy resources and provide employees with extensive training opportunities to keep our people abreast of the latest developments in the industry and enhance their knowledge and performance.

We have set out the six guiding principles in General Training and Development Policy in our Employee Handbook to guide the implementation of training and development programs.

- 1) Provide induction training for new employees and for those newly transferred to different departments;
- 2) Ensure appropriate in-house and external training, enabling individuals to keep up with satisfactory job performance;
- 3) Encourage staff to join external courses for employees' career development;
- 4) Provide training required by those selected for promotion so that they are appropriately prepared for their new responsibilities;
- 5) Provide sponsorship/subsidy to encourage employees to further study and well equip themselves to take challenges ahead; and
- 6) Encourage learning sharing among Lee Kee members.

Job-specific Training

A wide variety of training program are provided to employees at different levels and positions according to their needs and our development requirements. For instance, all new joiners are required to attend the New Hire Orientation on topics such as corporate culture, general policies and office rules, confidentiality and anti-corruption, safety and information technology. To ensure the training quality, employees are required to complete an Employee Training Feedback Questionnaire for the purpose of course effectiveness evaluation and continuous improvement of our training program.

Support Employee's Career Advancement

To motivate our employees to pursue career development, our employees may reimburse expenses upon satisfactory completion of any work-related course or modules for long-term programs leading to a formal academic certificate.

4,647
total training hours
 received by employees
 (2020/21: 4,440)



OUR ENVIRONMENT

8.1 Climate Change and Energy Efficiency



Environmental Management System

Sustainability is in our DNA, and we advocate sustainability in every possible occasion. Steered by our commitment to environmental protection, we have been stepping up efforts to enhance our sustainability performance across all business operations. We have formulated the Environmental Policy to set out our guiding principles and objectives to effectively manage (“GHG”) emissions, energy consumption and waste generation during daily operations, comply with all statutory environmental protection regulations, and achieve continual improvement on environmental performance.

To better control and minimise the potential adverse environmental impact arising from our operations, we have established the environmental management system in accordance with requirements of ISO 14001:2015 – Environmental Management Systems . Our environmental management system covers operation segments including the supply and logistics management of non-ferrous metals, manufacture of tin alloys, solder and zinc alloys, as well as the provision of chemical testing, physical testing and microbiological testing services. We carry out a three-year audit cycle of our environmental management system to ensure its effectiveness, which includes a recertification audit in the first year, and surveillance audits in the second and third year.

Environmental Aspects Operating Procedures

We have formulated the Environmental Aspects Operating Procedures to set out requirements for the identification, evaluation and management control of significant environmental aspects and associated impact. Our environmental management team is required to identify environmental aspects by considering its activities, products and services under normal, abnormal and reasonably foreseeable emergency situations in present, past and future. Environmental Aspect and its corresponding Environmental Impact are recorded in the “Environmental Aspects Assessment Form”. The environmental aspects are reviewed by responsible departments annually or if any of the following conditions occurred:

- Amendment or addition of legal environmental laws, ordinances and other subscribed requirements;
- Installation of new facilities or technologies;
- Significant process changes; or
- Serious environmental accidents.

Environmental programs, objectives and targets are set with respect to significant environmental aspect identified to establish, implement, maintain and improve the environmental management system.



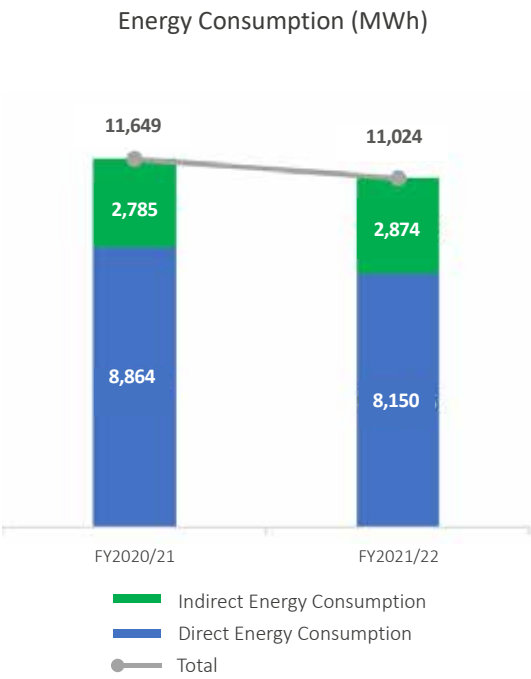
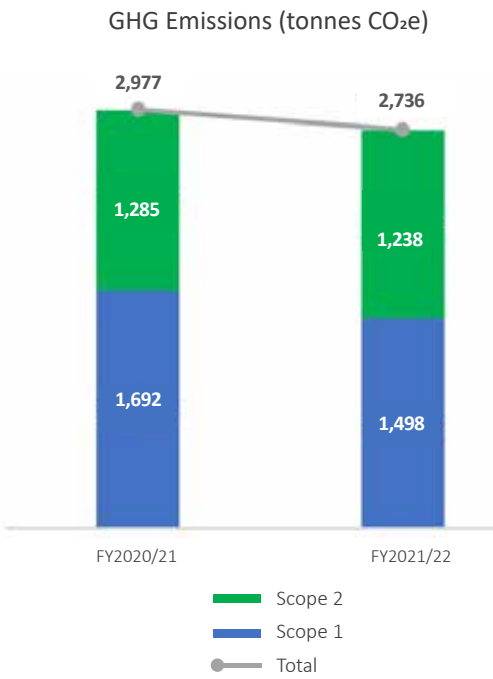
Carbon Emissions

