

ESG TRAINING WORKSHOP

ESG 環境, 社會和管治培訓工作坊

SECTION 2: BASIC SUSTAINABILITY / ESG REPORTING

第二節: 可持續性發展 / ESG報告的基本概念

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01

INTERNATIONAL AND LOCAL PLANS

國際與本地政策



NEWS IN 2015

COP21 / CMP 11 at Paris

The big deal unites all the world's nations in a single agreement on tackling climate change for the first time in history.

Coming to a consensus among nearly 200 countries on the need to cut greenhouse gas emissions is regarded by many observers as an achievement in itself and is being hailed as "historic".

巴黎COP21 協議後，近 200 個國家就需要減少溫室氣體排放達成共識



DECISIONS OF COP21



What are the key elements?

- To keep global temperatures **"well below" 2.0C** (3.6F) above pre-industrial times and **"endeavor to limit" them even to 1.5C** more,
- To limit the amount of greenhouse gases emitted by human activity to the same levels that **trees, soil and oceans can absorb naturally**, beginning at some point between 2050 and 2100
- To **review each country's contribution** to cutting emissions every five years so they scale up to the challenge
- For **rich countries to help poorer nations** by providing "climate finance" to adapt to climate change and switch to renewable energy.
- 把全球平均氣溫升幅控制在工業革命前水平以上低於2°C之內，並努力將氣溫升幅限制在工業化前水平以上1.5°C之內
- 減少氣候變遷的風險和影響。
- 由 2050 年到 2100 年之間，將人類活動排放的溫室氣體量限制在樹木、土壤和海洋可以自然吸收的水平,達至碳中和
- 富裕國家通過提供“氣候融資”來幫助貧窮國家以適應氣候變化並轉向可再生能源每五年審查每個國家在減排方面的貢獻

CHINA'S 14TH FIVE-YEAR PLAN (2021-2025)



“十四五”是碳达峰的攻坚期、窗口期——绿色能源发展“风光无限”

2021-03-31 08:22 来源：光明日报

【字体：大 中 小】 打印

“十四五”是碳达峰的攻坚期、窗口期—— 绿色能源发展“风光无限”

风电、光伏发电、水电等可再生能源既不排放污染物、也不排放温室气体，是天然的绿色能源。我国明确2030年前碳达峰、努力争取2060年前碳中和，对可再生能源发展提出了明确的要求，全国两会刚刚通过的“十四五”规划对2035年远景目标纲要，也对可再生能源发展提出了明确任务。

在国新办3月30日举行的新闻发布会上，国家能源局局长章建华表示，现在距离2030年碳达峰还有两个五年，共十年。“十四五”是第一个五年，也是能源低碳转型的关键期，要加快推动碳达峰工作能够成势见效。

可再生能源规模稳居世界第一

数据显示，2020年，我国可再生能源开发利用规模达6.8亿吨标准煤，相当于替代煤炭近10亿吨，减少二氧化碳、二氧化硫、氮氧化物排放量分别约17.9亿吨、86.4万吨、79.8万吨。

国际能源署发布的2020年可再生能源报告显示，中国是2020年全球可再生能源容量增长的主要推动力之一。截至2020年底，我国可再生能源累计装机容量达到9.34亿千瓦，占全球可再生能源总装机规模的三分之一。特别是我国风电、光伏去年新增装机约1.2亿千瓦，占全球风电、光伏新增装机容量的一半以上，成为全球可再生能源发展的中坚力量。

“规模稳居世界第一，为能源绿色低碳转型提供强大支撑。”章建华告诉记者，截至2020年底，我国可再生能源发电装机占总装机的比重达42.4%，较2012年增长14.6个百分点。其中，水电、风电、光伏发电、生物质发电分别连续16年、11年、6年和3年稳居全球首位。

Source: Guangming Daily

制定2030年前,碳排放達峰的行動方案. 以及力爭取2060年前實現碳中和的目標。

以抓铁有痕劲头推进碳达峰

实现碳达峰、碳中和是一场广泛而深刻的经济社会的系统性变革，“十四五”是碳达峰的攻坚期、窗口期，如何拿出抓铁有痕的劲头扎实推进？

“到2030年非化石能源的一次能源消费比重要达到25%左右，风电、太阳能总装机容量要达到12亿千瓦以上，这两个目标任务非常艰巨，我们必须完成。”章建华表示，国家能源局将制定更加积极的新能源发展目标，加快发展风电和太阳能发电。同时要因地制宜开发水电，在确保安全的前提下积极有序地发展核电，同时要加快推进抽水蓄能、新型储能等调节电源建设，增强电力系统灵活调节能力，大力提升新能源消纳水平。

实现碳达峰碳中和，要以经济社会发展全面绿色转型为引领，在重点领域乃至全社会推行绿色用能模式至关重要。“我们将采取更加严格的能耗标准，支持推动工业、建筑、交通等重点行业和领域非化石能源的替代和用能方式的改变。”章建华指出，要推动加快发展新能源汽车，建筑光伏一体化等绿色用能模式，也加快取暖、炊事用能等方面电能替代，提升全社会电气化水平，到2025年实现单位GDP能耗较2020年降低13.5%，单位GDP二氧化碳的排放较2020年降低18%的目标。

据介绍，国家能源局正在研究推动能源领域碳达峰、碳中和的实现路径和任务举措，同时抓好国家和省级“十四五”能源规划衔接工作，把可再生能源的电力消纳责任权重、节能减排和碳达峰等目标落实到规划中，充分发挥规划的引领作用，压实各级各地碳减排责任，支持有条件的地方率先实现碳达峰。（记者 张翼）



CHINA'S 14TH FIVE-YEAR PLAN (2021-2025)



這次會議謀劃了“十四五”碳達峰、碳中和工作“施工圖”

新華社記者高敬

2021年03月17日09:02 | 來源：新華社

T+ 大字号

原標題：這次會議謀劃了“十四五”碳達峰、碳中和工作“施工圖”

3月15日，習近平總書記主持召開中央財經委員會第九次會議，其中一項重要議題，就是研究實現碳達峰、碳中和的基本思路和主要舉措，會議指明了“十四五”期間要重點做好的7方面工作。

在業內專家看來，這次會議明確了碳達峰、碳中和工作的定位，尤其是為今后5年做好碳達峰工作謀劃了清晰的“施工圖”。

“這次會議的一大亮點就是，把碳達峰、碳中和工作在國家經濟社會中的定位說清楚了，明確把碳達峰、碳中和納入生態文明建設整體布局，這事關中華民族永續發展和構建人類命運共同體。”國務院發展研究中心資源與環境政策研究所副所長常紀文說。

我國力爭2030年前實現碳達峰，2060年前實現碳中和。專家表示，從現在開始，到2030年前實現二氧化碳排放達到峰值，時間不滿10年，但我國經濟發展的同時，能源消費總量仍然處於上升通道，因此“十四五”時期二氧化碳排放控制如何，就顯得格外重要，“十四五”是碳達峰的關鍵期、窗口期。

「十四五」規劃提到「建立統一的綠色產品標準、認證和標識體系，完善節能家電、高效照明產品、節水器具推廣機制，以及完善綠色農業標準體系，加強綠色食品、有機農產品和地理標誌農產品認證管理等」

今后5年，碳達峰重點工作在哪儿？此次會議從能源體系、重點行業、綠色低碳技術、綠色低碳政策和市場體系、綠色低碳生活、生態碳匯能力、國際合作等7個方面進行了部署。

在中國社科院學部委員、北京工業大學生態文明研究院院長潘家華看來，會議提出的舉措非常精準。“碳達峰、碳中和工作沒有捷徑可走，首當其沖就是要控制化石能源消費。”他說。

我國能源結構是以高碳的化石能源為主，化石能源佔比約85%。能源的清潔低碳化，是會議對“十四五”碳達峰部署的第一項重點工作。

會議提出完善能源“雙控”制度。潘家華說，這表示今后既要控制能源消費強度，也要控制能源消費總量，這是一大進步。他指出，我們要重點控制的是化石能源消費總量，可再生能源則是多多益善，要實施可再生能源替代行動，同時要構建以新能源為主體的新型電力系統。

工業、建築、交通是我國主要終端能耗部門。會議提出，工業領域要推進綠色制造，建築領域要提升節能標準，交通領域要加快形成綠色低碳運輸方式。

常紀文說，今后5年，工業領域的綠色供應鏈、建築領域的綠色建築等都大有文章可做。

根據《巴黎協定》的目標，為企業提供明確的減排途徑。

Science-based targets provide companies with a clearly-defined path to reduce emissions in line with the Paris Agreement goals. **More than 3,000 businesses** around the world are already working with the Science Based Targets initiative (SBTi)

Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to **meet the goals of the Paris Agreement** – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.

| | | | | |
|--|--|----------------|--|--|
| ARÇELİK A.Ş. Türkiye, Asia | Consumer Durables, Household and Personal Products | WELL BELOW 2°C | 2018 to 2030 2018 to 2030 | Absolute Absolute |
| Beiersdorf AG Germany, Europe | Consumer Durables, Household and Personal Products | 1.5°C | 2018 to 2025 | Absolute |
| CASIO COMPUTER CO., LTD. Japan, Asia | Consumer Durables, Household and Personal Products | WELL BELOW 2°C | 2018 to 2030 2018 to 2030 | Absolute Absolute |
| Colgate Palmolive Company USA, North America | Consumer Durables, Household and Personal Products | 1.5°C | 2018 to 2025 2018 to 2030 2016 to 2025 2018 to 2025 | Absolute Absolute Absolute Absolute |
| Crystal Claire Cosmetics Inc. Canada, North America | Consumer Durables, Household and Personal Products | WELL BELOW 2°C | No comparable progress data of SBT(s) w | |
| ECOS | Consumer Durables, Household and Personal Products | WELL BELOW 2°C | | |

SET A TARGET

Join over 3,000 business leaders taking ambitious climate action. Follow this process to set science-based targets, cut your company's greenhouse gas emissions and future-proof your business today.



從承諾、發展進行、提交、溝通、披露

- ✓ Commit: submit a letter establishing your intent to set a science-based target
- ✓ Develop: work on an emissions reduction target in line with the SBTi's criteria
- ✓ Submit: present your target to the SBTi for official validation
- ✓ Communicate: announce your target and inform your stakeholders
- ✓ Disclose: report company-wide emissions and track target progress annually



TARGET TYPES IN SBTI (SBTI CRITERIA V5.0) FROM JUL 15, 22

範圍三包括
供應鏈

合格標準及
最少意願

| | | | Scope 1 and 2 | | | Scope 3 | | | |
|---|---|--|--|---------------------------------------|--|--|---|----------------------------------|---|
| Near-term science-based targets 近期目標 5-10年 | Target boundary | | 95% coverage of scopes 1 + 2 | | | If scope 3 >40% of total emissions: boundary to cover min. 67% of scope 3. | | | |
| | Target year | | 5 – 10 years from date of submission | | | 5 – 10 years from date of submission | | | |
| | Method eligibility and minimum ambition | Method | Absolute reduction | Sector-specific intensity convergence | Renewable electricity (scope 2 only) | Cross-sector absolute reduction | Sector-specific intensity convergence | Supplier or customer engagement | Scope 3 physical and economic intensity reduction |
| Eligibility and min. ambition | | • 4.2% linear annual reduction (LAR) | • Depends on sector and company inputs | • 80% RE by 2025 • 100% RE by 2030 | • 2.5% LAR | • Depends on sector and company inputs (SDA) | • e.g. 80% of suppliers by emissions by 2025 | • 7% year-on-year (both options) | |
| Long-term and net-zero science-based targets 長期目標到2050 | Target boundary | | 95% coverage of scopes 1 + 2 | | | 90% coverage of scope 3 | | | |
| | Target year | | 2050 or sooner (2040 for the power sector) | | | 2050 or sooner | | | |
| | Method eligibility and minimum ambition | Method | Absolute reduction | Sector-specific intensity convergence | Renewable electricity (scope 2 only) | Cross-sector absolute reduction | Sector-specific intensity convergence | Supplier or customer engagement | Scope 3 physical and economic intensity reduction |
| Eligibility and min. ambition | | • 90% reduction (cross-sector pathway) • 72% reduction for FLAG • Other sector pathways vary | • Sector / commodity pathways vary | • 100% RE | • 90% reduction (cross-sector pathway) • 72% reduction for FLAG • Other sector pathways vary | • Sector / commodity pathways vary | • Methods are not eligible for long-term SBTs | • 97% reduction (both options) | |

Not eligible

1.5°C ambition

Well-below 2°C ambition

SUSTAINABLE DEVELOPMENT GOALS (UNSDGs) 可持續發展目標



SUSTAINABLE
DEVELOPMENT GOALS



17 Sustainable Development Goals (SDGs) and **169 targets** of the new agenda will be monitored and reviewed using a set of global indicators. 將使用一套全球指標監測和審查新議程的 **17 個可持續發展目標 (SDG)** 和 **169 個具體目標**。



Some of goals are related to environmental impacts in your industrial:

Goal 3: Good Health and Well-Being – COVID-19 issue

確保健康及促進各年齡層的福祉

Goal 6: Clean Water and Sanitation
確保所有人都能享有水及衛生及其永續管理

Goal 7: Affordable and Clean Energy
確保所有的人都可取得負擔得起、可靠的、永續的，以及現代的能源

Goal 12: Responsible Consumption and Production

確保永續的消費與生產模式

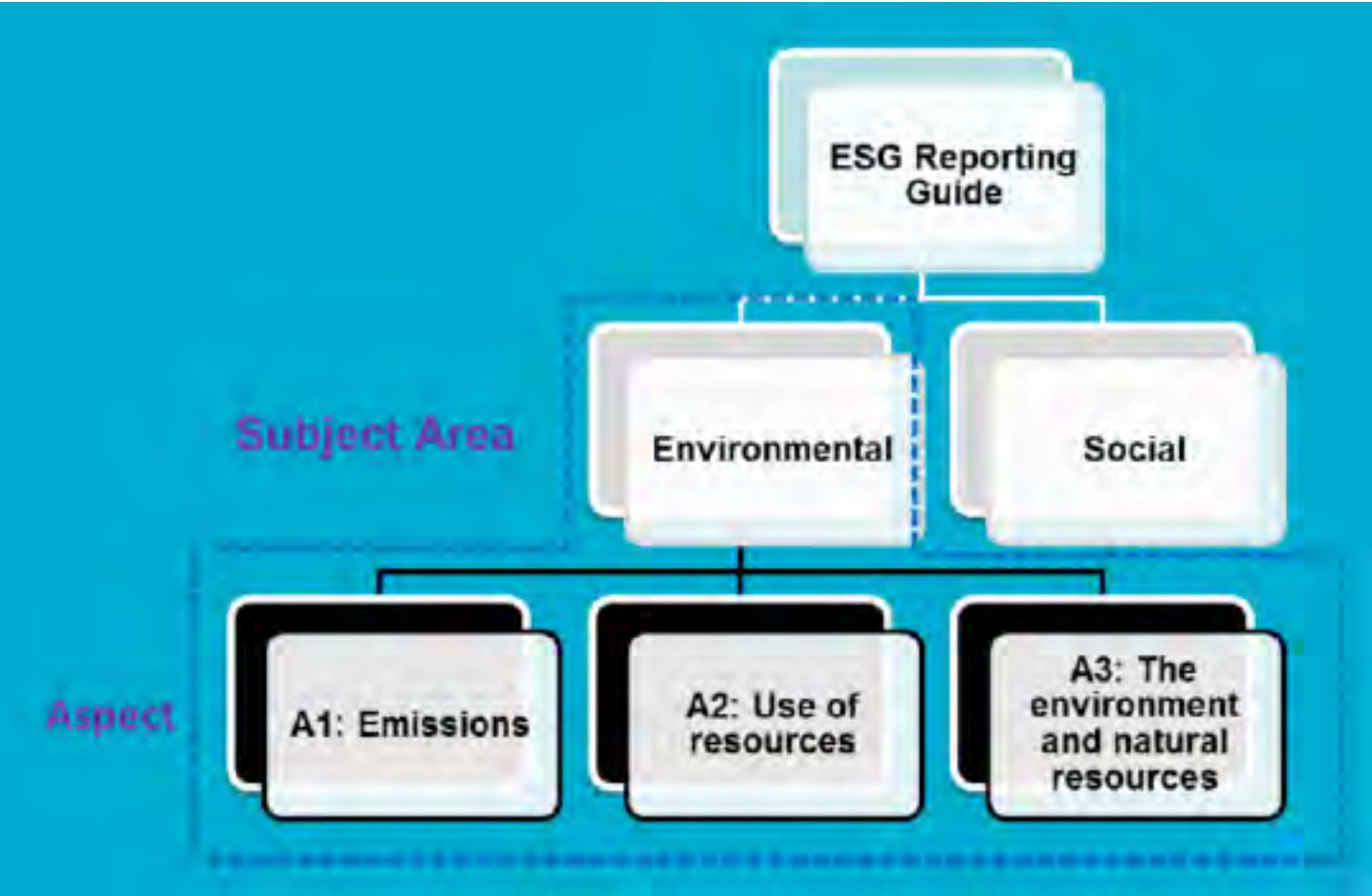
Goal 13: Climate Action, etc.