We acknowledge the importance of effectively managing our carbon footprint and have been stepping up efforts in upgrading our energy efficiency, monitoring energy consumption, and promoting environmental awareness among employees. In the previous year, we have set the targets below on GHG emission and energy consumption. Progress on these reduction targets have been reviewed annually by our Board or its delegated committee to identify the source of GHG emissions and energy consumption, potential adjustment on targets, and improvement areas in various operations.

The base year disclosed in the previous year’s ESG Report was FY2016/17, with the scope only covering operations in Hong Kong. This year, the scope of our ESG Report extends to all operations within the Group, hence the base year for calculation of GHG emissions and energy consumption is FY2020/21 to provide a better comparison.

Overall, we are on track towards achieving our environmental targets, with the key achievements as of this year highlighted below:

Aspects	Base year	Progress as of FY2021/22	Medium-term Targets (by FY2025/26)	Long-term Targets (by FY2030/31)
GHG emissions intensity (per tonnes of production volume)	2020/21	↓14.8%	—	↓20%
Energy consumption intensity (per tonnes of production volume)	2020/21	↓12.2%	↓15%	—



Committing to Carbon Neutrality

In addition, in line with Hong Kong’s Climate Action Plan 2050, we will set a goal of carbon neutrality and intend to introduce policies that will shift our business towards carbon-neutral operations.

Efficient Operations in the Manufacturing Processes

To improve energy efficiency in our manufacturing processes, our Ningbo factory has adopted a hot cross recycling system and heat reuse circulation to reduce our energy consumption. We also use a high efficiency blower in replacement of the traditional type to further save on electricity usage.

While the use of energy remains the prime source of our GHG emissions, we have established a set of energy management guidelines and system to facilitate energy savings. To ensure optimal system efficiency, regular maintenance and cleaning of fan coil units and filters are carried out. Periodical leakage inspections on air conditioning systems and company vehicles are also conducted to minimise energy consumption and emissions. To further enhance energy efficiency, we continue to replace old fluorescent lights with energy efficiency LED light fixtures.

During the reporting year, we introduced the I4.0 project to enhance energy efficiency and reduce the risk of industrial accidents. We replaced conventional fuel vehicles with electric vehicles in our Ningbo operations , and are planning to do the same in our Hong Kong operations.



Adopting Renewable Energy in Headquarters

- Constructed 200 kW solar power generation facility at the rooftop of our Headquarters.
- Installation work commenced in June 2021 and completed in December 2021.
- Total renewable energy generated during the reporting year: 66,808 kWh (since Dec 2021).

Air Pollution Control

Recognizing the production activities as the primary source of air pollution, we have seized every opportunity to incorporate pollution control features and measures in our production process, so as to mitigate potential environmental impacts throughout operations.

In order to ensure the air quality of our working environment, we engage an external laboratory to assess the air quality in our Hong Kong production workplace where zinc alloy is manufactured according to the Code of Practice on Control of Air Impurities (Chemical Substances) in the Workplace published by the Hong Kong Labor Department every year. Additionally, water scrubber units are in place to remove contaminated acid fumes before the exhaust is released into the environment to control the air pollutants arising from our laboratory operations. Baghouse is also adopted in our Ningbo operations to reduce fugitive emissions arising from factory operations.



Installing Baghouse for Metal Scrap Recycling in Hong Kong

- A 7.5kW baghouse was installed in our metal recycling room to filter and collect the particulates produced in the recycling process of metal scrap. The installation of baghouse could provide recycling workers with better working environment.

Improving Ventilation System of Fume Cupboard in Hong Kong



- For our testing laboratory in Hong Kong, acid digestion is a commonly used method in sample preparation, however there is a risk of contaminated acid fumes being exhausted during the digestion process.
- To minimize the exposure of personnel and the environment to the acid fumes, the digestion process takes place in the fume cupboard.
- We replaced the fume cupboard with an upgraded model to fulfill the requirement of EN 14175 in previous years. The new fume cupboard maintains the face velocity with at least 0.4m/s, which improves performance of the ventilation system and minimizes the risk of leakage of acid fumes.
- Water scrubber had also been renewed to remove the contaminated acid fumes before it exhausted to the environment. The acid fumes would be dissolved in water and be neutralized.



Climate Adaption

Climate change is an emerging challenge that many industries are facing in the coming years. The transition towards a low-carbon economy is crucial to address climate risks and make the most of climate opportunities. The long-term carbon neutrality goals of Mainland and Hong Kong are expected to accelerate the shift towards a low-carbon future. Through an analysis of climate risks and opportunities that arise with this transition, Lee Kee has identified significant climate issues that may impact our operations. We have formulated short and long-term action plans to facilitate adaption and mitigation of these risks. This helps us to better position the Group in a changing environment and build resilience against the impacts of climate change.

Climate Risks	Potential Impacts	Actions
Physical Risks		
Prolonged period of extreme hot weather	<ul style="list-style-type: none">• Reduced operation efficiency	<ul style="list-style-type: none">• Install sensors to identify high temperature and adjust work allocation• Enhance automation to reduce manpower in certain processes
Increased frequency and severity of inclement weather events	<ul style="list-style-type: none">• Work sites closure• Delivery delay• Damages to buildings	<ul style="list-style-type: none">• Set up a delegated team to monitor weather and work out contingency plans• Establish communication platforms to ensure all relevant staff are kept informed about the weather forecast and work sites situation• Maintain sufficient inventory• Purchase insurance coverage• Allocate professional standby to ensure building safety in case of emergency
Transition Risks		
Enactment of more stringent laws and regulations related to climate change	<ul style="list-style-type: none">• Additional investment costs to comply with regulation changes	<ul style="list-style-type: none">• Monitor regulatory trends• Consult professional opinion• Adopt renewable energy in operations• Reduce carbon emissions

8.2 Waste and Effluent Management

Proper Handling of Hazardous and Non-hazardous Waste

Dedicated to minimizing our impact on the environment and natural resources, we have implemented a wide range of measures to ensure the storage, handling and disposal of all hazardous and non-hazardous waste arising from our operations are in strict compliance with relevant laws and regulations, such as:

Hazardous waste

- Properly pack, label and store all spent acid after chemical analysis, and entrust licensed handler for collection and treatment.
- Waste lead-acid batteries are properly handled as well as collected by a licensed chemical waste collector for proper transportation and disposal.
- For microbiological waste, expired and contaminated labware generated from microbiological test are sterilized by autoclave for 30 minutes at 121 degrees centigrade before disposal to avoid the environmental exposure of labware contaminated with bacteria.
- Recycle bins for fluorescent lights are set up in the warehouse and passed to Hong Kong Environmental Protection Department approved collectors for recycling.

Non-hazardous waste

- Office waste, such as paper, plastic, metal cans, glass, beverage cartons, and toner cartridges, are recycled as much as possible.
- Participated in the Hong Kong Environmental Protection Department’s Peach Blossom Trees Recycling Programme after the Lunar Year holiday.

Photo Credit: Tsering Tashi, Bhutan





Waste Reduction and Resource Efficiency

Strictly implementing the 4R principles of recycling, reuse, reducing and replacing in our daily operations, we set a waste reduction target last year to guide the implementation of waste reduction initiatives. We have achieved the waste reduction target with a 6.4% of paper usage reduction by the end of the year. We will review and evaluate the waste reduction targets and take into account the impact from special working arrangement due to COVID-19, and set a more ambitious waste reduction target in the future.

We have adopted a number of waste reduction measures at our factories, laboratories and offices, including but not limited to:

Hazardous waste

- Scrap metal after steel bar testing will be collected for recycling.
- Used lubricant oil generated from production equipment will be collected and recycled by licensed waste collectors.
- Electronic wastes, such as desktops and monitors, will be collected and returned, or donated to the community waste recycling center.

Non-hazardous waste

- Set up recycling bins for different types of waste to promote recycling awareness among employees.
- Use of electronic name cards and electronic forms through our Employee Self Service system to reduce paper usage.
- One-side used paper are collected and reused.
- Encourage double-sided printing whenever possible.

We understand that another source of our waste comes from the packaging materials that protect our products during transportation. We have employed a number of measures to reduce the amount of waste generated from packaging. For instance, the weight of the plastic bag for our own zinc alloy brand Mastercast and Genesis have been reduced by 27% and 69%, respectively.

During the reporting year, the total amount of general waste generated in Hong Kong operations reduced from 150 tonnes to 54 tonnes as compared to the previous year.