採取緊急措施以因應氣候變遷及其影響

HKEX ESG REPORTING 香港交易所環境、社會及管治報告



- ESG performance has become a proxy for a company's **resilience and risk management capabilities**.
- It also demonstrates and enhances the **long-term value** of a business.
- ESG 績效已成為衡量公司彈性和風險管理能力的指標。它還展示並提高了企業的長期價值。



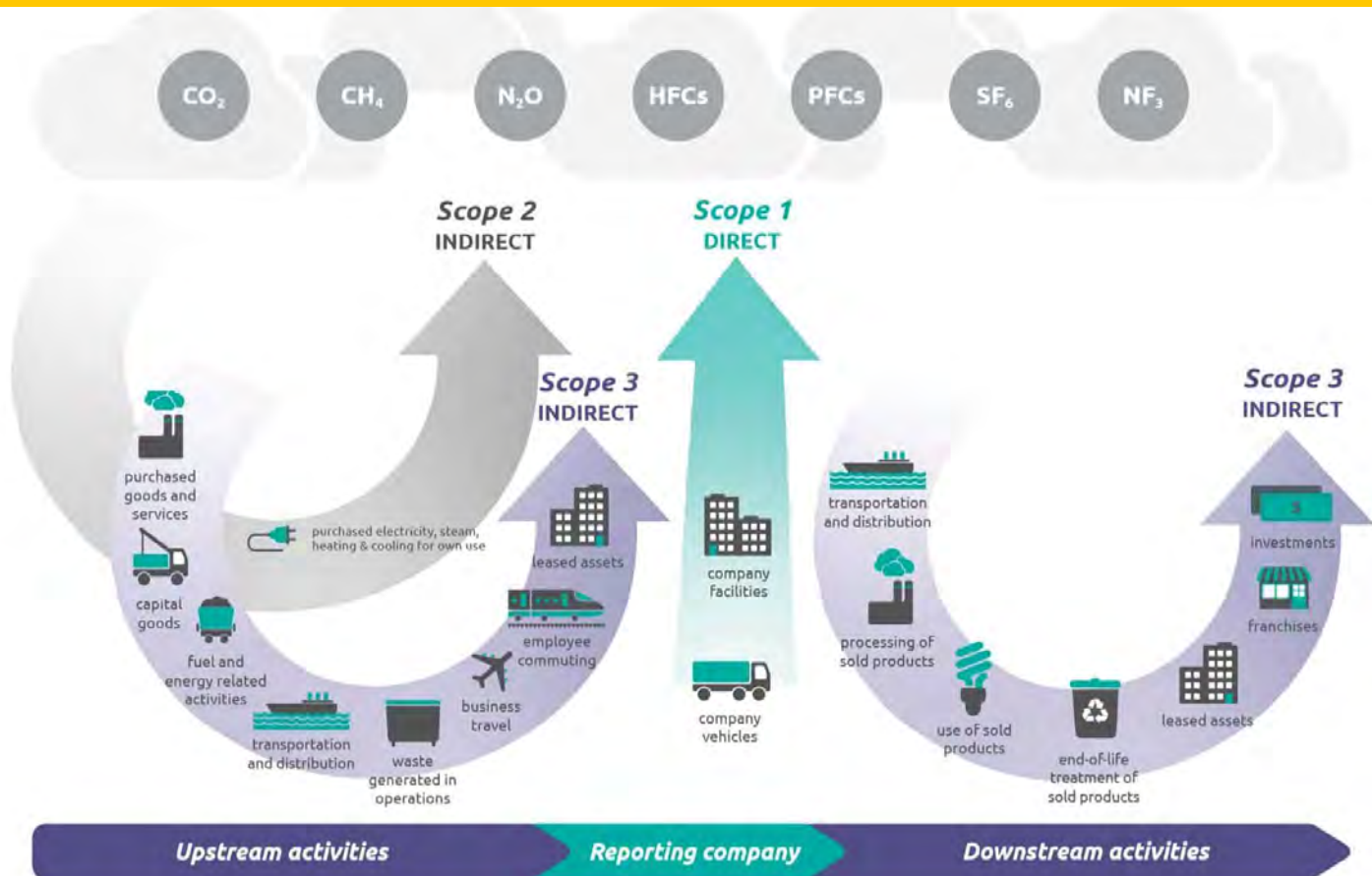
| | | |
|--|---|--|
| KPI A1.1 Air emissions: NOx, SOx and other pollutants | KPI A2.1 Direct and/or indirect energy consumption | KPI A3.1 Significant impacts on the environment / natural resources and actions |
| KPI A1.2 Greenhouse gas emissions: CO2, CH4, N2O, SF6, HFCs, PFCs | KPI A2.2 Water consumption in total and intensity | |
| KPI A1.3 Wastes: chemical, and clinical wastes, hazardous chemicals | KPI A2.3 Energy use efficiency initiatives and results | |
| KPI A1.4 Wastes: construction, commercial, domestic, grease / garden wastes | KPI A2.4 Water use efficiency initiatives and results | |
| KPI A1.5 Air or Greenhouse gas emissions (measures and results) | KPI A2.5 Total packaging material | |
| KPI A1.6 Waste (measures and results) | | |

GHG PROTOCOL (SCOPE 3 INDIRECT EMISSION)

溫室氣體協議書(範圍三非直接排放)



- GHG Protocol establishes comprehensive global standardized frameworks to **measure and manage greenhouse gas (GHG) emissions**. 建立了全面的全球標準化框架來衡量和管理溫室氣體 (GHG) 排放。
- The Corporate Value Chain (Scope 3) Accounting and Reporting Standard allows companies to **assess their entire value chain emissions impact** and identify where to focus reduction activities. 企業價值鏈 (範圍 3) 會計和報告標準允許公司評估其整個價值鏈排放影響並確定減排活動的重點。



When the global mandatory requested to report GHG emission in Scope 1 & 2, some stakeholders are looking forward for **Scope 3** in their consideration. 持份者已經考慮範圍三納入管治範圍中。

02

LATEST ESG REPORTING REQUIREMENTS

ESG報告最新要求



WHAT IS THE CSRD? 什麼是CSRD

The CSRD is European Union (EU) legislation, effective from 5 January 2023, that requires EU businesses—including qualifying EU subsidiaries of non-EU companies—to disclose their environmental and social impacts, and how their environmental, social and governance (ESG) actions affect their business.

CSRD 是歐盟 (EU) 立法，於 2023 年 1 月 5 日生效，要求歐盟企業（包括非歐盟公司的合格歐盟子公司）揭露其環境和社會影響，以及其環境、社會和治理 (ESG) 的情況行為會影響他們的業務。

CSRD
Corporate Sustainability
Reporting Directive



WHY WAS THE CSRD INTRODUCED? 為什麼要引進 CSRD ?



The CSRD aims to improve the disclosure process and provide investors and consumers a simpler, more consistent way to understand and compare an organization's ESG impact, and to make better-informed decisions based on sustainability data.

CSRD 旨在改善揭露流程，為投資者和消費者提供更簡單、更一致的方式來理解和比較組織的 ESG 影響，並根據可持續發展數據做出更明智的決策。

Longer term, the overarching goals of the CSRD are to reduce climate risk and improve overall EU sustainability. Combined with Europe's 2050 climate-neutrality target and European Green Deal initiatives, improved climate disclosures will support a globally competitive and resilient industry, renovated energy-efficient buildings, cleaner energy and advanced clean technological innovation.

從長遠來看，CSRD 的總體目標是降低氣候風險並提高歐盟的整體可持續性。結合歐洲 2050 年氣候中和目標和歐洲綠色協議倡議，改進的氣候資訊揭露將支持具有全球競爭力和彈性的產業、翻新的節能建築、清潔能源和先進的清潔技術創新。

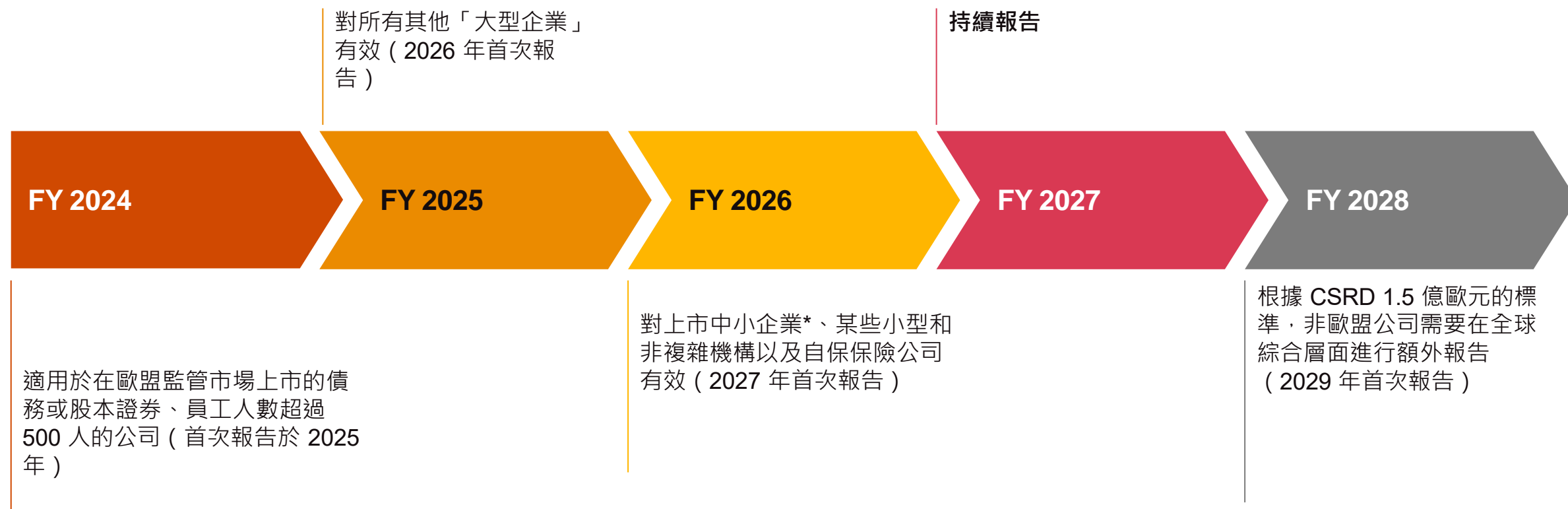
CSRD
Corporate Sustainability
Reporting Directive



公司何時必須遵守 CSRD ？



假設日曆財政年度結束

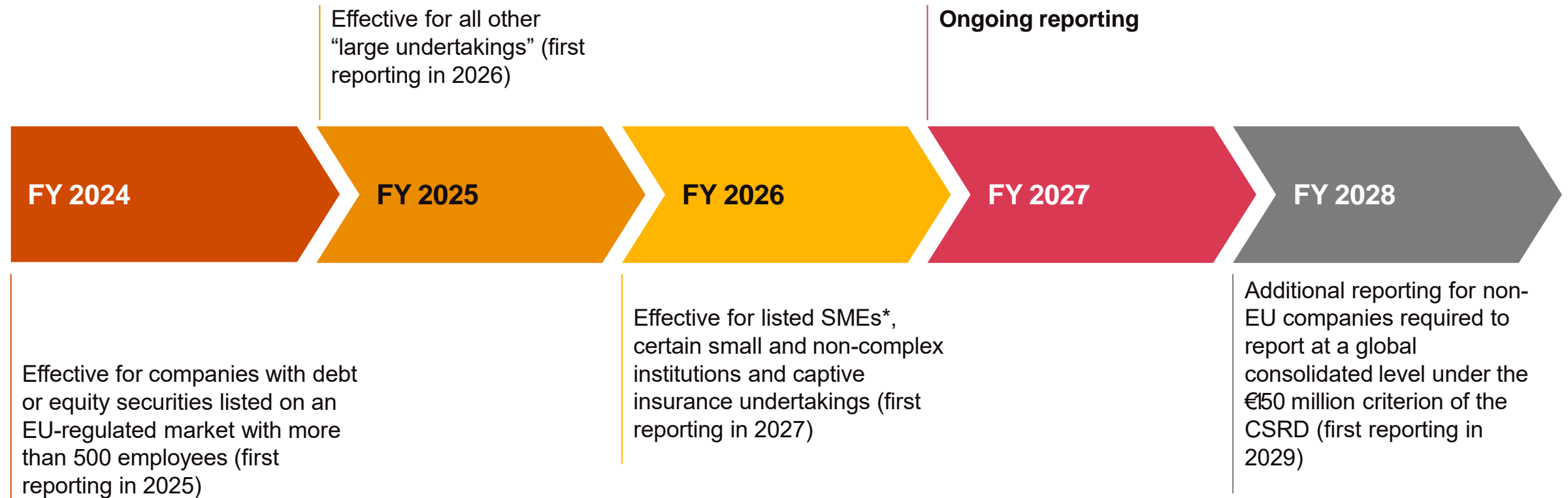


* 首次申請可選擇延後兩年

WHEN MUST COMPANIES COMPLY WITH THE CSRD?



Assuming calendar fiscal year-end



* Optional deferral of first-time application by two years

PENALTIES FOR NONCOMPLIANCE 違規處罰



The CSRD requires EU member states to have an investigative and compliance entity in place to impose effective, proportionate and dissuasive penalties. These penalties are based on several factors, including the gravity and duration of the breach and the financial standing of the company. Individual member states determine CSRD non-compliance penalties based on relevant state laws. Every company should stay up to date on any changes in legislation and obtain legal advice to ensure compliance and to avoid investigations and potential penalties.

CSRD 要求歐盟成員國設立調查和合規實體，以實施有效、相稱和勸阻性的處罰。這些處罰基於多種因素，包括違規的嚴重性和持續時間以及公司的財務狀況。各個成員國根據相關州法律決定 CSRD 違規處罰。每家公司都應及時了解立法的任何變化並獲取法律建議，以確保合規並避免調查和潛在的處罰。

CSRD
Corporate Sustainability
Reporting Directive





WHAT IS LKSG? 什麼是LKSG

- The LkSG, or German Supply Chain Due Diligence Act, aims to ensure better human rights across an organization's supply chain. It also covers environmental risks that pose a threat to human health and safety. German companies sell products manufactured in other parts of the world where human rights and environmental laws may be violated. This new regulation makes them responsible for ensuring that human rights are respected, and environmental standards and laws adhered to at every stage of their supply chains.
- LkSG (即德國供應鏈盡職調查法案) 旨在確保整個組織的供應鏈享有更好的人權。它還涵蓋對人類健康和安全構成威脅的環境風險。德國公司銷售的產品是在世界其他地區製造的，而這些地區的人權和環境法可能會受到侵犯。這項新法規要求他們有責任確保人權得到尊重，並在供應鏈的每個階段遵守環境標準和法律。

WHAT IS THE SCOPE OF THE GERMAN SUPPLY CHAIN ACT (LKSG)

德國供應鏈法案 (LKSG) 的範圍是什麼



- **From 2023:** Companies based in Germany with more than 3,000 employees, or German-registered branches of foreign companies with more than 3,000 employees.
- **2023 年起：**總部位於德國、員工人數超過 3,000 人的公司，或外國公司在德國註冊的分公司、員工人數超過 3,000 人的公司。
- **From 2024:** Companies based in Germany with more than 1,000 employees, or German-registered branches of foreign companies with more than 1,000 employees.
- **2024 年起：**總部位於德國、員工人數超過 1,000 人的公司，或外國公司在德國註冊的分公司、員工人數超過 1,000 人的公司。

WHAT ARE THE DUE DILIGENCE OBLIGATIONS OF THE GERMAN SUPPLY CHAIN ACT? 德國供應鏈法的盡職調查義務有哪些？



The highlight of the new German Supply Chain Act is the obligation for companies to conduct **human rights** and **environmental due diligence**. The due diligence requirements include nine high-level steps:

德國新供應鏈法案的亮點是企業有義務進行**人權**和**環境盡職調查**。盡職調查要求包括九個高階步驟：

- Establish a risk management system 建立風險管理體系
- Define in-house responsibility for compliance 定義內部合規責任
- Perform regular risk analyses 定期進行風險分析
- Issue a policy statement 發表政策聲明
- Establish preventive measures in your own business area and for direct suppliers 在您自己的業務領域和直接供應商中製定預防措施
- Take remedial action 採取補救措施
- Establish a complaints procedure 建立投訴程序
- Implement due diligence obligations with regard to risks at indirect suppliers 對間接供應商的風險履行盡職調查義務
- Document and report on due diligence activities 盡職調查活動的文件和報告

PENALTIES FOR NON-COMPLIANCE 違規處罰



The implementation of the due diligence obligations laid down in the German Supply Chain Act is monitored by the German Federal Office for Economic Affairs and Export Control (Bundesamt für Wirtschafts- und Ausfuhrkontrolle or BAFA). If a company fails to comply with the due diligence obligations pursuant to the German Supply Chain Act, the Act provides the following sanctions:

德國供應鏈法中規定的盡職調查義務的履行情況由德國聯邦經濟事務和出口管制辦公室 (Bundesamt für Wirtschafts- und Ausfuhrkontrolle 或 BAFA) 監督。如果公司未能遵守《德國供應鏈法》規定的盡職調查義務，該法規定了以下制裁措施：

- **Fines罰款:**

Periodic penalty payments of up to EUR 50,000 in administrative enforcement proceedings and/or fines. The fines can amount to up to EUR 8 million. 在行政執法程序中定期支付最高 50,000 歐元的罰款和/或罰款。罰款最高可達 800 萬歐元。

- **Exclusion from public tenders排除在公開招標之外:**

Upon violation, companies can be excluded from winning public contracts in Germany for up to three years. 一旦違反，公司最多三年內將無法贏得德國的公共合約。

- **Civil liability民事責任:**







While liability may not have been extended in substantive legal terms, it has been in procedural terms. The German Supply Chain Act now extends the rights of domestic trade unions and non-governmental organisations (NGOs) regarding the assertion of third party rights violations in front of German courts. 雖然責任在實體法律條款上可能沒有擴大，但在程序條款上已經擴大了。德國供應鏈法現在擴大了國內工會和非政府組織 (NGO) 在德國法院主張第三方權利侵犯的權利。

香港交易所新規



港交所ESG指引諮詢過程



| | | |
|---|---|--|
|  ISSB基準 <ul style="list-style-type: none">ISSB 於2023年7月發布《國際財務報告準則 S1》和《國際財務報告準則 S2》，標誌著環境、社會和永續發展報告的新時代自 2024 年起，隨著 ISSB 標準開始在世界各地實施，國際財務報告準則基金 (IFRS)將從 TCFD 接手與氣候風險揭露相關的管治職責 |  TCFD四大核心支柱：策略 <ul style="list-style-type: none">要求更詳細地揭露與氣候相關風險的策略，即：管理已確定的風險和機會的過渡計劃透過情境分析來衡量發行人的氣候適應能力發行人目前和預期的財務影響，包括財務狀況、財務表現和現金流 |  TCFD四大核心支柱：風險管理 <ul style="list-style-type: none">要求更詳細地披露與氣候相關風險管理的政策，即：與氣候相關風險的鑒別和評估流程與氣候相關風險的管理流程集團整體的風險管理制度制定及執行 |
|  ISSB氣候相關揭露準則 <ul style="list-style-type: none">港交所建議所有發行人在其ESG報告中披露與氣候相關的資料並引入與國際可持續發展標準委員會（ISSB）氣候標準一致的新氣候相關披露準則港交所建議在 2024 年 1 月 1 日生效日期後的首兩個報告年度，就披露訂立臨時條文 |  TCFD四大核心支柱：管治 <ul style="list-style-type: none">要求更詳細地披露與氣候有關的風險和機遇的治理結構和管理方法，即：由誰來負責監督如何以及多久一次向其委員會通報與氣候有關的風險和機遇 |  TCFD四大核心支柱：指標和目標 <ul style="list-style-type: none">要求更詳細地披露與氣候相關風險的指標和目標，即：集團在管理氣候相關風險與機會所使用的目標，以及落實該目標後的表現集團依循策略和風險管理流程進行評估氣候相關風險與機會所使用的指標 |

NEW RULES OF THE HONG KONG STOCK EXCHANGE



| ISSB Standards | TCFD's four core pillars: Strategy | TCFD's four core pillars: Risk Management |
|---|--|--|
| <ul style="list-style-type: none"> The ISSB launched IFRS S1 and IFRS S2 in July 2023, marking a new era in ESG reporting From 2024, the International Financial Reporting Standards Fund (IFRS) will take over governance responsibilities related to climate risk disclosure from the TCFD as ISSB standards begin to be implemented around the world | <ul style="list-style-type: none"> Strategies that require more detailed disclosure of climate-related risks, namely: Manage a transition plan for identified risks and opportunities Scenario analysis to measure the climate resilience of issuers The issuer's current and anticipated financial impact, including financial position, financial performance and cash flows | <ul style="list-style-type: none"> Policies that require more detailed disclosure of climate-related risk management, namely: Processes for identifying and assessing climate-related risks Processes for managing climate-related risks Formulation and implementation of the Group's overall risk management system |
| ISSB Climate-related Disclosure Guidelines | The four core pillars of the TCFD: Governance | The TCFD has four core pillars: Metrics and Targets |
| <ul style="list-style-type: none"> The Exchange recommends that all issuers disclose climate-related information in their ESG reports and the introduction of new climate-related disclosure guidelines aligned with the International Sustainability Standards Board (ISSB) climate standards The Exchange proposes to introduce interim provisions on disclosure in the first two reporting years after the effective date of 1 January 2024 | <ul style="list-style-type: none"> Governance structures and management approaches that require more detailed disclosure of climate-related risks and opportunities, i.e.: Who is responsible for overseeing How and how often its committees are informed of climate-related risks and opportunities | <ul style="list-style-type: none"> Require more detailed disclosure of indicators and targets for climate-related risks, namely: The targets used by the Group to manage climate-related risks and opportunities, and how it has performed since they were implemented The indicators used by the Group to assess climate-related risks and opportunities in accordance with its strategy and risk management processes |