Waste Reduction Target

↓ 3%

Reducing paper usage by 3% by FY2021/22

Water Conversation Measures

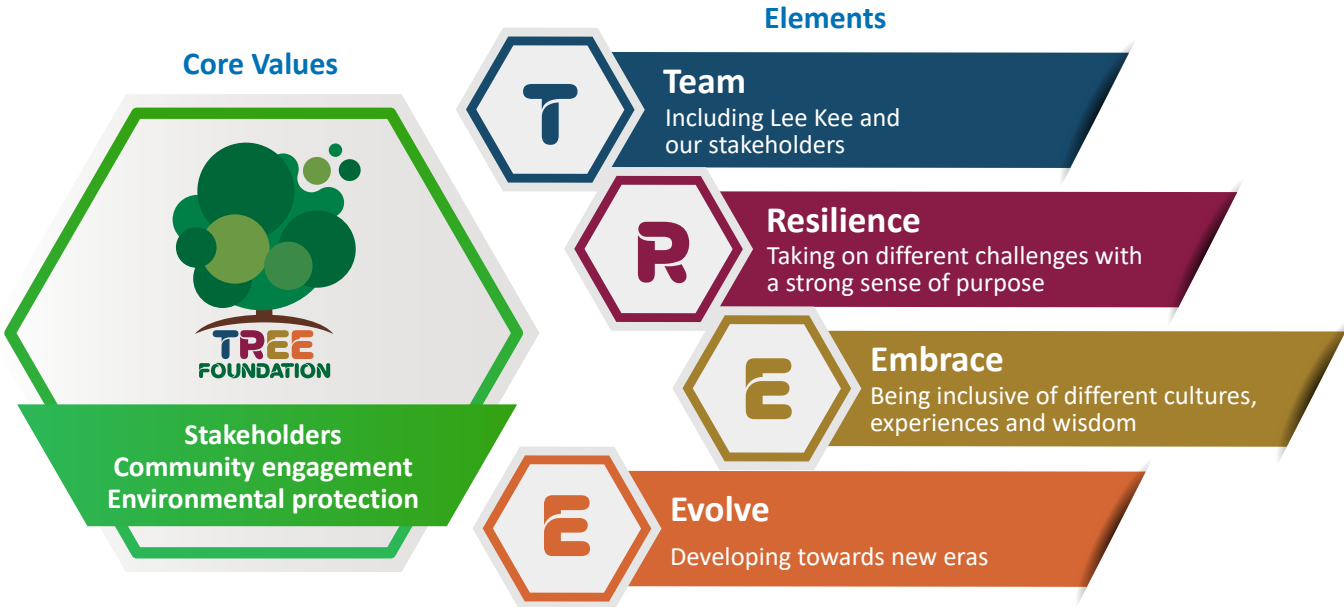
Regarding water consumption, although the Group does not operate in water-stressed regions and faces no issues with water sourcing, we have endeavoured our best effort to conserve water during daily operation. Our Process Cooling Water Systems used in manufacturing processes have been redesigned to avoid water leakage and overflow. Water mist systems are installed to reduce the usage of cooling water in production processes and have successfully helped us to reduce the water consumption from 303m³ to 234m³ between the same period of January to March in 2021 and 2022. Our Hong Kong office also has low flow faucets in the pantry, kitchen, and toilets.



OUR COMMUNITY

CSR Committee Evolved to T.R.E.E. Foundation

We deeply understand that corporate social responsibility is a crucial element to the continuous development of a corporate. Under the unprecedented challenge in the year, we are more aware of the concept of symbiosis. In order to encourage us to be more proactive in our future direction, we have restructured the CSR Committee to T.R.E.E. Foundation with the following core values and elements.



Helping Disadvantaged Groups

Supporting TREATS

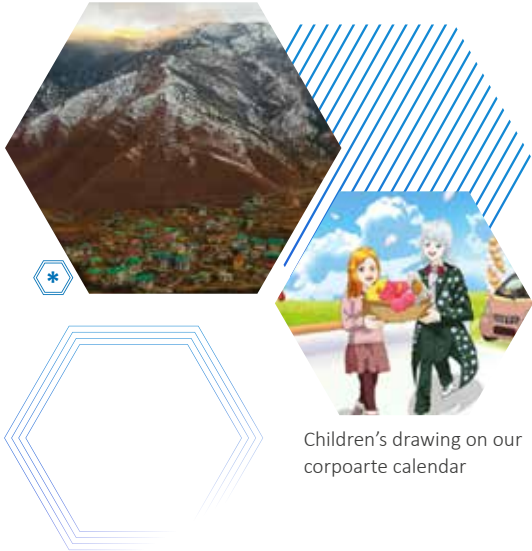
TREATS is a non-governmental organization aiming at creating an inclusive society for all children. During the reporting year, we made donations and collaborated with TREATS to feature children’s drawings on our corporate calendar.

Donating Anti-epidemic Supplies

Amid the recurring outbreaks of COVID-19 during the year, we made donations to support the anti-epidemic initiative organized by the Hong Kong Young Industrialists Council to procure anti-epidemic supplies. The supplies were donated to the underprivileged families in need, elderly singletons, patients with confirmed infection and front-line volunteers.

Supporting ERB’s “20 x 50 Internship Programme”

To help the unemployed to enter the job market, we have offered internships opportunities for the Employees Retraining Board (“ERB”)’s 20x50 Internship Programme. This program aims to help the “Post-50”, defined as older adults aged 50 or above to be more equipped with some specific job skills, upon completion of this program. Two interns underwent a 2-month internship programme in our Hong Kong operations during the reporting year.



Education

Supporting Low-income Students

During the reporting year, we made donations to the Hong Kong Seagull Scholarship Limited to support two students from low-income families in Mainland to complete their courses at the Ningxia Normal University.

Sponsoring Local Football Training Program

During the reporting year, we provided funding support to eight teams from the Tai Po Football Club to cover the monthly operating costs for trainings and matches. More than 200 youth players from the teams benefited from our support. We seek to support the youth football development to encourage healthy activity and promote football culture.



Youth Development

Collaborating with Bhutan's Youth Designer and Craftswomen

At Lee Kee, we strive to promote cultural awareness in the workplace. During the reporting year, we invited youth designers and craftswomen from Bhutan to design and produce mascots crochet figures for the T.R.E.E. Foundation with the aim to cultivate a decent work environment and foster youth around the world. The five mascots were adopted to represent the sustainability visions of the T.R.E.E. Foundation and used in our publications and promotion materials.

TeamWork Virtual International Internship Programme by the University of Warwick

We participated in the TeamWork Virtual International Internship Programme by the University of Warwick to coach a team of six students in the summer during the reporting year. Six students from the University of Warwick, Cornell University and University of Toronto were coached by our COO, experienced management staff, and team members from the Marketing and IT Departments on company projects to cultivate their business sense. We are dedicated to continue lending our resources to foster growth of the next generation.



Employee Volunteering

Lifewire Run

The "Lifewire Run 2021" is organized by Lifewire Foundation Limited to raise fund for children with rare diseases and to encourage patients as well as members of the society to stay positive despite setbacks and adversities. During the reporting year, we sponsored the event and encouraged employees to join the activity with the aim to raise funds, and awareness of rare diseases among young people, as well as to promote the spirit of inclusion of the disabled.

Fundraising for The Community Chest of Hong Kong and Médecins Sans Frontières

During Christmas, we gifted supermarket cash vouchers as a token of appreciation for the hard work of our employees during the year. To pass the warmth of the festive season for the benefit of the community, we partnered with The Community Chest of Hong Kong, and our employees could donate the equivalent cash value of the vouchers in support of their work.

In addition, we participated in the MSF Day 2021 to encourage employees to make donations to the Médecins Sans Frontières.



The five mascots figures designed and produced by talented young designers and craftswomen from Bhutan

DATA TABLE

HKEX KPI ¹		Unit	FY2021/22	FY2020/21
A. Environmental ²				
A1.2	Greenhouse gas emissions in total and intensity			
	Scope 1 emissions ³	Tonnes of CO ₂ e	1,498	1,692
	Scope 2 emissions ⁴	Tonnes of CO ₂ e	1,238	1,285
	- Total (Scope 1 and 2 emissions)	Tonnes of CO ₂ e	2,736	2,977
	- Intensity	Tonnes of CO ₂ e / tonnes of production volume	0.090	0.11
A1.3 ⁵	Total hazardous waste produced			
	Mix of hydrochloric acid and nitric acid			
	- Total	Litre of waste produced	42.6	117.1
	- Intensity	Litre of waste produced / tonnes of production volume	0.0014	0.0041
	Hydrofluoric acid			
	- Total	Litre of waste produced	12.4	21.8
	- Intensity	Litre of waste produced / tonnes of production volume	0.00040	0.00077
	Waste lead-acid battery ⁶			
	- Total	Kg of waste produced	156.0	-
	- Intensity	Kg of waste produced / tonnes of production volume	0.0050	-
	Total hazardous waste recycled			
	Empty toner cartridges			
	- Total	Number of waste recycled	10	20
	- Intensity	Number of waste recycled / tonnes of production volume	0.00032	0.00071
	Light tube ⁷			
	- Total	Kg of waste recycled	26.3	8.1
	- Intensity	Kg of waste recycled / tonnes of production volume	0.00085	0.00029
A1.4 ⁸	Total non-hazardous waste produced			
	General waste			
	- Total	Tonnes of waste produced	53.9 ⁹	150.1
	- Intensity	Tonnes of waste produced / tonnes of production volume	0.0017	0.0053
	Total non-hazardous waste recycled			
	Paper waste			
	- Total	Kg of waste recycled	1,270	1,160
	- Intensity	Kg of waste recycled / tonnes of production volume	0.041	0.041
	Aluminium can			
	- Total	Kg of waste recycled	40.0	27.5
	- Intensity	Kg of waste recycled / tonnes of production volume	0.0013	0.0097
	Plastic bottles			
	- Total	Kg of waste recycled	169.2	54.6
	- Intensity	Kg of waste recycled / tonnes of production volume	0.0055	0.0019
	Glass			
	- Total	Kg of waste recycled	43.6	52.1
	- Intensity	Kg of waste recycled / tonnes of production volume	0.0014	0.0018

¹ Any discrepancies between (i) totals provided and the sum of the numbers presented; and (ii) percentages provided and the associated numbers throughout the Report are due to rounding.