氣候相關事宜的披露

氣候披露的核心要素：

- 港交所已將 Task Force on Climate-related Financial Disclosures (TCFD) 的多個主要建議納入了ESG彙報規定
- 在2023年4月，港交所刊發《優化環境、社會及管治框架下的氣候資訊披露》（諮詢檔），協助發行人按照TCFD的建議作出彙報
- 加強了與氣候有關的披露，確保ESG框架反映國際發展，滿足投資者的資訊需求，和顯示出對推動ESG和可持續性議程的承諾
- 綠色和可持續金融跨機構督導小組宣佈，符合TCFD建議的氣候相關信息披露將於不遲於2025年強制實施

披露與行業和商業模式相關的氣候相關議題，包括但不限於以下內容：

管治 – 公司圍繞氣候相關風險和機遇的管治

策略 – 氣候相關風險和機遇對公司的實際和潛在影響

風險管理 – 公司如何識別、評估和管理氣候相關風險

指標和目標 – 用於評估和管理相關氣候相關風險和機遇的指標和目標，其中有重大影響的資訊



DISCLOSURE OF CLIMATE-RELATED MATTERS



Core elements of climate disclosure:

- The Exchange has incorporated several key recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) into its ESG reporting requirements
- In April 2023, the Exchange published the Consultation Paper on Enhancing Climate Disclosures under the Environmental, Social and Governance Framework to assist issuers in reporting in accordance with the TCFD recommendations
- Enhanced climate-related disclosures to ensure that the ESG framework reflects international developments, meets the information needs of investors, and demonstrates a commitment to advancing the ESG and sustainability agenda
- The Green and Sustainable Finance Cross-Agency Steering Group has announced that climate-related disclosures in line with TCFD recommendations will be mandatory no later than 2025

Disclosure of climate-related issues related to industries and business models, including but not limited to the following:

Governance – The Company's governance around climate-related risks and opportunities

Strategy – The actual and potential impact of climate-related risks and opportunities on the company

Risk management – how companies identify, assess and manage climate-related risks

Metrics and targets – Indicators and targets used to assess and manage relevant climate-related risks and opportunities, with information that has a significant impact





參考 ISSB 發布的《國際永續發展資訊揭露指南》進行資訊揭露

WITH REFERENCE TO THE INTERNATIONAL SUSTAINABILITY DISCLOSURE GUIDELINES PUBLISHED BY THE ISSB DISCLOSURE OF INFORMATION

- 國際可持續發展準則理事會 (ISSB) 正式發佈了兩項首部報告準則 – 《國際財務報告準則》S1 和 S2，開創了全球資本市場披露可持續發展相關信息的新紀元
- The International Sustainability Standards Board (ISSB) has officially launched two first-of-its-kind reporting standards, IFRS S1 and S2, ushering in a new era of sustainability-related disclosures in global capital markets
- 繼《國際財務報告準則 S1》和《國際財務報告準則 S2》發佈之後，金融穩定委員會已要求國際財務報告準則基金會接管氣候相關財務披露工作組 (TCFD) 對公司氣候相關披露進展的監督工作。
- Following the release of IFRS S1 and IFRS S2, the Financial Stability Board has asked the IFRS Foundation to take over the oversight of the Task Force on Climate-related Financial Disclosures (TCFD) on companies' progress in climate-related disclosures.
- 《國際財務報告準則》S1 準則用於澄清可持續發展資訊披露的概念基礎和一般要求;而《國際財務報告準則》S2 則旨在與《國際財務報告準則》S1 配合使用，它適用於公司面臨的與氣候有關的實際風險或過渡風險，以及與氣候有關的機遇。
- IFRS S1用於闡明可持續性披露的概念基礎和一般要求，而IFRS S2旨在與IFRS S1結合使用，以適用於公司面臨的實際氣候相關或轉型風險，以及與氣候相關的機會。
- 從 2024 年起，ISSB 標準將開始在世界各地實施
- From 2024, ISSB standards will begin to be implemented around the world



ISSB 基準分析



ISSB 標準

| 標杆 | 框架協調 | 重要性評估 | 匯報範圍 | 衡量標準與指標 |
|----------------|---|---|---|---|
| ISSB 標準 | <ul style="list-style-type: none">在 TCFD 建議的基礎上更進一步IFRS S2 以 SASB 的行業特定要求為基礎 | <ul style="list-style-type: none">披露標準採用與《國際財務報告準則》相同的重要性定義，以確保投資者瞭解可持續發展的風險和機遇 | <ul style="list-style-type: none">披露與可持續發展相關的風險和機遇的重要資訊和財務資訊披露可能導致公司搬遷、停用或升級資產的氣候相關風險披露與氣候相關的情景分析，及講述如何與最新的國際氣候變化協定保持一致 | <ul style="list-style-type: none">規定了風險過渡規劃、氣候適應能力分析以及範圍 1、2 和 3 排放的披露內容集團與集團非合併的投資方的範圍1和2的排放量需要分開並作個別彙報基於IPCC最新評估的全球升溫潛能值（GWP） |

ISSB BENCHMARKING



ISSB standards

| Benchmark | Framework coordination | Materiality assessment | Scope of reporting | Metrics & Targets |
|----------------------|--|---|---|--|
| ISSB standard | <ul style="list-style-type: none"> Building on the TCFD recommendations IFRS S2 is based on the industry-specific requirements of SASB | <ul style="list-style-type: none"> The disclosure standard uses the same definition of materiality as IFRS to ensure that investors understand the risks and opportunities of sustainability | <ul style="list-style-type: none"> Disclose material and financial information about risks and opportunities related to sustainability Disclose climate-related risks that could cause the company to relocate, retire, or upgrade its assets Disclose climate-related scenario analysis and how it aligns with the latest international climate change agreements | <ul style="list-style-type: none"> Sets out risk transition planning, climate resilience analysis, and disclosures for Scope 1, 2, and 3 emissions The Group's Scope 1 and 2 emissions from the Group's non-consolidated investors need to be reported separately Based on the latest IPCC assessment of global warming potential (GWP) |



全球報告倡議組織標準 (GRI 標準) GLOBAL REPORTING INITIATIVE STANDARDS (GRI STANDARDS).

- GRI 標準是一套關聯性很強的報告標準，幫助組織公開披露其經濟、環境和社會影響，以及於可持續發展方面的貢獻。The GRI Standards are a set of highly relevant reporting standards that help organizations publicly disclose their economic, environmental and social impacts, as well as their contributions to sustainable development.
- GRI 可持續性報告標準和框架代表了在彙報可持續發展資訊領域的全球最佳實踐，可說明公司以透明化和高可比性的方式對企業相關信息進行識別、收集和報告，從而可以更有效地幫助企業進行內部管控和外部比對。The GRI Sustainability Reporting Standards and Framework represent global best practices in reporting sustainability information and can help companies identify, collect and report business-related information in a transparent and highly comparable manner so that they can be more effective. Help enterprises to conduct internal control and external comparison.



CARBON DISCLOSURE PROJECT(CDP)

碳披露項目



- CDP is an international non-profit organization designed to help companies become more environmentally conscientious.
- CDP 是一家國際非營利組織，旨在幫助企業變得更加重視環保。

Who they work with?

他們與誰合作？

Investors: climate changes, water scarcity, flooding, pollution and deforestation present material risks and opportunities to investors.

投資者: 氣候變遷、水資源短缺、洪水、污染和森林砍伐給投資者帶來了重大風險和機會。

Companies: for over a decade CDP has working with companies to catalyze actions towards a more sustainable world.

公司：十多年來，CDP 一直與公司合作，推動採取行動，實現更永續的世界。





WHY SHOULD COMPANIES REPORT TO CDP

為什麼公司應該向 CDP 報告

- Companies that disclose to CDP are able to demonstrate:
- 向CDP披露資訊的公司能夠證明：
 - Increased Awareness
 - 提高意識
 - Business Leadership
 - 商業領導力
 - How they are creating opportunities
 - 他們如何創造機會
 - How they are future-proofing their business
 - 他們如何確保自己的業務面向未來



03

**QUANTIFICATION, ANALYSIS,
COMPARISON AND
GOVERNANCE TO ESG KPIs**

量化、分析、比較和治理
— 4 部曲





EXISTING PROJECT APPROACH

- Which reporting requirement should be follows? 應跟隨哪個報告方式要求 ?
e.g. SBTi, UNSDGs, HKEX, GRI
- Data available on existing status? Methodology? 現有數據由來及方法 ?
e.g. Carbon footprint data, Energy consumption data...etc
- Implemental and improvement Plan?? 實施和改進計劃 ? ?

Phase 1 - GAP Analysis 差距分析

1. Analysis the gap to achieve the requirement
2. Data collection from company and factories by requesting to complete the Questionnaire with template file
3. Desktop-review on data quality of information from factories
4. Site visit on factories situation

Phase 2 – ESG Continuous Monitoring ESG 持續監控

1. Select the factories with potential issues found in desktop review and carry out on-site audit and verification
2. Validated and quantified data is uploaded to monitoring dashboard 驗證和量化的數據
3. Analysis the data and energy saving opportunities 分析數據和節能
4. Continuous update of monitoring dashboard and yearly comparison on emission data 排放數據比較
5. Provide governance control and setup the emission target 治理控制和設定排放目標

Phase 3 – ESG Disclose and Reporting ESG 披露和報告

WORKFLOW OF ESG (ENVIRONMENTAL) MONITORING SOLUTION



Boundary define +
Gap analysis
定義邊界+
差距分析

Training 培訓

Data collection
數據採集
(Quantification
量化)

Desktop review
桌面審查
(Analysis
分析)

Assessment
評估

Platform
monitoring
平台監控
(Comparison
比較)

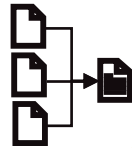
Target
Setting
目標設定
(Governance
治理)



- Identify policy and roles of responsibility
- Define reporting boundaries
- Gap analysis to find out the scopes of ESG reporting
- System Setup & documentation



- Provide guidelines to staff and factories
- Train the factories to understand the reporting requirements



- Issue Questionnaire to factories and responsible parties
- Receive the responses of energy consumption
- Convert to carbon emission



- Check for abnormalities in Questionnaire data which needs further verification



- Validation of carbon data with on-site/remote audit
- Adjust and follow up any incorrect data



- Upload data to dashboard for visualization
- On-going monitoring of factories and scopes
- Compare the reduction performances



- Design reduction target according to Science Base Target initiatives (SBTi)
- Setup and control the KPIs according to target

PLAN #1 - DEFINE THE BOUNDARY + GAP ANALYSIS 定義邊界+差距分析



1. Parent and branch office areas
2. Factory or Industrial areas
3. Supply Chain
4. Other own by your company
5. Achievement (e.g. SBTi, UNSDGs, GHG supply chain, GRI, Higg Index, Customer program, etc)

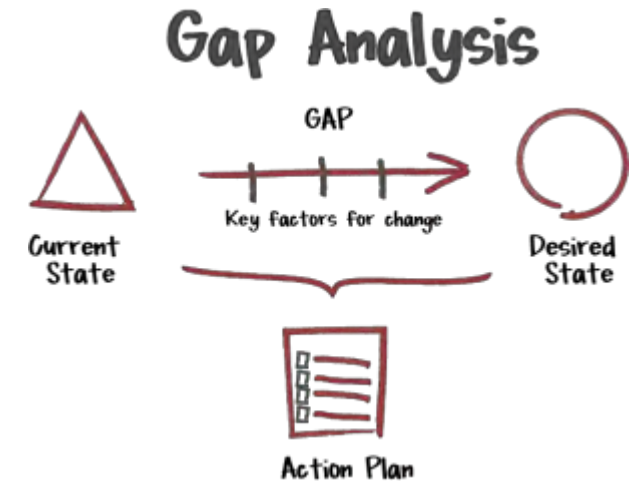
找出邊界下有多少溫室氣體排放源?

Remark: How many GHG emission sources under your boundary



Conducts the gap analysis for review existing status and related requirement (from Buyer, Brands) in environmental and social sections including : 進行差距分析，以審查環境和社會部分的現有狀態和相關要求（來自買方、品牌）


1. System boundary;
2. Business culture;
3. Environmental impacts and concerns on each party;
4. Conducted activities related to environmental and social
5. Document and information collection
6. Data review on scope by scope (e.g. Energy, Water, Air, Waste)
7. Provide action plan for achievement...etc.



PLAN #1 - GAP ANALYSIS REPORT 差距分析報告



| Questions in Gojo | Current State | Desired in requirement | Gaps | Remedies |
|--|--|---|---|--|
| Q4. Does your Company have an Sustainability Policy or Statement? | 1) Environmental policy or statement in exist according to ISO 14001 2) View as internal document | 1) Upgrade to sustainability policy and enlarge the scope not only covering the environmental, but also covering other indexes concerning in stakeholder. 2) Disclose the sustainability statement in webpage or external social media | Lack of review in sustainability indexes and find out appropriate area in factory operation | 1) List out the potential indexes under factory operation 2) Review on materiality of relevant sustainability indexes by top management 3) Establish the sustainability policy on desired indexes on 4) Disclose the sustainability statement on webpage or social media. |
| Q5. Did your company publish a Corporate Sustainability Report last year?? | Not yet publish on webpage | Establish the sustainability report according to international standard requirement | Lack of review in CSR or sustainability report standard, e.g. HKEx ESG, GRI Guidelines | 1) Follow the remediation in Q4 2) Consolidate the information and key performance result on each index 3) Establish the sustainability report according to the structure of the standard |

| | Example in appendix A |
|---|--------------------------|
| <p>SDG selected goals and available for Affordable and Clean Energy, (8) Industry, Innovation and Infrastructure, (12) Climate Action, (15) Life On Land, (17)</p>  | Example 1 |
| | Example 3 |
| or local available standards and | Example 2 |

PLAN #2 - AWARENESS TRAINING AND ANNOUNCEMENT 意識培訓和公告



Does your company have an Sustainability Policy or Statement?

Is your company's Sustainability Policy or Statement according to ISO 14001 and not available on the internet?

Does your company have a Sustainability Policy or Statement?

Does your company have a Sustainability Policy or Statement?

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Does your company have a Sustainability Policy or Statement?

Does your company have a Sustainability Policy or Statement?

Has your company established goals for environmental or social improvement?

Has your company established metrics for environmental or social improvement?

What is your company's Goals and Metrics?

What is your company's Goals and Metrics?

What is your company's Goals and Metrics?

What is your company's Goals and Metrics?

What is your company's Goals and Metrics?

What is your company's Goals and Metrics?

Currently: In highlighted

example content

- Employee engagement (e.g. training plan, training material, environmental protection, training record, or other communication tools)
- Corporate social responsibility/ Philanthropy (e.g. newsletter, philanthropy event, public activity)
- Energy management (e.g. conducted energy audit, energy reduction target, energy management procedure)
- Greenhouse gas emission (e.g. conduct carbon audit, carbon reduction target) [GHG Management System](#), [ISO 14001](#), [ISO 14064](#)
- Packaging (e.g. package material/transport tools recycle use, so as to reduce package material)
- Safety (e.g. Safety training plan and record, safety fact information, statistics record for accident, safety instruction, 45001/OHSAS 18001 certification)



Does your company have a Corporate Code of Conduct that covers ethical business conduct, environmental and human rights issues? [Please provide a link to your Code of Conduct.](#)

What is your company's Corporate Code of Conduct?

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What is your company's Corporate Code of Conduct?

What is your company's Corporate Code of Conduct that covers ethical business conduct, environmental and human rights issues? [Please provide a link to your Code of Conduct.](#)

example content

- Ethical business conduct (e.g. Transparency, Integrity, Trustworthiness, Loyalty, Fairness, Compassion, Respect, Lawfulness, Providing excellence, Responsibility, Reputation upholding, Accountabilities, etc)
- Environmental, you have provided for ISO 14001 manual and document, may I know any 3rd party verification and awarded certificate?
- Human Right (e.g. Conflicts of interest, Honesty and fairness, Anti-bribery, etc)



- ESG Requirement
- Policy document announcement
- Reduction target
- Responsible persons
- Carbon footprint methodology and calculation
- Energy/environmental concerns and saving practices
- Internal and external Communication
- Others

PLAN #3 - BESPOKEN OF DATA COLLECTION 數據收集之標準定制



Online input template was saved in secure online cloud storage which is given to specific authorized users for data collection

通過網上網下或雲端等收集方式, 收集數據

| Year | Reporting frequency | Period From | Period End | Entity Name | Description | Business Dept | Activity Type | Fuel Source | Unit of Fuel | Fuel Amount |
|------|---------------------|-------------|------------|-------------|-----------------------|---------------|-----------------------|---------------------------------|--------------|-------------|
| 2019 | Year | 1/1/2019 | 12/31/2019 | Factory A | Stationary Combustion | Manufacturing | Dormitory and Canteen | Natural Gas | kWh | 500 |
| 2019 | Year | 1/1/2019 | 12/31/2019 | Factory A | Mobile Combustion | Manufacturing | Production Facilities | Liquefied Petroleum Gases (LPG) | kWh | 600 |
| 2019 | Year | 1/1/2019 | 12/31/2019 | Factory A | Fugitive | Manufacturing | Steam System | Natural Gas | kWh | 200 |
| 2019 | Year | 1/1/2019 | 12/31/2019 | Factory A | Purchased Electricity | Manufacturing | Other facilities | Liquefied Petroleum Gases (LPG) | kWh | 400 |

| Sheet | Area |
|--------------------------|--|
| S1-Stationary Combustion | Scope 1 GHG emissions from stationary sources & facilities (eg: fuel consumption in canteen) |
| S1-Mobile Combustion | Scope 1 GHG emissions from motor vehicles or other transportations |
| S1-Fugitive | Scope 1 GHG emissions from Fugitive agent used |
| S2-Purchased Electricity | Scope 2 GHG emissions from electric consumption |
| Carbon Offset | Renewable energy adopted and carbon credit purchased |
| S3-Transportation | Scope 3 GHG emissions from transportation(eg: employee/business travel) |
| Air pollution | Air pollutants emission |
| Waste | Waste generation in solid |

User can open the online input spreadsheets and easily enters the ESG data by corresponding sheets

| Year | Reporting frequency | Period From | Period End | Entity Name | Description | Business Dept | Activity Type | Fuel Source | Unit of Fuel | Fuel Amount |
|------|---------------------|-------------|------------|-------------|-----------------------|---------------|-----------------------|---------------------------------|--------------|-------------|
| 2019 | Year | 1/1/2019 | 12/31/2019 | Factory A | Stationary Combustion | Manufacturing | Dormitory and Canteen | Natural Gas | kWh | 500 |
| 2019 | Year | 1/1/2019 | 12/31/2019 | Factory A | Mobile Combustion | Manufacturing | Production Facilities | Liquefied Petroleum Gases (LPG) | kWh | 600 |
| 2019 | Year | 1/1/2019 | 12/31/2019 | Factory A | Fugitive | Manufacturing | Steam System | Natural Gas | kWh | 200 |
| 2019 | Year | 1/1/2019 | 12/31/2019 | Factory A | Purchased Electricity | Manufacturing | Other facilities | Liquefied Petroleum Gases (LPG) | kWh | 400 |

Through the system, the data can be quantified into useful information.

Changes in records can be traced in version history

| Version | Changes |
|-----------------|---|
| Current Version | 6 minutes ago |
| 6 minutes ago | Felix Lam Intertek modified |
| 12 minutes ago | Felix Lam Intertek modified and renamed |
| 12 minutes ago | Felix Lam Intertek modified |
| 14 minutes ago | Felix Lam Intertek modified and renamed |
| 14 minutes ago | Felix Lam Intertek |



PLAN #4 & 5 REVIEW AND ASSESSMENT 審查和評估

3rd Party can provides on-site audit and validation of carbon emission data from the suppliers, enhance the credibility of carbon reporting

第三方對供應商的碳排放數據進行現場審核和驗證，提高碳報告的可信度

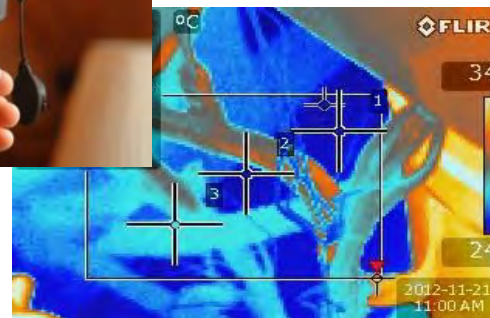
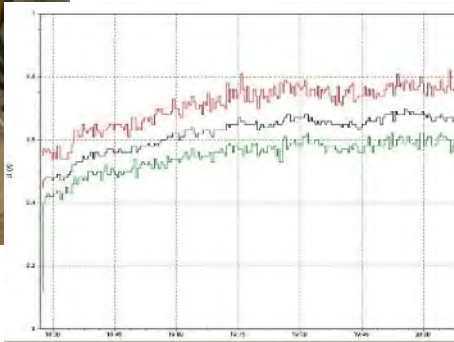
- Carbon audit and environmental compliance services 碳審計和環境合規服務
 - WWF LCMP/LOOP +
 - ISO 14001/50001
 - ISO 14040 & ISO 14044
 - ISO 14064
 - Higg Index
 - Global Recycled Standard (GRS), Recycled Claim Standard (RCS)
 - etc.
- Energy analysis on data and energy saving opportunities 分析數據和節能機會

PLAN #4 & 5 – ENERGY AUDIT ON ENERGY EFFICNECY, ENERGY ANALYSIS AND ENERGY REVIEW 能源效率分析和能源審計



In depth evaluation by Energy performance check and audit or by IOT sensors

- Define the scope and boundary of energy performance 定義能源績效的範圍和邊界
- Design the measurement methodology and testing conditions on your specific area 根據您的特定區域設計測量方法和測試條件
- On-site monitoring, Data collection and Test result analysis to find out the energy performances and their facts or indicators 現場監測、數據收集和測試結果分析，以了解能源性能及其事實或指標
- Provide advisory on energy saving opportunities and industry good practices 提供有關節能機會和行業良好實踐的諮詢



PLAN #4 & 5 ASSESSMENT OF FACTORIES 工廠評估



3rd Party can provides independent assurance of carbon emission data from the suppliers, ensure the reporting data in compliance with the principles of international standards, and enhance the credibility of carbon reporting to satisfy the expectations of customers, investors and other stakeholders.

Desktop review

桌面審查



- Checking data quality and reliability of data provided by Questionnaire of the factories
- Identify those factories with potential risk in submission data which needs further verification



On-site/remote assessment

現場/遠程評估



- Validation of carbon emissions with review of physical infrastructure, operational processes and documentation evidences
- Ensure inclusion of all emission sources in calculation



Assurance of reporting quality



Accuracy
準確性



Completeness
完整性

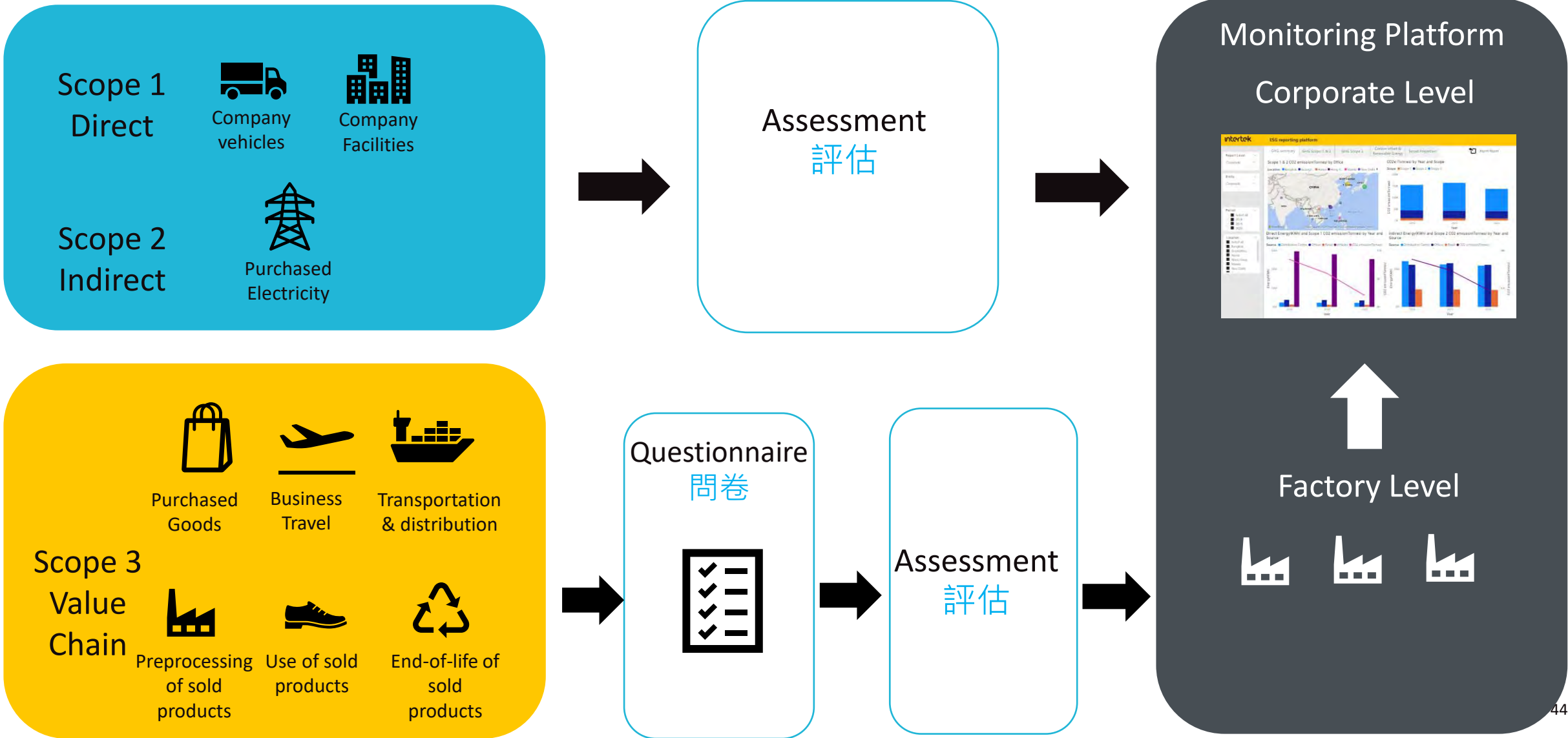


Consistency
一致性



Fairness
公平

PLAN #6 ESG MONITORING PLATFORM ESG監控平台



Remark: Scope 3 emissions also includes capital goods, waste, employee commute, upstream /downstream leased assets, fuel and energy related activities, franchises and investments

PLAN #6 SUMMARY RESULT & RECOMMENDATION IN ASSESSMENT REPORT

評估報告中的結果和建議



Fuel Consumption (MWh) and Scope 1 Emissions (Metric Tons CO₂e)

| | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 |
|--|---------|---------|---------|----------------------|----------------------|----------------------------|
| Air MI | | | | | | |
| Fuel Consumed (MWh) | 580 | 525 | 679 | 2,399 | 6,019 | 6,311 |
| Emissions (Metric Tons CO ₂ e) | 126 | 114 | 145 | 496 | 1,229 | 1,291 |
| Car Emissions | | | | | | |
| Fuel Consumed (MWh) | 1,616 | 2,130 | 2,653 | 2,496 | 2,210 | 1,730 |
| Emissions (Metric Tons CO ₂ e) | 406 | 535 | 666 | 627 | 555 | 435 |
| Corporate Jets | | | | | | |
| Fuel Consumed (MWh) | 12,411 | 16,972 | 13,105 | 14,586 | 12,223 | 11,257 |
| Emissions (Metric Tons CO ₂ e) | 3,576 | 4,392 | 3,391 | 3,773 | 3,162 | 2,894 |
| Distribution Centers | | | | | | |
| Fuel Consumed (MWh) | 40,970 | 34,026 | 39,872 | 52,377 | 51,863 | 47,609 |
| Emissions (Metric Tons CO ₂ e) | 8,084 | 6,698 | 7,861 | 10,048 | 10,408 | 9,756 |
| HQs | | | | | | |
| Fuel Consumed (MWh) | 22,292 | 28,379 | 33,859 | 30,955 | 30,060 | 31,530 |
| Emissions (Metric Tons CO ₂ e) | 4,448 | 5,678 | 6,815 | 6,401 | 6,054 | 6,388 |
| Other Offices and Building Construction | | | | | | |
| Fuel Consumed (MWh) | 27,456 | 29,347 | 31,471 | 23,513 | 37,315 | 41,498 |
| Emissions (Metric Tons CO ₂ e) | 5,561 | 5,945 | 6,353 | 4,574 | 7,558 | 8,406 |
| Retail | | | | | | |
| Fuel Consumed (MWh) | 66,269 | 68,935 | 73,593 | 79,098 | 87,614 | 89,898 |
| Emissions (Metric Tons CO ₂ e) | 13,423 | 13,963 | 14,907 | 16,022 | 17,747 | 18,210 |
| NIKE, Inc. | | | | | | |
| Fuel Consumed (MWh) | 171,594 | 180,314 | 195,232 | 205,424 | 227,304 | 229,833 |
| Emissions (Metric Tons CO ₂ e) | 35,624 | 37,325 | 40,138 | 41,941 ⁵³ | 46,714 ⁵³ | 47,398⁵³ |

Distribution Centers

Energy use in our distribution centers continues to be a challenge, as more extreme temperatures require increased use of air conditioning and heating. In FY20, we continued to improve energy efficiency at our distribution centers by retrofitting several buildings across our global network with LED lighting and implementing new roof-cooling systems.

Headquarters

In addition to making great progress toward our 100% renewable energy target, in FY20, we also pushed energy efficiency targets at our headquarters (HQs) globally. We reduced energy consumption per square foot by 4% in FY20 for a total 20% reduction compared to the FY15 baseline. This also represents a 65% reduction in carbon emissions per square foot compared to the FY15 baseline. Our FY20 improvement in energy performance was driven mostly by:

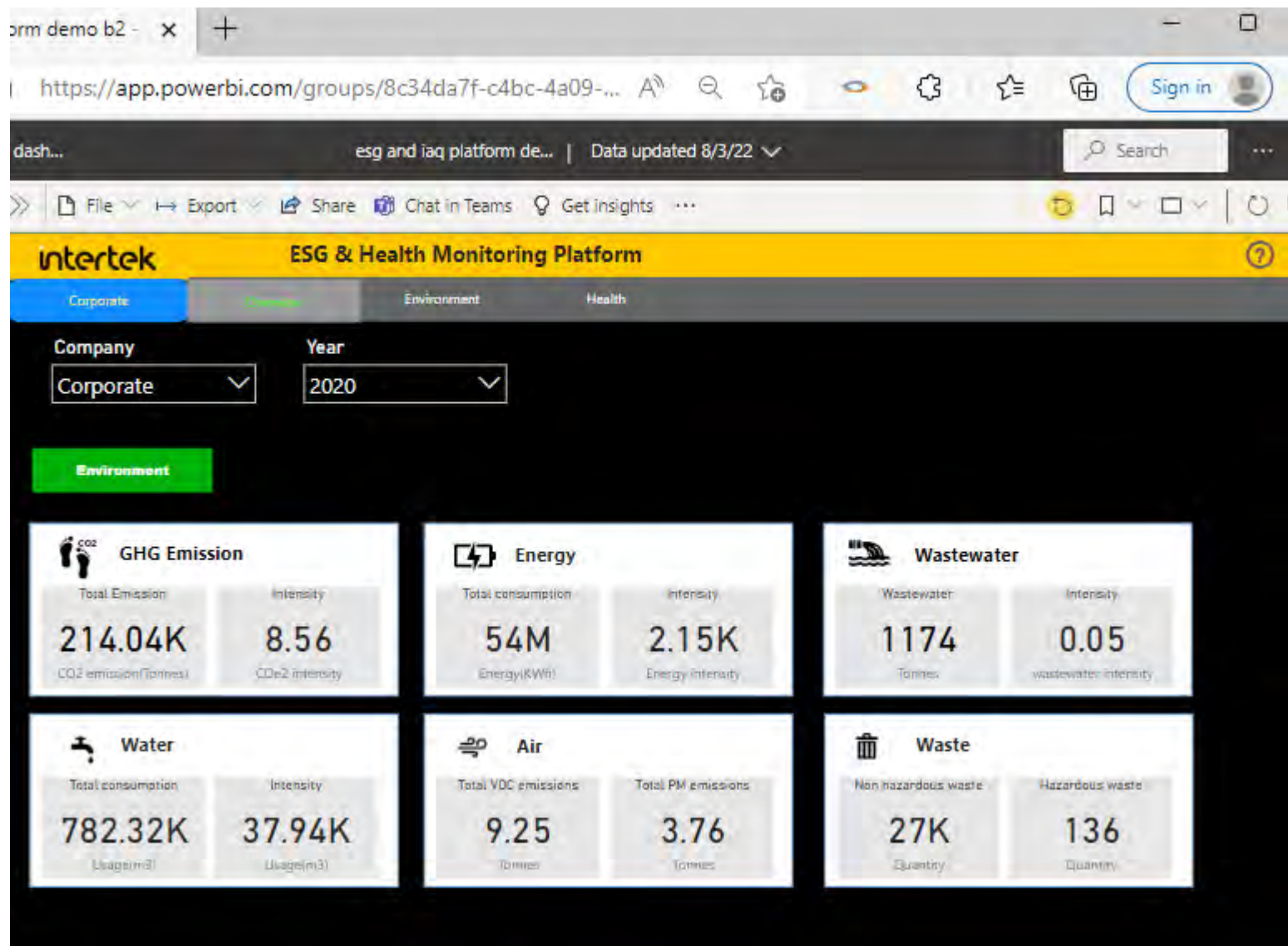
- Heating, Ventilation and Air Conditioning (HVAC) upgrades, control modernizations, and other energy-efficiency work across our global HQs. Our Converse HQ completed a large installation of occupancy sensors and lighting controls. And our New York HQ office completed a retrofit of their entire lighting system, putting all building lights on motion/timing sensors. This initiative was a winner in the NIKE-wide Employee Sustainability Challenge.
- Large construction projects at our European and WHQs, including the Jackie Joyner Kersee, Alberto Salazar and John McEnroe buildings. These locations leveraged our energy-efficient building design standards with high-efficiency HVAC systems, LED lighting, and maximum natural light.

Intertek expertise can support the client in delivering summary report of carbon emission:

- Summarize the current performances of carbon emissions in factory & corporate levels
- **Compare** the yearly performances
- Interpret the causes of changes in emission amounts
- Recommend effective measures for the client to achieve reduction target and future improvement to the factories

- 總結當前工廠和企業層面的碳排放表現
- 比較年度表現
- 為客戶解釋排放量變化的原因推薦有效的措施，以實現工廠的減排目標和未來的改進

PLAN #7 DIGITAL DASHBOARD – OVERVIEW 首頁介面



Convenient 方便

- Digital dashboard can be viewed by website link through browsers
可以通過瀏覽器以網站鏈連結查看

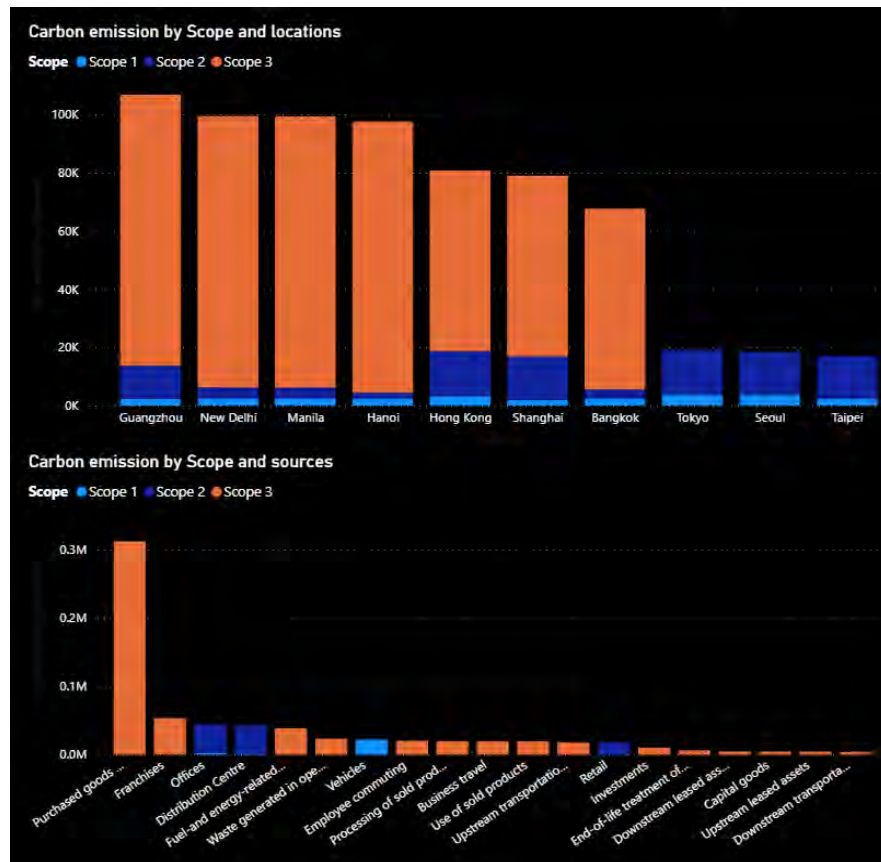
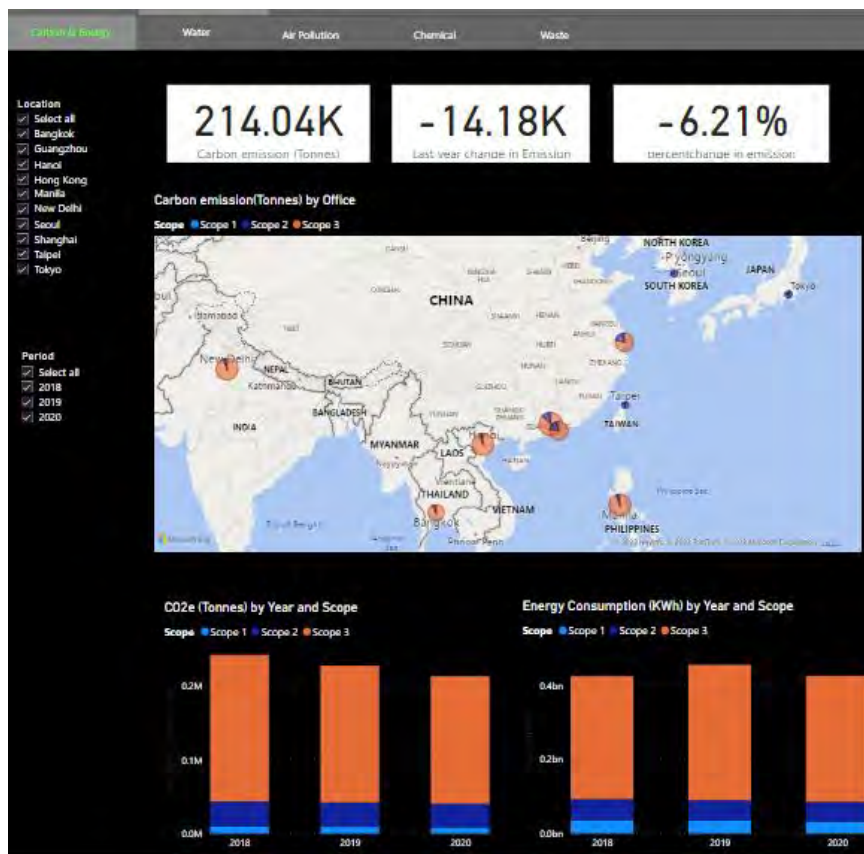
Secure 安全