² The cut-off date of production volume is based on the manufacturing site's ERP system.

³ Refers to direct GHG emissions from fuel combustion. The emissions data was calculated based on emission factors adopted from "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" published by HKEX.

⁴ Emissions associated with electricity purchased are calculated based on the latest available emissions factors provided by the power companies.

⁵ Hazardous waste data only includes Hong Kong operations.

⁶ Newly reported item.

⁷ Light tube data includes fluorescent tubes and light bulbs.

⁸ Non-hazardous waste data only includes Hong Kong operations, except for recycled scrap metals which includes both Hong Kong and Mainland operations. To improve the accuracy of our measures, the methodology used for compiling the waste data have been fine-tuned to integrate a more accurate dataset, including primary data, if available.

⁹ General waste data includes the municipal waste disposed of at landfills in Hong Kong operations.

HKEX KPI	Unit	FY2021/22	FY2020/21
A2.1	Scrap metal		
	- Total	Kg of waste recycled	34,179
	- Intensity	Kg of waste recycled / tonnes of production volume	1.10
	Energy consumption		
	Direct energy consumption (Fuel consumed)		
	- Total	'000 kWh	8,150
	- Intensity	'000 kWh / tonnes of production volume	0.27
	Indirect energy consumption (Purchased electricity and towngas) ¹⁰		
	- Total	'000 kWh	2,874
	- Intensity	'000 kWh / tonnes of production volume	0.094
	Total energy consumption		
	- Total	'000 kWh	11,024
	- Intensity	'000 kWh / tonnes of production volume	0.36
B. Social			
B1.1	Total workforce	No. of people	187
	By employment type		
	- Full-time	No. of people	183
	- Part-time	No. of people	4
	By gender		
	- Male	No. of people	95
	- Female	No. of people	92
	By age group		
	- Under 30	No. of people	18
	- 30 to 50	No. of people	115
	- Over 50	No. of people	54
	By geographical region		
	- Hong Kong	No. of people	106
	- Greater China (other than Hong Kong)	No. of people	74
	- Southeast Asia	No. of people	7
B1.2	Overall turnover rate	%	27.3
	By gender		
	- Male	%	18.9
	- Female	%	35.9
	By age group		
	- Under 30	%	72.2
	- 30 to 50	%	27.8
	- Over 50	%	11.1
	By geographical region		
	- Hong Kong	%	22.6
	- Greater China (other than Hong Kong)	%	35.1
	- Southeast Asia	%	14.3

¹⁰ To align with the reporting period, the cut-off date for the purchased electricity of Hong Kong operation has been updated as compared with the previous year, while the cover period for purchased towngas of Hong Kong operation in FY2021/22 was from 23 March 2021 to 23 March 2022.

HKEX KPI	Unit	FY2021/22	FY2020/21
B2.1	Work-related fatalities		
	- Number	No. of people	0
	- Rate	%	0
B2.2	Lost days due to work injury	No. of days	4
B3.1	Percentage of employee trained	%	90.9
	By gender ¹¹		
	- Male	%	89.5
	- Female	%	92.4
	By employee category ¹¹		
	- General staff	%	93.8
	- Middle manager	%	91.1
	- Senior manager	%	58.3
B3.2	Average training hours per employee		24.9
	By gender		
	- Male	Hours	35.2
	- Female	Hours	14.1
	By employee category		
	- General staff	Hours	25.5
	- Middle manager	Hours	28.9
B5.1	Number of suppliers by geographical region¹²		
	- Greater China	No. of suppliers	37
	- Asia (other than Greater China)	No. of suppliers	20
	- Rest of the world	No. of suppliers	8
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons		
		%	0
B6.2	Number of products and service-related complaints received		
		No. of complaints	18
B7.1	Number of concluded legal cases regarding corrupt practices brought against the Company		
		No. of cases	0
B7.3 ¹³	Number of anti-corruption training conducted	No. of training sessions	6
	Total number of participants attended the anti-corruption training		
	- Employees	No. of people	84
	- Directors	No. of people	3

¹¹ The average training hours per employee by gender and by employee category have been restated due to a reporting error.

¹² The coverage has been extended to incorporate all raw material and product suppliers this year. Hence, the data for FY2021/22 is not directly comparable to data for FY2020/21.

¹³ Newly reported item.

Lee Kee is a member of the following organizations through which we share knowledge and remain up-to-date on the latest industry trends and best practices.