- Dashboard link would be accessed only by authorized users by emails/Azure accounts
由授權用戶通過電子郵件訪問

Comprehensive 統一

- Summary of ESG total/intensity in key areas, like GHG emission, emissions and water in Overview page
- Users can also select specific page for details in particular Module interested in
- Eg: Carbon and Energy
用戶可以選擇訂制指定介面及資訊, 方便統一數據分析及監察, 如能源及碳排放

PLAN #7 DIGITAL DASHBOARD – GHG SUMMARY 溫室氣體摘要



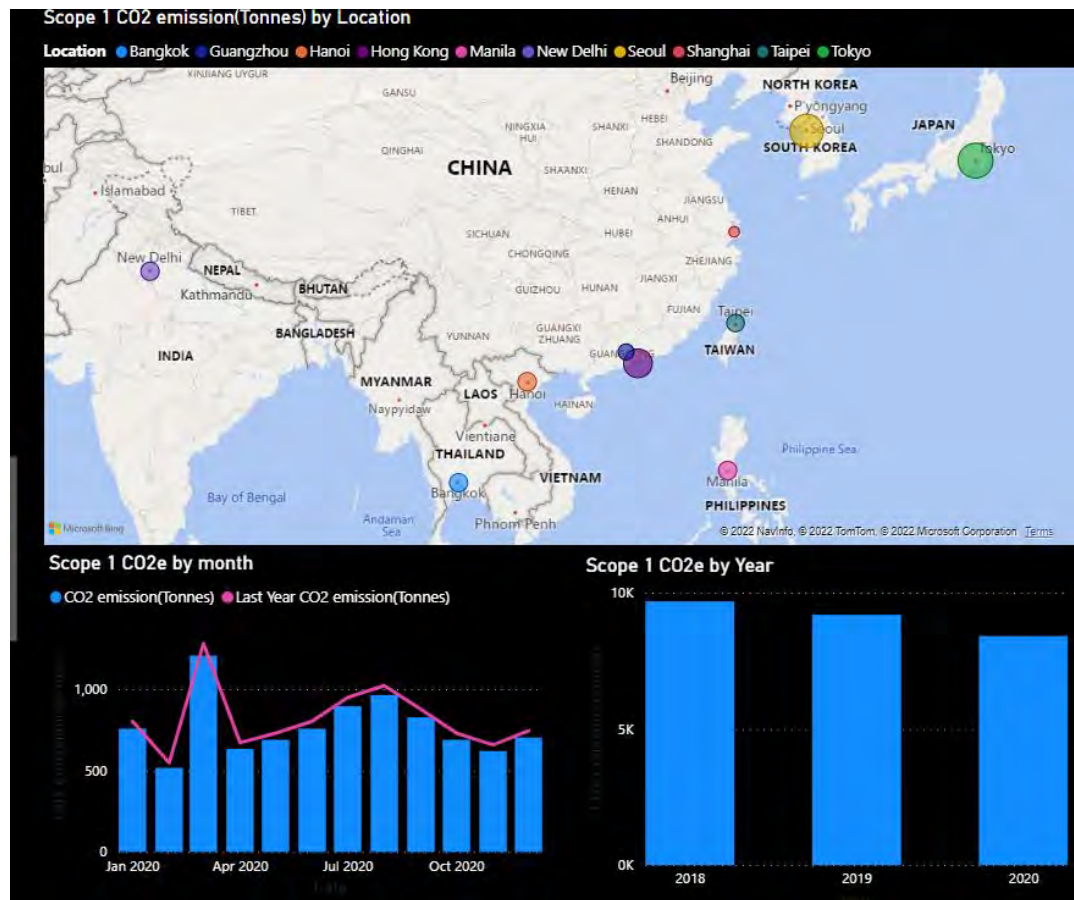
- Carbon emission data can be visualized by interactive dashboard for visualization and analytics, such that the client can easily monitor the emission and control

碳排放數據通過介面進行圖像化和分析，以便客戶可以輕鬆監控排放

- Summarize the overall emission by company
- Compare the carbon emission across scopes 1, 2 and 3
- Identify the overall trend in carbon reduction by company in recent years

比對範圍 1、2 和 3 的碳排放量及顯示減碳的趨勢

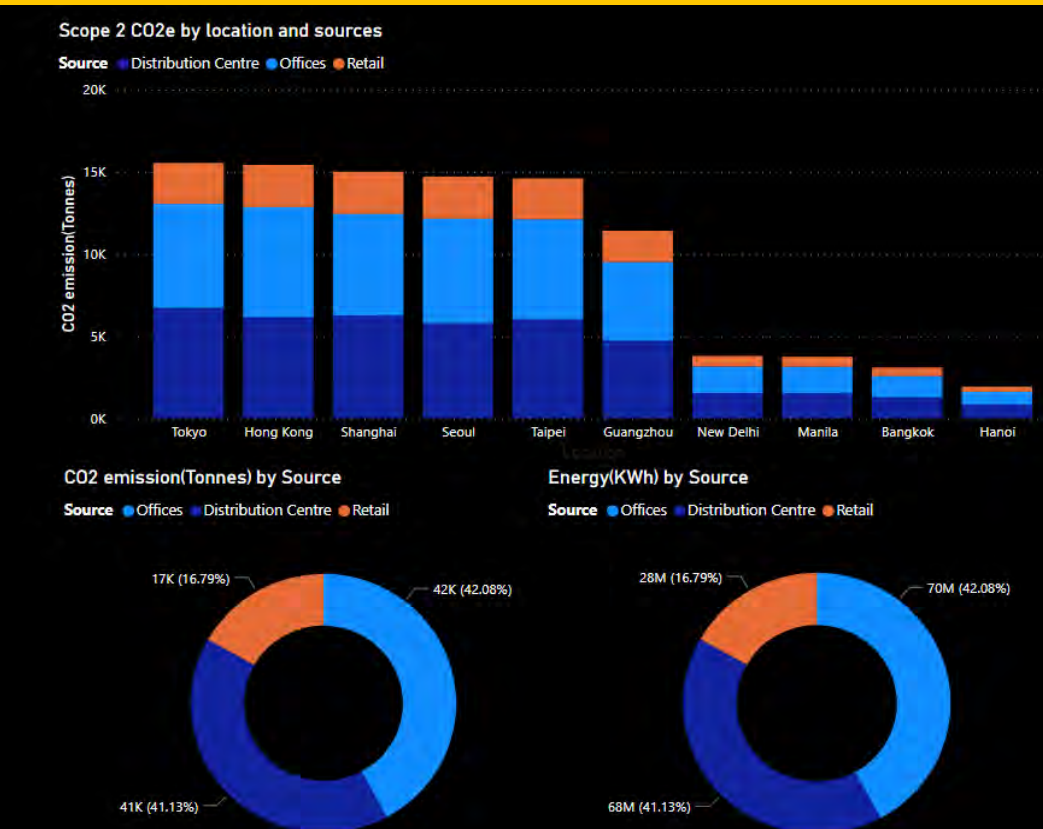
PLAN #7 DIGITAL DASHBOARD – GHG SCOPE 1 & 2 範圍一及二



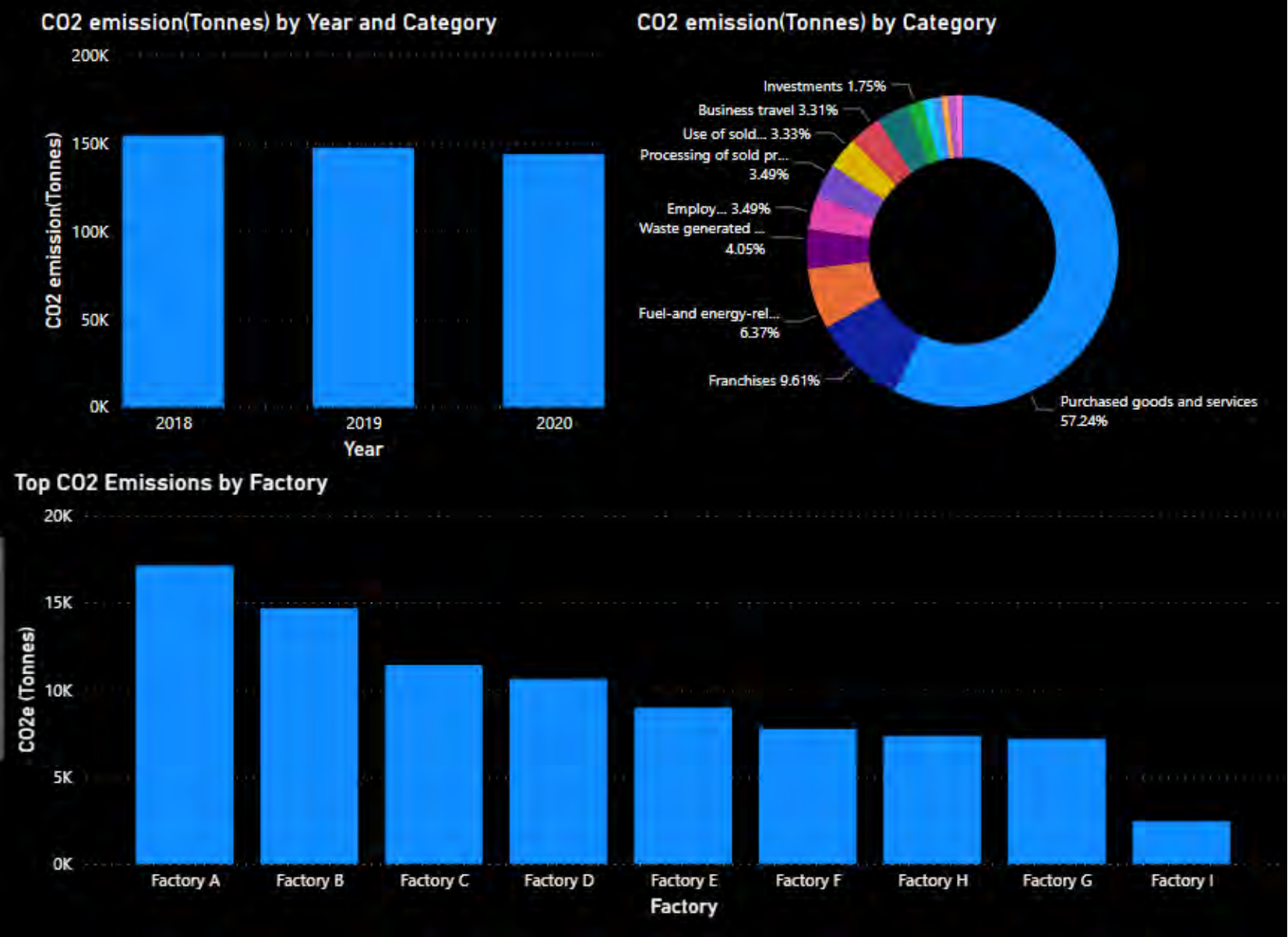
- Compare the emissions among offices/locations, operation processes and fuel
以辦公室/地點比較,包括操作流程和燃料使用的碳排放量

- Summarize direct and indirect carbon emissions by company
- Identify the carbon emission trend of locations and operation processes

總結公司的直接和間接碳排放量, 分別地點和運營過程的碳排放趨勢



PLAN #7 DIGITAL DASHBOARD – GHG SCOPE 3 範圍三



- Summarize scope 3 carbon emissions in value chain
 - Compare the emissions among various stages in value chain
 - Compare the performances of vendors in value chain
 - Monitor the changes in scope 3 emissions
- 總結供應鏈中範圍 3 的碳排放
比較供應鏈各階段的排放量
比較供應商的表現
監控範圍 3 排放的變化

PLAN #7 DIGITAL DASHBOARD – CARBON REDUCTION EMISSION TRACKING

減碳排放追蹤



Comparison of historical carbon emission with selected base year and customized reduction target

Customize reduction target in percentage 自定減少目標百分比

Selection of base and compared year of emissions 選擇基準年和比較年

Target line indicates customized reduction target 定制的減排目標指示

Office with emissions below reduction target 達標減排

Office has not met reduction target 非達標減排

PLAN #7 DIGITAL DASHBOARD – SBTi TARGET SETTING SBTi 目標設定



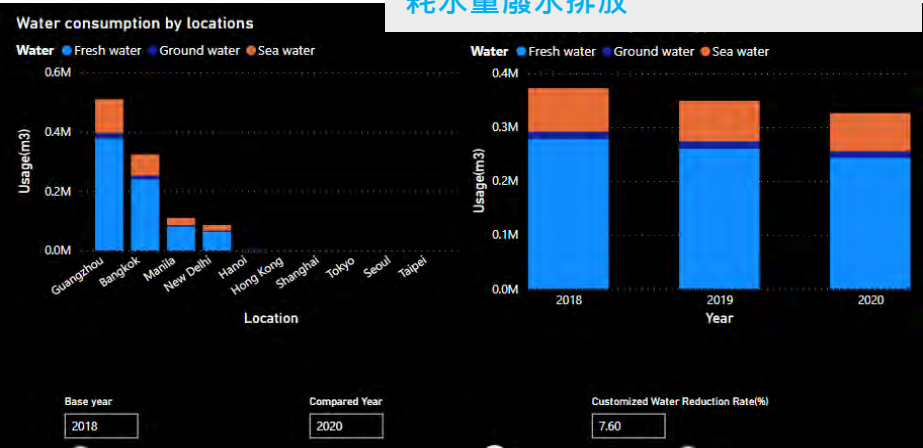
- Projection of carbon emission target in accordance with Science-Based Target Initiatives (SBTi)
根據基於科學的目標倡議 (SBTi) 預測碳排放目標
- Flexibility in change of parameters for the projection: 靈活性更改：
 - Base Year
 - Target Year
 - Customized reduction rate制定減少率
- Customization of carbon reduction target and compared to reduction required by SBTi (eg: 1.5/2 Deg trajectories) 制定碳減排目標並與 SBTi 所需的減排量進行比較
- On going monitoring and **Governing** of emission performance for Net Zero roadmap 方便持續淨零排監放的測和管治

PLAN #7 DIGITAL DASHBOARD – OTHER ESG MONITORS 其他 ESG 監控器



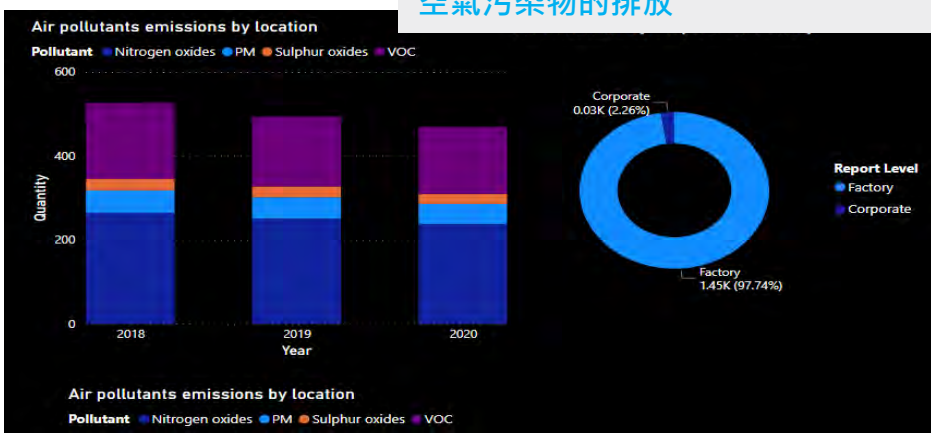
Water Module

- Water consumption
 - Wastewater discharge
- 耗水量廢水排放



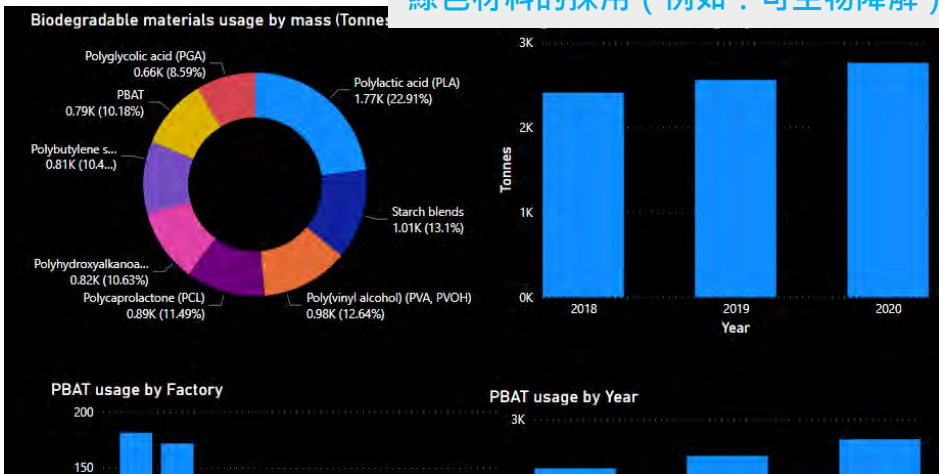
Air Pollution Module

- Emission of air pollutants (eg: VOC, PM, Nox etc)
- 空氣污染物的排放



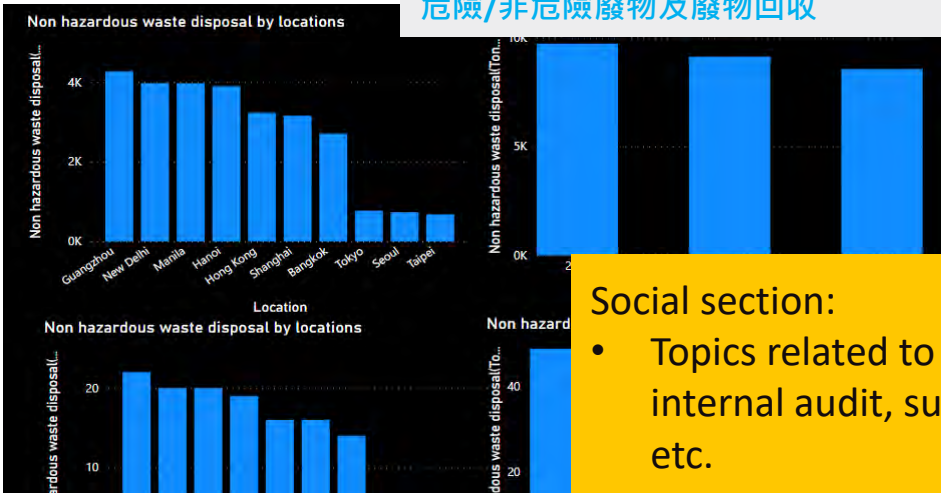
Chemical Module

- Use of materials and adoption of green materials(eg: biodegradable)
- 綠色材料的採用 (例如：可生物降解)



Waste Module

- Hazardous/Non-hazardous waste
 - Waste recycled
- 危險/非危險廢物及廢物回收



Social section:

- Topics related to staff training, internal audit, supplier engagement, etc.