Organization	
Aluminium Stewardship Initiative	The Chamber of Hong Kong Listed Companies
Business Environment Council	The Chinese General Chamber of Commerce
Federation of Hong Kong Industries (Groups 2, 4, 7, 19 and 26)	The Chinese Manufacturers' Association of Hong Kong
Hong Kong Association for Testing, Inspection and Certification	The Hong Kong General Chamber of Commerce
Hong Kong Auto Parts Industry Association	The Hong Kong Management Association
Hong Kong Chinese Importers' & Exporters' Association	The Hong Kong Metals Manufacturers Association
Hong Kong Construction Materials Association	The N.T. North District Manufacturers' Association of Hong Kong
Hong Kong Electrical Appliance Industries Association	The Toys Manufacturers' Association of Hong Kong
Hong Kong Electro-Plating Merchants Association	廣東省拉鏈商會
Hong Kong Foundry Association	廣東省家電商會
Hong Kong General Building Contractors Association	廣東省鑄造行業協會
Hong Kong Institution of Certified Auditors	上海市壓鑄技術協會
Hong Kong Medical and Healthcare Device Industries Association	台北市電器商業同業公會
Hong Kong Metal Merchants Association	台灣拉鍊工業同業公會
Hong Kong Mould and Product Technology Association	台灣鎖業暨五金發展協會
Hong Kong Plumbing & Sanitary Ware Trade Association	中國國際貿易促進委員會中國對外貿易理事會
Hong Kong Surface Finishing Society	中國五金製品協會拉鍊分會
Hong Kong Watch Manufacturers Association	中國有色金屬理事會
International Zinc Association	中山市鎖業協會
London Metal Exchange	

MEMBERSHIPS

RELEVANT LAWS AND REGULATIONS

The laws and regulations that the Group considers to be more relevant in terms of a significant impact on the Group include but are not limited to the following. During the reporting year, there were no cases of non-compliance with laws and regulations listed as follows.

Aspects	Relevant Laws and Regulations ¹⁴
Aspect A1: Emissions Air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Hong Kong: Noise Control Ordinance (Cap. 400), Waste Disposal (Chemical Waste) (General) Regulation (Cap. 354C), Air Pollution Control Ordinance (Cap. 311) and Water Pollution Control Ordinance (Cap.358). Mainland: Ningbo Atmospheric Pollution Prevention and Control Regulation (寧波市大氣污染防治條例), Ningbo Environmental Pollution Prevention and Control Regulation (寧波市環境污染防治規定), Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法), Atmospheric Pollution Prevention and Control Law of the People's Republic of China (中華人民共和國大氣污染防治法), Production Safety Law of the People's Republic of China (中華人民共和國安全生產法) and Hazardous Chemicals Safety Management Regulation (危險化學品安全管理條例).
Aspect B1: Employment Compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Hong Kong: Employment Ordinance (Cap. 57), Minimum Wage Ordinance (Cap. 608), Mandatory Provident Fund Schemes Ordinance (Cap. 485), Personal Data (Privacy) Ordinance (Cap. 486), Sex Discrimination Ordinance (Cap. 480), Disability Discrimination Ordinance (Cap. 487), Family Status Discrimination Ordinance (Cap. 527), Race Discrimination Ordinance (Cap. 602) and Inland Revenue Ordinance (Cap. 112). Mainland: Labour Law of the People’s Republic of China (中華人民共和國勞動法) and Labour Contract Law of the People’s Republic of China (中華人民共和國勞動合同法).
Aspect B4: Labour Standards Preventing child and forced labour	
Aspect B2: Health and Safety Providing a safe working environment and protecting employees from occupational hazards	Hong Kong: Occupational Safety and Health Ordinance (Cap. 509), Boilers and Pressure Vessels Ordinance (Cap. 56), Factories and Industrial Undertakings Ordinance (Cap. 59), Dangerous Goods Ordinance (Cap. 295) and Prevention and Control of Disease Ordinance (Cap. 599). Mainland: Measures for the Administration of Occupational Health Examination (職業性健康檢查管理規定), Special Rules on the Labour Protection of Female Employees (女職工勞動保護特別規定) and Prevention and Control of Occupational Diseases Law of the People's Republic of China (中華人民共和國職業病防治法).

¹⁴ For English version, the laws and regulations in Mainland are presented in both English and Chinese. Should there be any discrepancy between the Chinese and the English name, the Chinese version shall prevail.

Aspects	Relevant Laws and Regulations
Aspect B6: Product Responsibility Health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Restriction of Hazardous Substances Directive (EU) 2015/863 amending Annex II to Directive 2011/65/EU, (RoHS 2.0) and the European Union (EU) Regulation EC 1907/2006 Registration, Evaluation, Authorization and Restriction of Chemicals (REACH).
Aspect B7: Anti-corruption Bribery, extortion, fraud and money laundering	Hong Kong: Prevention of Bribery Ordinance (Cap. 201), and Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap 615). Mainland: Anti-Money Laundering Law of the People's Republic of China (中華人民共和國反洗錢法) and Suppression of Corruption Regulation of the People's Republic of China (中華人民共和國懲治貪污條例). Singapore: Prevention of Corruption Act (Chapter 241). Thailand: The Organic Act on Anti-Corruption B.E. 2561 (2018). Malaysia: Malaysian Anti-Corruption Commission (MACC) Act 2009.