BENEFITS FOR OUR PLATFORM 平台的功效



Develop
**centralized
environmental
inventory**
集中制定環境清單

Measure,
calculate &
monitor
**environmental
KPIs**
量化和監控環
境 KPI

Communicate
**qualifiable
achievements**
傳達達成訊息

Facilitating
employee
behavioral
change
促進及改善員
工意識

Fulfill ESG
reporting
履行 ESG
報告要求

**Simple and
ready to use**
web-based
tracking tool
簡單易用的
網上工具

Savings on initial
establishment &
maintenance cost
of **carbon
accounting tools**
節省核算過程的
成本及持續經費

04

CASE STUDY 案例分析



MATTEL 2022 CITIZENSHIP REPORT

MATTEL 2022公民報告



Through 2022 performance, the company has brought CDP into reporting scope
透過2022年的表現，公司已經將CDP納入了報告範圍

Show what the company focuses on
展示公司專注於哪方面



Our Brand Promise: Trust

Trust is foundational to everything we do. Our relationship with our people, consumers, customers, business partners, and communities is built on their belief that we will do the right thing and live up to our commitments. We take our heritage as a trusted partner to parents and families very seriously. This requires that we act as a responsible corporate citizen, pursue social, economic, and environmental sustainability, and promote diversity, equity, and inclusion. We earn trust by operating with integrity and transparency and being true to our mission and purpose. This is essential for our reputation, competitive advantage, and long-term success.

Product Attributes:

Quality

We put the consumer experience at the center of our innovation by creating products with purposeful play. We focus heavily on how our toys look, how they function, what materials they are made of, and how they are packaged. Our products are designed to deliver on their purpose and withstand the test of time.

Safety

Our products are designed and developed to meet or exceed all applicable safety standards and are constructed with consumer safety in mind. When parents and families choose to buy our products, they can be assured that the safety and well-being of their children is a top priority.

Value

We create innovative products that are accessible to many. Our commitment to our consumers is to make their investment worthwhile. We aim to ensure that parents and families get the most from their play budget by designing and building products that meet their expectations at the right cost.



MATTEL'S MATERIALITY ASSESSMENT

MATTEL重要性評估



Mattel's assessment have total **28** topics.

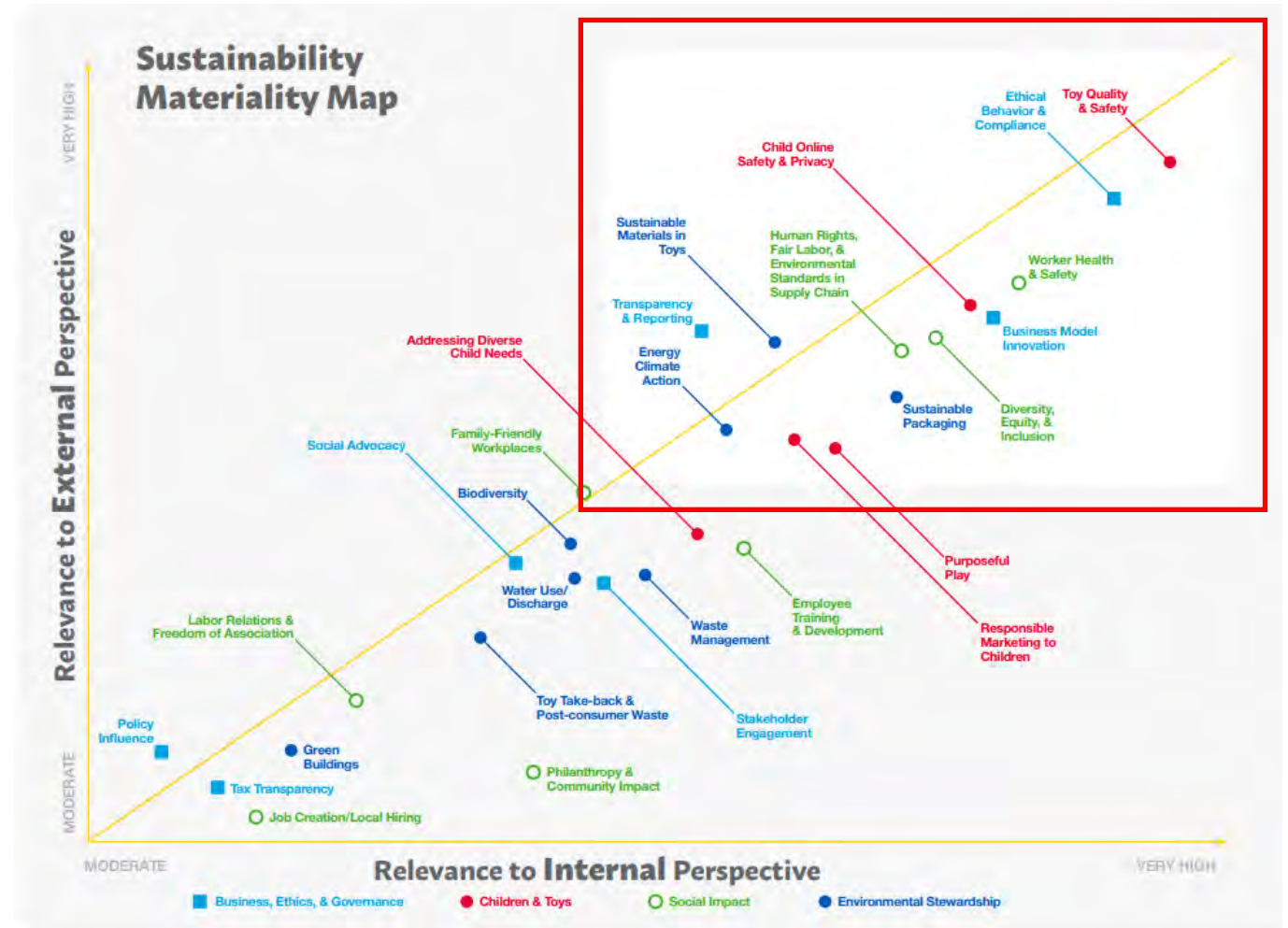
And divided the topics into 4 category:

- Business, Ethics & Governance
- Children & Toys
- Social Impact
- Environmental Stewardship

• Mattel的評估共有**28**個主題。並將主題分為4類：

- 商業、道德與治理
- 兒童 & 玩具
- 社會影響
- 環境管理

The red box indicates the company's material issues
紅色框內為公司的重要性議題



MATTEL'S BEST PRACTICE

MATTEL的最佳實踐



採用可持續材料

Sustainable Materials in Toys and Packaging

We strive to design toys that bring joy while considering their impact on the environment. It's why we aim to integrate more sustainable materials into our toys and packaging.

Progress Toward Goals

- Expanded the use of 30% post-industrial recycled PET (polyethylene terephthalate) to all our window cartons and blister packs in 2022 (versus most window cartons and blister packs in 2021).
- Released the Dr. Jane Goodall *Inspiring Women* doll in collaboration with the Jane Goodall Institute. The doll comes in plastic-free windowless packaging, is made from recycled ocean-bound plastic,¹⁴ and is a certified *CarbonNeutral*[®] product.¹⁵ It was included among the TIME Magazine *Best Inventions of 2022*.
- Completed audit of several facilities in our soft goods supply chain that process recycled PET used in fabrics to understand and ensure the post-consumer recycled (PCR) fabrics we use meet or exceed applicable European product safety standards.

- Increased use of more-sustainable materials for *Matchbox* products and packaging, including using at least 40% International Sustainability & Carbon Certification (ISCC¹⁶)-certified bio-circular plastic (mass balance approach¹⁷) for *Matchbox Action Drivers* playsets.
- Designed more products for recyclability, including by incorporating easy-to-remove and -recycle electronic components into all *Action Drivers* playsets and *Matchbox Recycling Trucks*.
- Engaged select U.S.-based consumers in an internal study regarding recycling behavior.¹⁸ The panel explored perceived barriers to toy recycling with a view to understanding how Mattel can better support consumers in this area.
- Achieved 98.8% recycled or FSC Certified content in the paper and wood fiber used in our products and packaging in 2022, as validated by Preferred by Nature.¹⁹

記錄每年可持續木纖維比例

Sustainable Wood Fiber in Products and Packaging

Sustainable Wood Fiber²⁰

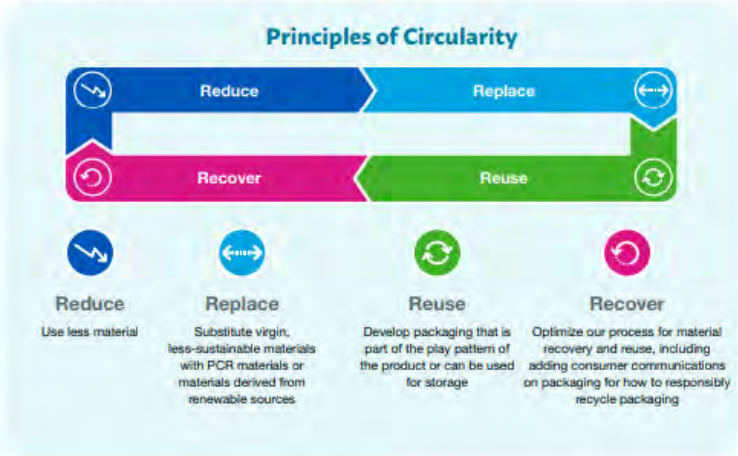
| | 2020 ²¹ | 2021 | 2022 |
|--|--------------------|---------|---------|
| Total consumption of timber-based materials (in metric tons) ²² | 102,843 | 113,755 | 100,319 |
| From sustainable origin (in % of metric tons) | 97% | 97.9% | 98.8% |
| FSC Certified original content (in % of metric tons) | 45% | 71.9% | 86.4% |
| 100% recycled content | 52% | 26% | 12.4% |
| Other certified origin (in % of metric tons) | 1.7% | 1% | 0% |
| PEFC (Programme for the Endorsement of Forest Certification) certified | 0.03% | 0.01% | 0% |
| FSC controlled wood certified | 1.7% | 0.9% | 0% |
| SFI (Sustainable Forestry Initiative) certified | - | 0.1% | 0% |
| Not sustainable or no certification (in % of metric tons) | 0.8% | 1.1% | 1.2% |

循環原則



Sustainable Packaging

Our packaging strategy and reduction approach focuses on four principles of circularity.





可持續材料評估

The Mattel Sustainable Material Assessment Funnel

Mattel's Sustainable Material Assessment Funnel is an internal process used to identify new or alternative materials and assess if they meet our quality and safety standards. It is also used to determine if they are sustainable and can replace some conventional materials that are not sustainable. Any new materials must adhere to our technical specifications to ensure the product will meet our requirements for aesthetics (how the product looks), functionality (how the product works), and durability (how the product withstands rigorous play).



評估四階段

There are four stages to the Sustainable Material Assessment Funnel:

資料搜尋



- **Materials Scouting:** We aim to source materials for our products that have a lesser environmental impact compared to certain conventional materials.

技術審查



- **Technical Review:** Once a material is identified, we review the technical specifications, perform a regulatory screen, and assess the material's sustainability, including the environmental impact throughout the material's life cycle and how the material will perform with existing processes and technologies.

製造試製



- **Manufacturing Trial:** We evaluate the material and perform extensive quality and safety testing.

可用性



- **Availability for Use:** If the material passes our testing, it is approved for use in Mattel products.

After we have evaluated a material and its suitability for use in a particular product, we use life cycle assessment (LCA) tools to evaluate the environmental impact and tradeoffs of conventional and sustainable materials.



產品生命週期評估



Global Reporting Initiative (GRI) Index

Our Global Reporting Initiative (GRI) Index contains information guided by the reporting recommendations set forth in the GRI Sustainability Reporting Standards. Please note that while we have responded in part to a number of items contained in the standards set forth by GRI, we have not responded to all such items, nor have we responded in full to all such specified items. The responses in this index are provided with respect to Mattel and its consolidated subsidiaries, unless otherwise noted. All information in this index is related to the fiscal year 2022, unless otherwise specified. This index cross-references the specific GRI Standards to related sections in Mattel's 2022 Citizenship Report (the "2022 Citizenship Report"), as well as other sources of information.

← 所採用的報告標準為GRI

| GRI 2: General Disclosures 2021 | References and Notes |
|---|---|
| Organizational Profile | |
| 2-1 Organizational details | Mattel, Inc. 333 Continental Blvd. El Segundo, CA 90245-5012 2022 Form 10-K , p. 1 2022 Form 10-K , Item 1, pp. 4-6 |
| 2-3 Reporting period, frequency and contact point | 2022 Citizenship Report – About this Report, p. 3 2022 Citizenship Report – GRI Supplemental Data Appendix 2022 Form 10-K , p. 1 2022 Citizenship Report – Back Cover, p. 36 |
| 2-5 External assurance | 2022 Citizenship Report – About this Report, p. 3 2022 Citizenship Report – GRI Supplemental Data Appendix and Index – Assurance Letter, p. 37 |
| 2-6 Activities, value chain and other business relationships | 2022 Form 10-K , Item 1, pp. 4-10 2022 Citizenship Report – Ethical Sourcing, p. 19 |
| 2-7 Employees | 2022 Form 10-K , Item 1 2022 Citizenship Report – GRI Supplemental Data Appendix and Index, p. 29 |
| 2-9 Governance structure and composition | 2023 Proxy Statement , pp. 19-32, 36-40 Board of Directors Board Committees Executive Officers 2022 Citizenship Report – Materiality Assessment, p. 7 |
| 2-10 Nomination and selection of the highest governance body | 2023 Proxy Statement , pp. 19-32 Guidelines on Corporate Governance Director Nominations Policy Mattel Amended & Restated Bylaws |
| 2-11 Chair of the highest governance body | 2023 Proxy Statement , pp. 22, 34-35, 66-67 Executive Officers |
| 2-12 Role of the highest governance body in overseeing the management of impacts | 2023 Proxy Statement , pp. 12, 38, 40 Amended & Restated Governance & Social Responsibility Charter 2022 Citizenship Report – Materiality Assessment, p. 7 |
| 2-13 Delegation of responsibility for managing impacts | 2023 Proxy Statement , pp. 12, 38, 40 |
| 2-14 Role of the highest governance body in sustainability reporting | 2023 Proxy Statement , p. 40 |
| 2-18 Evaluation of the performance of the highest governance body | 2023 Proxy Statement , p. 41 |
| 2-19 Remuneration policies | 2023 Proxy Statement , pp. 43-83 |
| 2-20 Process to determine remuneration | 2023 Proxy Statement , pp. 43-83 |
| 2-21 Annual total compensation ratio | 2023 Proxy Statement , p. 80 |
| 2-22 Statement on sustainable development strategy | 2022 Citizenship Report – Letter from Our Chairman and CEO, p. 5 |
| 2-23 Policy commitments | Human Rights Principles Responsible Supply Chain Commitment 2022 Citizenship Report – Responsible Sourcing and Production – Human Rights and Social Compliance, p. 16 |

| | |
|---|--|
| 2-24 Embedding policy commitments | 2023 Proxy Statement , pp. 12, 38, 40 |
| 2-26 Mechanisms for seeking advice and raising concerns | Code of Conduct , p. 29 |
| 2-29 Approach to stakeholder engagement | 2022 Citizenship Report – Materiality Assessment, p. 7 |
| GRI 3: Material Topics 2021 | References and Notes |
| Material topics | |
| 3-1 Process to determine material topics | 2022 Citizenship Report – Materiality Assessment, p. 7 |
| 3-2 List of material topics | 2022 Citizenship Report – Materiality Assessment, p. 7 |
| 3-3 Management of material topics | 2022 Citizenship Report – Materiality Assessment, p. 7 |
| GRI 201: Economic Performance 2016 | References and Notes |
| Economic performance | |
| 201-1 Direct economic value generated and distributed | 2022 Form 10-K , Item 7, pp. 32-36 |
| 201-2 Financial implications and other risks and opportunities due to climate change | 2022 Form 10-K , Item 1A, pp. 13, 16-18 |
| GRI 301: Materials 2016 | References and Notes |
| Materials | |
| 301-1 Materials used by weight or volume | 2022 Citizenship Report – GRI Supplemental Data Appendix |
| 301-2 Recycled input materials used | 2022 Citizenship Report – Sustainable Materials in Toys and Packaging – Progress Toward Goals, p. 10 2022 Citizenship Report – GRI Supplemental Data Appendix |
| GRI 302: Energy 2016 | References and Notes |
| Energy | |
| 302-1 Energy consumption within the organization | 2022 Citizenship Report – Responsible Sourcing and Production – Progress Toward Goals, p. 17 2022 Citizenship Report – GRI Supplemental Data Appendix |
| 302-4 Reduction of energy consumption | 2022 Citizenship Report – Responsible Sourcing and Production – Progress Toward Goals, p. 17 2022 Citizenship Report – GRI Supplemental Data Appendix |
| 303-3 Water withdrawal | 2022 Citizenship Report – GRI Supplemental Data Appendix |