HKEX ESG GUIDE CONTENT INDEX

Aspect	KPI	Disclosure	Section / Remarks
A. Environmental			
A1 Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Climate Change and Energy Efficiency Waste and Effluent Management Relevant Laws and Regulations
	A1.1	The types of emissions and respective emissions data.	Due to the business nature of Lee Kee, this KPI is considered not material and thus is not disclosed.
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Climate Change and Energy Efficiency Data Table
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Data Table
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Data Table
	A1.5	Description of emission target(s) set and steps taken to achieve them.	Climate Change and Energy Efficiency
	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.	Waste and Effluent Management
A2 Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Climate Change and Energy Efficiency Waste and Effluent Management
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Climate Change and Energy Efficiency Data Table
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Due to the business nature of Lee Kee, this KPI is considered not material and thus is not disclosed.
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Climate Change and Energy Efficiency
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Waste and Effluent Management
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Due to the business nature of Lee Kee, this KPI is considered not material and thus is not disclosed.
A3 The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Climate Change and Energy Efficiency Waste and Effluent Management
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Climate Change and Energy Efficiency Waste and Effluent Management
A4 Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change and Energy Efficiency
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change and Energy Efficiency

Aspect	KPI	Disclosure	Section / Remarks
B. Social			
Employment and Labour Practices			
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.	Human Resource Management Labor Management Relevant Laws and Regulations
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Data Table
	B1.2	Employee turnover rate by gender, age group and geographical region.	Data Table
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.	Occupational Health and Safety Relevant Laws and Regulations
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Data Table
	B2.2	Lost days due to work injury.	Data Table
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Occupational Health and Safety
B3 Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Training and Development
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Data Table
	B3.2	The average training hours completed per employee by gender and employee category.	Data Table
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.	Labor Management Relevant Laws and Regulations
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labor Management
	B4.2	Description of steps taken to eliminate such practices when discovered.	Labor Management



Aspect	KPI	Disclosure	Section / Remarks
B. Social			
Operating Practices			
B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
	B5.1	Number of suppliers by geographical region.	Data Table
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
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.	Product Responsibility Relevant Laws and Regulations
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Data Table
	B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility Data Table
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Business Ethics
	B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Business Ethics
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.	Business Ethics Relevant Laws and Regulations
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Business Ethics Data Table
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Business Ethics
	B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics Data Table

Aspect	KPI	Disclosure	Section / Remarks
B. Social			
Community			
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.	Our Community
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Our Community
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Our Community

INDEPENDENT ASSURANCE REPORT



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Independent Practitioner's Limited Assurance Report To the Board of Directors of Lee Kee Holdings Limited

We, BDO Risk Advisory Services Limited, (hereafter "BDO", "we" or "us") have been engaged by the Board of Directors of Lee Kee Holdings Limited (hereafter "Lee Kee" or the "Company") to perform a limited assurance engagement of the specific environmental, social and governance ("ESG") data - greenhouse gases ("GHG") emission and energy consumption data (collectively, the "ESG Data") set out in sections A1.2 and A2.1 on pages 42 and 43 of the ESG report (the "Report") respectively prepared under the reporting scope and boundary as described on page 5 of the ESG Report for the year ended 31 March 2022.

The Company's Responsibilities for the ESG Data

Pursuant to Appendix 27 to the Main Board Listing Rules issued by The Stock Exchange of Hong Kong Limited, the Company is responsible for the preparation of the ESG Data in accordance with the applicable criteria, as described on pages 5 and 42 of the ESG Report (referred to "Criteria" thereafter). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the ESG Data that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply International Standard on Quality Control 1, "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the ESG Data based on the procedures we have performed and the evidence we have obtained. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our limited assurance engagement in accordance International Standard on Assurance Engagements 3410, "Assurance Engagements on Greenhouse Gas Statements" ("ISAE 3410"), issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the ESG Data is free from material misstatement.



Our Responsibility (continued)

A limited assurance engagement undertaken in accordance with ISAE 3410 involves assessing the suitability in the circumstance of the Company's use of Criteria as the basis for the preparation of the ESG Data, assessing the risks of material misstatement of the ESG Data whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the ESG Data. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Within the scope of our work we performed amongst others the following procedures:

- Understanding the Company's processes in collecting and preparing the ESG Data;
- Conducting interview with relevant personnel involved in the provision of information relating to the ESG Data;
- Checking the arithmetical accuracy of the calculations of the ESG Data; and
- Conducting limited sample testing of the ESG Data against the Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's ESG Data has been prepared, in all material respects, in accordance with the Criteria.

Inherent Limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's ESG Data for the year ended 31 March 2022 is not prepared, in all material respects, in accordance with the Criteria.

BDO Risk Advisory Services Ltd.

BDO Risk Advisory Services Limited
8 July 2022

25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

We Create Value Solutions Beyond Metals
引領金屬發展 共創增值方案

Lee Kee Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

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