HASBRO'S MATERIALITY ASSESSMENT

HASBRO重要性評估



material esg issues definitions

Step 1: Issue Research and Identification

We researched and evaluated an extensive list of ESG issues most relevant to our business and the industries in which we operate. This step accounted for our current ESG priorities, emerging regulatory requirements, external stakeholders' expectations (including ESG ratings and rankings) and the SASB sector standards for Toys & Sporting Goods and Media & Entertainment. As part of this, we also gave consideration to wider societal and macro-economic trends. In particular, we identified how we connect to and impact the UN Sustainable Development Goals to make sure we align with the external expectations placed on us by the global sustainability agenda. Based on our research and analysis, we identified a set of **23 ESG issues** (page 124) that are most important to Hasbro and external stakeholder

步驟1：識別出23個ESG議題

| | | |
|-------------|---|--|
| Environment | Product Design & Lifecycle Management | Manage and improve the lifecycle of all products and services for consumers and the planet, including the impacts of materials innovation, packaging, distribution and end-use. |
| | Materials Sourcing | Continue to improve the ingredients of products, complying with applicable laws and regulations when sourcing materials, and incorporating the use of recycled and renewable materials. |
| | Greenhouse Gas Emissions | Reduce emissions from owned vehicles, energy consumption from corporate offices, owned facilities, factories, logistics and retail stores, as well as energy use due to IT hardware and data centers. |
| | Climate Change Risk & Resilience | Build resilience to global facilities and supply chain from the physical effects of climate change and mitigate related climate risks to the business, such as policy and regulatory changes, markets trends and technological changes. |
| | Biodiversity & Ecological Impacts | Manage the impact of our operations, products and services on the natural environment and ecosystems that may occur through land use, sourcing and extraction, including biodiversity loss, habitat destruction and deforestation. |
| | Chemicals Management | Maintain a comprehensive chemicals management program, available publicly, which includes robust Safety and Reliability Procedures (SRPs) for all products. |
| | Waste | Reduce the quantity, type and quality of waste generated as a consequence of production of our products and services. |
| | Water | Monitor and reduce our water consumption across our owned and operated global facilities. |
| Social | Employee Engagement & Development | Engage with employees on benefits that improve retention and productivity, such as initiatives that provide work-life balance, learning and development, training and education. |
| | Employee Health, Safety & Wellbeing | Provide a safe and healthy workplace environment for all employees, including mental health support. |
| | Diversity, Equity & Inclusion | Support all people by promoting, creating and advancing diversity, equity and inclusion across the workplace and business. |
| | Community Impact & Engagement | Engage with local communities through global and locally organized activities, events and programs, driving impact on local businesses through employee networks and volunteerism. |
| | Human Rights, Labor & Factory Conditions | Treat all people in the global manufacturing supply chain with dignity and respect while operating ethically to ensure worker health and safety standards and mitigate risks related to discrimination and forced labor. |
| | Responsible Content & Marketing | Ensure a diverse representation of on-screen media content. Conduct marketing and communications in a fair and responsible way and manage third party influencers responsibly. |
| | Product Quality & Safety | Ensure quality and safety standards are applied at every stage of production, from design and engineering to manufacturing and packaging. |
| | Data Privacy & Cybersecurity | Protect consumer data privacy through the responsible use, storage and sharing of data to prevent criminal activities, such as hacking and online predators. Detect and remediate data security threats and breaches. |
| Governance | Board Composition | Ensure the diverse composition of the Board of Directors including race, ethnicity, gender, LBGTQ+, age and national origin, alongside the qualifications, integrity and independence of the board members. |
| | ESG Management & Board Accountability | Oversight and management of environmental and social issues across Board of Directors and executive teams, and remuneration of senior executives linked to Environment, Social and Governance (ESG) performance. |
| | Anticorruption & Business Ethics | All Hasbro employees to adhere and comply with corporate governance principles, ethics and related policies, including responsible business practices, corruption, bribery and fraud or other advantages that represent a breach of trust. |
| | Tax Contribution & Transparency | Be transparent on Hasbro's tax approach, including balancing tax compliance with ethical, societal and sustainable development expectations. |
| | Government Affairs & Advocacy | Engage constructively with government agencies, regulators, non-governmental organizations (NGOs) and other bodies on global public policy issues that may have a direct impact on the business. |
| | Intellectual Property Protection & Competitive Behavior | Protection of Hasbro's intellectual property rights without restricting competition and allowing fair use of services. |
| | Supplier Responsibility | Ensure environmental and social assessments of all current and future suppliers across all divisions and operations. |



HASBRO'S MATERIALITY ASSESSMENT

HASBRO重要性評估

步驟2：議題優先順序,這一步驟包括:

- 員工調查
- 外部利益相關方調查
- 投資者對話
- 領導力研討會



Step 2: Issue Prioritization

> Employee Survey

To prioritize these issues, we conducted an employee survey where we asked team members from around the world to rank the issues in order of importance for Hasbro. After reviewing the completed responses, the top three issues identified were health and safety, employee engagement and development, human rights and factory conditions.

> External Stakeholder Survey

We invited external stakeholders to respond to the same survey and received responses from representatives of consumer groups, industry bodies and subject matter experts. The consensus of these stakeholders emphasized the importance of product quality and safety, chemical management and responsible content.

> Investor Conversations

We gathered feedback from our shareholders during investor calls in partnership with our Investor Relations and Legal teams. Our investors consistently highlighted climate, plastics and sustainability, product quality and content safety, human rights and human capital as top priorities for Hasbro.

> Leadership Workshop

Through an internal workshop, the **23 ESG issues (page 124)** were debated and prioritized by our most senior leaders across our business areas and regions. Leaders were asked to consider the issues in two ways: first to prioritize the issues based on the ones where Hasbro has the biggest impact, and second to categorize the issues that have the biggest impact on business success.

HASBRO'S MATERIALITY ASSESSMENT

HASBRO重要性評估



Step 3: Issue Validation

For final validation, our Chief Purpose Officer collaborated closely with the executive leaders working on our ESG performance and business strategy, including the Chief Executive Officer, Chief Operating Officer and Chief People Officer. External and internal stakeholder feedback and learnings gathered throughout the process were grouped and prioritized.

The results were presented to Hasbro's ELT and Board of Directors for final approval.

步驟3：議題驗證

The Outcome

Our 2022 ESG materiality assessment reaffirmed the importance of our core ESG priorities, people and culture, product and content safety, human rights and ethical sourcing and climate and the environment to Hasbro. The assessment also helped us identify key issues that have grown in importance since 2017, such as cybersecurity and data privacy, biodiversity and tax contribution and transparency. We took recent steps to strengthen our cybersecurity and data privacy program by hiring a Chief Cybersecurity Officer in 2022 (see details about our program on **page 89**). Biodiversity and tax contribution and transparency are emerging issues for Hasbro that we continue to monitor through landscape reviews and stakeholder engagement.

These issues continue to be the foundation of Hasbro's ESG strategy and will drive scalable and sustainable progress. Our management of and performance on these issues is captured in this report. Please see definitions of our ESG material issues **here (page 124)**.

Hasbro識別出的優先議題：

- 氣候與環境
- 人權和道德採購
- 產品和內容安全
- 人與文化：人力資本管理



| | |
|-----------------|---|
| Priority Issues | <ul style="list-style-type: none">> Climate & Environment> Human Rights & Ethical Sourcing> Product & Content Safety> People & Culture: Human Capital Management |
| Emerging Issues | <ul style="list-style-type: none">> Chemical Safety> Tax Contribution & Transparency> Biodiversity |
| Baseline Issues | <ul style="list-style-type: none">> Ethics & Compliance> Philanthropy & Social Impact> Corporate Governance & Board Accountability> Cybersecurity & Data Privacy |

HASBRO'S STAKEHOLDER ENGAGEMENT

HASBRO持份者溝通



持份者類別

持份者

持份者參與方式

| Stakeholder Category | Stakeholder | Method of Engagement |
|---|--|--|
|  Regulators and Policymakers | <ul style="list-style-type: none"> • U.S. Trade Representative (USTR) • U.S. Department of Commerce • U.S. Securities and Exchange Commission • European Commission • Indian Embassy, Commerce Department • Indian Department for Promotion of Industry and Internal Trade (DPIIT) | <ul style="list-style-type: none"> • Company outreach, lobbying and public policy forum • Participation in the committees of standards-setting bodies |
|  Non-Governmental Organizations | <ul style="list-style-type: none"> • One Tree Planted • CEO Action for Diversity & Inclusion (pledged member) • Chemical Footprint Project • The Humane League • PETA • World Wildlife Fund (WWF) • Philanthropic organizations. Visit hasbro.org for a comprehensive list of our Global Philanthropic partners | <ul style="list-style-type: none"> • Discussion and engagement through the Global Government Affairs, CSR/ESG, Global Philanthropy and Social Impact, Quality Assurance, Investor Relations and Legal teams |
|  Industry Associations | <ul style="list-style-type: none"> • U.S. Toy Association (TA) • Toy Industries of Europe (TIE) • British Toy & Hobby Association (BTHA) • Various EU Member State Toy Associations • Asia Toy and Play Association • World Federation of Advertisers (WFA) • Responsible Business Alliance (RBA) • National Association for Environmental, Health, Safety and Sustainability (EHS&S) Management (NAEM) • International Consumer Product Health and Safety Organization (ICPHSO) • Association of National Advertisers (ANA) • Entertainment Software Rating Board (ESRB) • Entertainment Software Association (ESA) | <ul style="list-style-type: none"> • Collaboration through the Global Government Affairs, CSR/ESG and Quality Assurance teams and participation in the industry association activities • In 2021-2022, Hasbro's Chief Purpose Officer served on the Toy Association (TA) Board of Directors and the TA Executive Committee. The Hasbro team participates in the Federal Government Affairs Committee |

Stakeholder categories and communication methods may vary from year to year
 持份者的類別和溝通方式每年可能不同

HASBRO'S REPORTING STANDARD

HASBRO報告標準



Global Reporting Initiative (GRI) provides a comprehensive framework for corporate sustainability reporting based on input from a wide range of stakeholders. Our Playing with Purpose: ESG Report 2021-2022 was prepared in accordance with the GRI 2021 Standards. We provide the GRI Content Index below to reference our GRI reporting.

| Disclosure | Description | Reference Location/Response |
|---|---|--|
| ORGANIZATION AND REPORTING PRACTICES | | |
| 2-1 | Organizational details | About Hasbro |
| 2-2 | Entities included in the organization's sustainability reporting | |
| 2-3 | Reporting period, frequency and contact point | How Hasbro reports on ESG – About this Report, page 96 |
| 2-4 | Restatements of information | Restatements of information are available in the footnotes for Play Data, page 59-60 , People Data, page 76-77 and Principles page 91 |
| 2-5 | External assurance | |
| ACTIVITIES AND WORKERS | | |
| 2-6 | Activities, value chain and other business relationships | Hasbro Annual Report 2021 About Hasbro |
| 2-7 | Employees | People – Employees, New Hires & Voluntary Turnover, page 73 People – Employees, New Hires & Voluntary Turnover by Region, page 74 |
| 2-8 | Workers who are not employees | People – Diversity, Equity & Inclusion, page 75-76 People – Reporting Principles, page 98 |
| GOVERNANCE | | |
| 2-9 | Governance structure and composition | Principles – Corporate Governance, page 91-92 Principles – Business Ethics & Governance, page 86-87 ESG at Hasbro – ESG Oversight & Accountability, page 15 Hasbro's 2022 Proxy Statement – Board Committees, page 24-27 Hasbro's 2022 Proxy Statement – Board Tenure, page 33 Hasbro's 2022 Proxy Statement – Appendix B, page B-1 |
| 2-10 | Nomination and selection of the highest governance body | Nominating, Governance and Social Responsibility Committee Charter Standards for Directors Independence |
| 2-11 | Chair of the highest governance body | Hasbro's 2022 Proxy Statement – Board Leadership Structure, page 32 Hasbro's 2022 Proxy Statement – Executive Summary, page 39 |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | ESG at Hasbro – ESG Oversight & Accountability, page 15 The Power of our Supply Chain, page 81 Hasbro's 2022 Proxy Statement – driving ESG performance, page viii Hasbro's 2022 Proxy Statement – Shareholder Engagement, page vii |
| 2-13 | Delegation of responsibility for managing impacts | Purpose – Purpose in Practice, page 6-8 ESG at Hasbro – ESG Oversight & Accountability, page 15 |
| 2-14 | Role of the highest governance body in sustainability reporting | ESG at Hasbro – ESG Oversight & Accountability, page 15 |
| 2-15 | Conflicts of interest | Principles – Business Ethics & Governance, page 86 ESG at Hasbro – ESG Oversight & Accountability, page 15 Hasbro Code of Conduct |



Media and Entertainment

With the acquisition of eOne at the end of 2019, we included the applicable elements of the Media & Entertainment standard in our disclosures last year and continue to do so this year.

| Topic | Code | Accounting Metric | Category | Reference Location/Response |
|---|--------------|--|-----------------------|--|
| Media Pluralism | SV-ME-260a.1 | Percentage of gender and racial/ethnic group representation for (1) management, (2) professionals, and (3) all other employees | Quantitative | 2021 EEO-1, page 125 |
| | SV-ME-260a.2 | Description of policies and procedures to ensuring pluralism in news media content | Discussion & Analysis | -- |
| Journalistic Integrity & Sponsorship Identification | SV-ME-270a.1 | Total amount of monetary losses as a result of legal proceedings associated with libel or slander | Quantitative | 0 |
| | SV-ME-270a.2 | Revenue from embedded advertising | Quantitative | -- |
| | SV-ME-270a.3 | Description of approach for ensuring journalistic integrity of news programming related to: (1) truthfulness, accuracy, objectivity, fairness, and accountability, (2) independence of content and/or transparency of potential bias, and (3) protection of privacy and limitation of harm | Discussion & Analysis | -- |
| Intellectual Property Protection & Media Piracy | SV-ME-520a.1 | Description of approach to ensuring intellectual property (IP) protection | Discussion & Analysis | Principles – IP Protection and Competitive Behavior, page 83 Principles – Business Ethics and Governance, page 86 Code of Conduct |
| Activity Metrics | SV-ME-000.A | (1) Total recipients of media and the number of (2) households reached by broadcast TV, (3) subscribers to cable networks, and (4) circulation for magazines and newspapers | Quantitative | -- |
| | SV-ME-000.B | Total number of media productions and publications produced | Quantitative | In 2021, Hasbro delivered: • 229 half hours of scripted television content • 695 half hours of unscripted television content • Acquired 236 half hours of 3rd party produced television content • Produced seven feature films • Completed production on six series of animated content |

Hasbro adopts both GRI and SASB standards

Hasbro同時採用了GRI和SASB標準

VTECH MATERIALITY ASSESSMENT 偉易達重要性評估

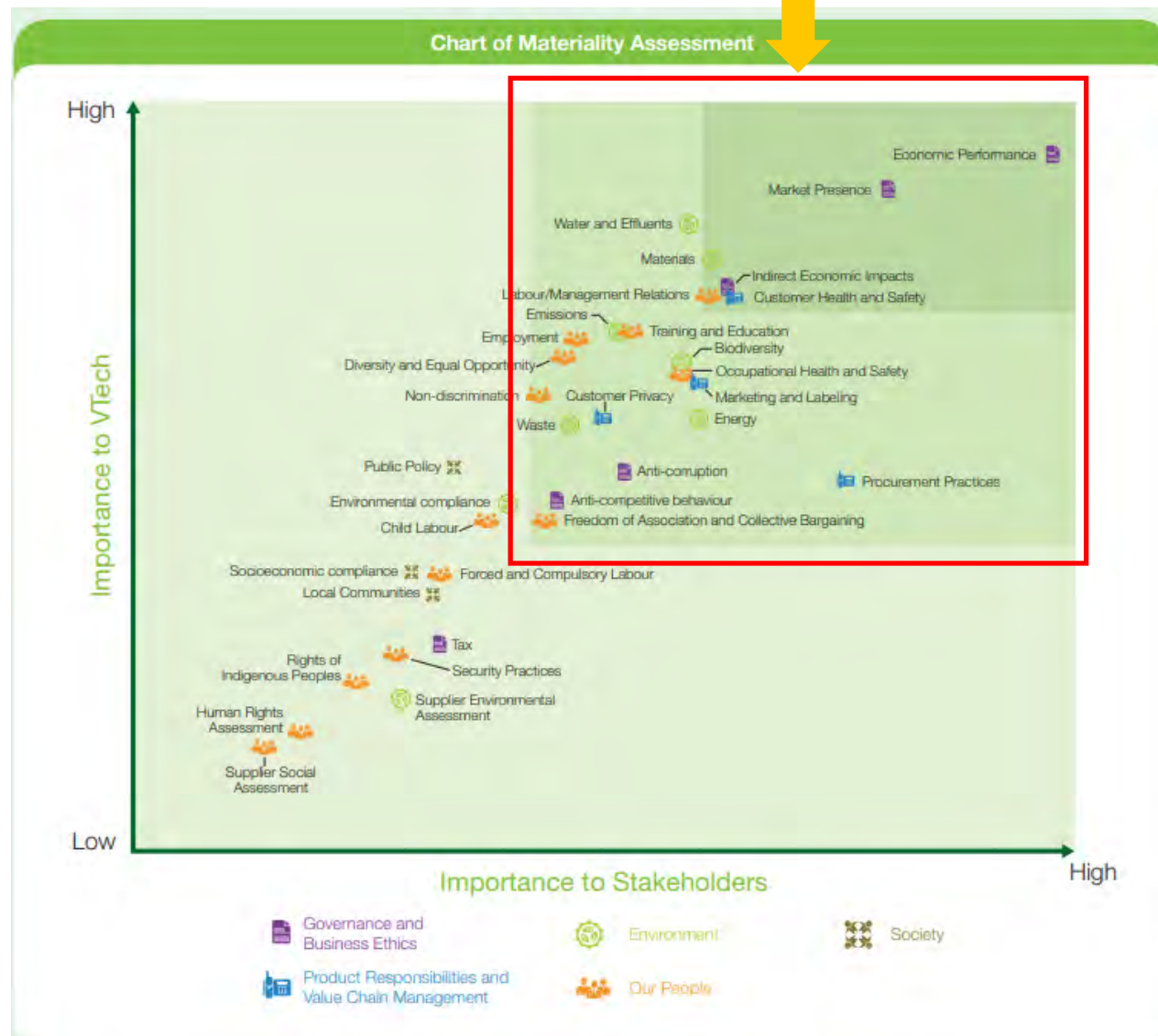
Vtech's assessment have total **34** topics.
And divided the topics into **5** category:

- Governance and Business Ethics
- Environment
- Society
- Product Responsibilities and Value Chain Management
- Our People

偉易達的評估共有**34**個主題。並將主題分為**5**類:

- 治理與商業道德
- 環境
- 社會
- 產品責任和價值鏈管理
- 我們的員工

Issues more important to Vtech
對偉易達較重要的議題



VTECH MATERIALITY ASSESSMENT

偉易達重要性評估



VTech selected the 17 most important issues among 34 topics
偉易達在34個議題中篩選出最重要的17個議題

| Category | Material Topic | Impacts and Boundaries | | | | | |
|--|-----------------------------------|------------------------|-----------|--------------------|-----------|-----------|-----------|
| | | Customers | Employees | VTech's Operations | Investors | Suppliers | Community |
|  Governance and Business Ethics | Economic Performance | ✓ | ✓ | ✓ | ✓ | ✓ | |
| | Market Presence | ✓ | | ✓ | ✓ | | ✓ |
| | Indirect Economic Impacts | | | ✓ | ✓ | | ✓ |
|  Product Responsibilities and Value Chain Management | Procurement practices | | | | | ✓ | |
| | Customer Health and Safety | ✓ | | ✓ | ✓ | | ✓ |
| | Marketing and Labelling | ✓ | | ✓ | ✓ | ✓ | ✓ |
| | Customer Privacy | ✓ | | ✓ | ✓ | | ✓ |
|  Environment | Materials | | ✓ | ✓ | | ✓ | |
| | Energy | ✓ | ✓ | ✓ | | ✓ | ✓ |
| | Water and Effluents | ✓ | ✓ | ✓ | | | ✓ |
| | Emissions | ✓ | ✓ | ✓ | | ✓ | ✓ |
| | Environmental Compliance | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Supplier Environmental Assessment | ✓ | | ✓ | | ✓ | ✓ |
| | Labour/Management Relations | | ✓ | ✓ | | | |
|  Our People | Occupational Health and Safety | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Training and Education | | ✓ | ✓ | | | ✓ |
| | Socioeconomic Compliance | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Whether different stakeholders attach importance to different issues
不同持份者對於不同議題的是否重視

VTECH STAKEHOLDER ENGAGEMENT

偉易達持份者參與



持份者類別:

- 顧客
- 員工
- 股東
- 投資者
- 供應商
- 社區



| Stakeholders | Topics Concerned | Communication Channels | Frequency per year |
|--|---|---|---|
|  Customers | <ul style="list-style-type: none">• Production quality and improvements• Product safety, performance and life cycle• Operation in compliance with applicable law and regulations• Customer support• Financial performance• Sustainability strategies | <ul style="list-style-type: none">• Online customer satisfaction surveys• Customer visits or meetings• Industry exhibitions and forums• Product training workshops• On-site visits at VTech's factories• Quarterly business review• Customer service hotline and email | <ul style="list-style-type: none">• As required• As required*• As required*• As required*• Quarterly• On-going |
|  Employees | <ul style="list-style-type: none">• Employees' health and safety• Employee communication and engagement• Working conditions and welfare• Career development and training• Business performance• Product safety• Operation in compliance with applicable law and regulations | <ul style="list-style-type: none">• Employee engagement surveys• Monthly social events with employees• Newsletter• Performance reviews• Regular management meeting with staff representatives• Career and product training• Occupational health and safety training• Suggestion box, hotline, emails, notice board and briefing sessions | <ul style="list-style-type: none">• Quarterly• Monthly• Quarterly• Annually• On-going• On-going• On-going |
|  Shareholders | <ul style="list-style-type: none">• Return on investment• Strategic plans• Operation in compliance with applicable law and regulations | <ul style="list-style-type: none">• Annual and interim results announcement events• Annual and interim reports• Regular meetings and correspondence• Sustainability report | <ul style="list-style-type: none">• Biannually• Biannually• As required*• Annually |
|  Investors | <ul style="list-style-type: none">• Business performance• Strategic plans• Operation in compliance with applicable law and regulations | <ul style="list-style-type: none">• Annual and interim reports• Feedback to media enquiries• Media conferences• Regular meetings and correspondence• Sustainability report | <ul style="list-style-type: none">• Biannually• As required*• As required*• On-going• Annually |
|  Suppliers | <ul style="list-style-type: none">• Supplier quality performance• Supplier sustainability in business model, quality and production control• VTech's expectations with suppliers• Product quality and safety• Operation in compliance with applicable law and regulations | <ul style="list-style-type: none">• Annual business review meeting• Annual Suppliers Day or Workshop• Key supplier audits | <ul style="list-style-type: none">• Annually• Annually• On-going |
|  Community | <ul style="list-style-type: none">• Support to civil society organisations• Local environment• Environmental protection• Local community activities involvement• Operation in compliance with applicable law and regulations | <ul style="list-style-type: none">• Informal communication through email and phone calls• Sponsorship• Participation in local community activities and volunteering work | <ul style="list-style-type: none">• As required*• On-going• On-going |



Detailed indication of communication topics, communication channels and frequency of communication

詳細標明溝通的議題、溝通渠道以及溝通頻率

VTECH TCFD PRACTICE : GOVERNANCE

偉易達TCFD實踐：管治



董事會對各事項進行管理和監督，並設立委員會

Managing Sustainability

Corporate Governance

VTech Holdings Limited is incorporated in Bermuda and has its shares listed on the Stock Exchange. The corporate governance rules applicable to the Company are the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange.

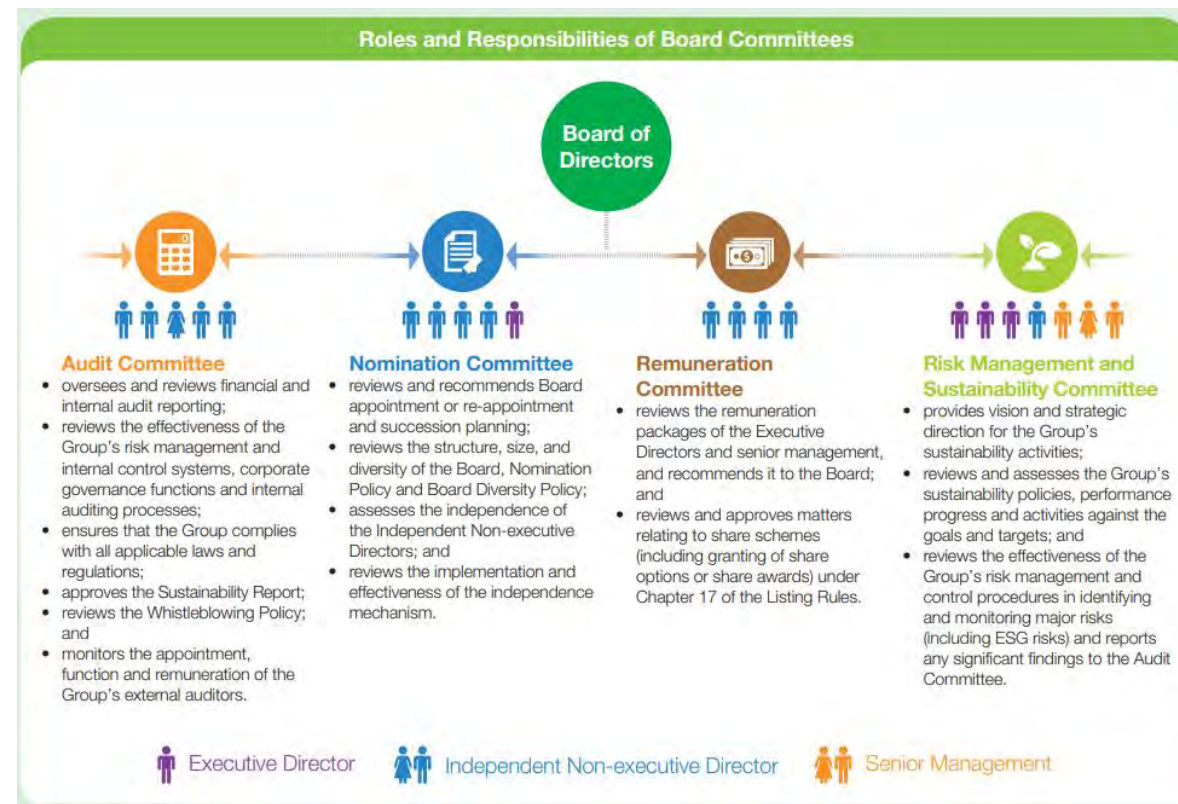
Board of Directors and its Committee

The Board of Directors (the Board) comprises three Executive Directors of the Company (Directors), one Non-executive Director, and five Independent Non-executive Directors. Their names and brief biographies can be found in the section "Biographical Details of Directors" on page 83 of the Annual Report 2023. The Board focuses on the formulation of business strategy and policy, and control. Matters reserved for the Board are those affecting the Company's overall

strategic policies, finances and shareholders. These include, but are not restricted to, deliberation of business plans, risk management, internal controls, announcement of interim and final results, dividend policy, annual budgets, major corporate activities such as material acquisitions and disposals and connected transaction, and Directors' appointment and re-election.

The Board has established an Audit Committee, a Nomination Committee, a Remuneration Committee and a Risk Management and Sustainability Committee (RMSC) with defined terms of reference which are no less exacting than those set out in the Corporate Governance Code to assist and support the Board in discharging its governance and other responsibilities, particularly on financial reporting, internal control, and corporate governance functions; composition of the Board and remuneration of Directors and senior management; risk management and sustainability strategy.

詳細說明下設各委員會的具體職責



VTECH TCFD PRACTICE : STRATEGY

偉易達TCFD實踐：策略



短期：0-1年;中期：1-5 年;長期：5年以上



We have identified the climate change risks over the short- (0-1 year), medium- (1-5 years), and long-term (5+ years). While mitigation and adaptation measures are formulated in response to the various risks, some challenges brought by transition risks also present opportunities for us to align our strategies and action towards a positive change. We will continue to gear up and collaborate with suppliers and business partners to seize climate change opportunities through designing low carbon products and services through innovation, setting benchmark for the industry on climate action.

實體風險以及轉型風險

情景分析

短期、中期或長期的風險及機遇

| | Business-as-usual Scenario | Paris-aligned Scenario |
|------------------|---|--|
| Model Referenced | IPCC Representative Concentration Pathway (RCP) 8.5 | International Energy Agency's Sustainable Development Scenario (SDS) |
| Rationale | RCP 8.5 is selected to assess the impact of physical risks under a high-emissions scenario, consistent with a future with no policy changes to reduce emissions. This would enable evaluation of our adaptability to severe consequences of climate change. | SDS is selected to assess the impact of transition risks as we shift towards a low-carbon economy. This would enable our strategic planning in contributing to the Paris Agreement commitment. |
| Assumptions | Global average temperature increases by around 4°C by 2100, with high frequency and intensity of extreme weather events. ^a | All current net zero pledges are achieved in full, with extensive policy efforts and technological advancement to realise emissions reductions. The temperature rise could be limited to below 2°C by 2100. ^a |

VTECH TCFD PRACTICE : RISK MANAGEMENT

偉易達TCFD實踐：風險管理



RMSC負責定期監控和審查風險管理和內部監控系統，以及本集團的永續發展策略、績效和活動。

Effective risk management is crucial for maintaining our stable daily operation and indicates our ability to respond and adapt to the changing environment. In order to minimise the possible disturbances to our operation during the event of disruptions, it is important to be prepared for emergency and to build resilience in the face of adversity. VTech has implemented an organisational structure with formal and clearly defined lines of responsibility and delegation of authority. There are also established procedures for financial planning, capital expenditure, treasury transactions, information and reporting systems, and monitoring the Group's businesses and their performance.

The RMSC is chaired by Dr. Allan WONG Chi Yun – Chairman and Group Chief Executive Officer (Chairman & Group CEO) with Dr. PANG King Fai – Group President, Mr. Andy LEUNG Hon Kwong – Chief Executive Officer of CMS (CMS CEO), Mr. WONG Kai Man – Independent Non-executive Director (INED), Mr. Hillson CHEUNG Hoi – President of TEL Products (TEL President), Ms. Shereen TONG Ka Hung – Group Chief Financial Officer (Group CFO) and Mr. CHANG Yu Wai – Company Secretary and Head of Internal Audit (Co Sec & Head of IA), as members – a combination of Executive Directors, an INED and senior management.

The RMSC is responsible for monitoring and reviewing the risk management and internal control systems, as well as the sustainability strategies, performance and activities of the Group on a regular basis.

The RMSC has also developed an internal risk management structure at both management and operational levels, which has clearly defined the roles and responsibilities in managing potential risks in the respective areas, and set up procedures for execution of the Group's Business Continuity Plan in the event of disruptions.

The Company maintains a Risk Register to record the major and identifiable risks in the critical functions in the operation of the Company. The Risk Register is reviewed by the RMSC on a biannual basis. At management level, department representatives of each key business unit/function maintain a risk register documenting the key risks and the mitigation measures for the relevant risk. To facilitate the review of the Risk Register by the RMSC, the Internal Audit Department will review the effectiveness and operation of the risk management framework, including the frequency of reporting to the Board, and the continuing operation of appropriate mitigation measures.

VTECH TCFD PRACTICE : METRICS AND TARGETS

偉易達TCFD實踐：指標和目標



| Sustainability Pillar | Strategy Themes | Approaches | Targets for FY2024 | Targets for FY2025 |
|-----------------------|---|---|--|--|
| Environment | Circular Economy and Environmental Management | Analyse, monitor, and minimise the associated environmental impacts following our Environmental Management System | Regular review on update of environmental standards and regulations | Regular review on update of environmental standards and regulations |
| | Climate Change – Risks and Opportunities | Review our approach on climate change and develop sustainability initiatives to identify and address the associated physical and transitional risks and opportunities | Continue to use sustainable materials in our products and recycle our products in a responsible way Reduce GHG emission per production output in assembly factories by 8% compared with FY2020 Reduce GHG emission per production output in plastic factories by 7% compared with FY2020 Increase renewable energy use by 80% compared with FY2020 Disclose scope 3 emission | Continue to use sustainable materials in our products and recycle our products in a responsible way Reduce GHG emission per production output in assembly factories by 10% compared with FY2020 Reduce GHG emission per production output in plastic factories by 8% compared with FY2020 Increase renewable energy use by 100% compared with FY2020 Disclose scope 3 emission |
| | Green Manufacturing | Energy | Reduce energy consumption and thus the carbon emissions | |
| | | | Reduce the electricity usage per production output in assembly factories by 8% compared with FY2020 | Reduce the electricity usage per production output in assembly factories by 10% compared with FY2020 |
| | | | Reduce the electricity usage per production output in plastic factories by 7% compared with FY2020 | Reduce the electricity usage per production output in plastic factories by 8% compared with FY2020 |
| | | Water | Adopt high efficient energy system and equipment for high performance operation - upgrade on heating and cooling systems | Adopt high efficient energy system and equipment for high performance operation - upgrade on heating and cooling systems |
| | | | Reduce total water consumption per production output by 8% compared with FY2020 | Reduce total water consumption per production output by 10% compared with FY2020 |
| | | | Reduce the electricity usage per production output in plastic factories by 7% compared with FY2020 | Reduce the electricity usage per production output in plastic factories by 8% compared with FY2020 |
| | | Material, Waste and Recycling | Reduce water consumption and improve effluent treatment | |
| | | | Reduce total water consumption per production output by 8% compared with FY2020 | Reduce total water consumption per production output by 10% compared with FY2020 |
| | | | Recycle materials to minimise waste and conserve resources | |
| | | | Maintain the recycling rate of reusable materials at or above 75% | Maintain the recycling rate of reusable materials at or above 75% |
| | High Performance Production Chain | | Reduce amount of hazardous waste per production output by 2% compared with FY2020 | Reduce amount of hazardous waste per production output by 3% compared with FY2020 |
| | | | Reduce amount of non-hazardous waste per production output by 2% compared with FY2020 | Reduce amount of non-hazardous waste per production output by 3% compared with FY2020 |
| | | | Reduce material use per production output by 4% compared with FY2020 | Reduce material use per production output by 5% compared with FY2020 |
| | Sustainable Logistics Practice | | Reduce packaging material used for finished goods per production output by 4% compared with FY2020 | Reduce packaging material used for finished goods per production output by 5% compared with FY2020 |
| | | | Implement more low cost automation projects and further strengthen the operational management to improve the production efficiency and productivity | |
| | | | Increase production output per worker by 16% compared with FY2020 | Increase production output per worker by 20% compared with FY2020 |
| | | | Maintain the average loading capacity of each container shipment at or above 80% | Maintain the average loading capacity of each container shipment at or above 80% |
| | | | Maximise the usage of ocean and rail freight for long distance and inland shipments respectively | Maximise the usage of ocean and rail freight for long distance and inland shipments respectively |
| | | | Continue to locate VTech's distribution centers close to the distribution centers of our customers in the major markets for efficient delivery of our products | Continue to locate distribution centers in other major markets for efficient distribution to customers |

| Sustainability Pillar | Strategy Themes | Approaches | Targets for FY2024 | Targets for FY2025 |
|-----------------------|---|--|---|---|
| Our People | Communication and Staff Relations | Enhance our good staff relations through various communication channels and staff activities | Maintain employee satisfaction at or above average level based on the employee satisfaction survey | Maintain employee satisfaction at or above average level based on the employee satisfaction survey |
| | | | Maintain average staff turnover rate at or below 10% | Maintain average staff turnover rate at or below 10% |
| | Advancement in Careers | Foster a continuous learning environment and encourage employees to develop and advance their careers in Vtech | Maintain average training hours per employee at or above 25 hours | Maintain average training hours per employee at or above 25 hours |
| | Respect of Labour and Human Rights | Respect the labour and human rights of all our employees with clearly defined human resources management policies, and promote an inclusive culture throughout the company | Increase number of staff with years of service longer than 5 years by 12% compared with FY2020 | Increase number of staff with years of service longer than 5 years by 15% compared with FY2020 |
| | | | Conduct diversity and inclusion awareness training in all operational sites for employees | Conduct diversity and inclusion awareness training in all operational sites for employees |
| | | | Ensure that the percentage of women in all management positions at or above 25% | Continue to ensure that the percentage of women in all management positions at or above 25% |
| | | | | |
| | Environment for Our People | Provide a supportive, pleasant and healthy workplace for our staff, and foster a caring community in our working environment | Maintain the loss of working hours due to injuries at manufacturing facilities at or below 0.01% | Maintain the loss of working hours due to injuries at manufacturing facilities at or below 0.01% |
| | | | Zero work-related fatality case | Zero work-related fatality case |
| | | | Maintain employee satisfaction rate at or above average level based on the employee satisfaction survey | Maintain employee satisfaction rate at or above average level based on the employee satisfaction survey |
| Society | Support People in Need | Use our expertise and resources to support the communities in which we operate | Ensure that the total number of VTech volunteers is no less than 2,500 or 10% of total employee | Continue to ensure that the total number of VTech volunteers is no less than 2,500 or 10% of total employee |
| | Collaborate with Local Charities | | Ensure that the volunteering hours are no less than 23,000 hours | Continue to ensure that the volunteering hours are no less than 23,000 hours |
| | | | Collaborate with corporate philanthropies and participate in more local charitable events | Collaborate with corporate philanthropies and participate in more local charitable events |
| | Provide Training Opportunities for Young People | | Extend scholarship programme in the countries we operate | Extend scholarship programme in other countries |
| | Nourish an Innovative Environment | | Engage 400 students to participate in innovative activities or studies | Engage 500 students to participate in innovative activities or studies |
| | Develop a Healthy and Green community | Develop and promote a healthy and green lifestyle within VTech and the community | Continue to organise VTech Green Day in our major operation locations | Continue to organise VTech Green Day in our major operation locations |
| | | | | |

Divided goals into environment, our peoples and Society細化目標為環境、我們的員工、社區

VTECH REPORTING STANDARD

偉易達報告標準



GRI Content Index

This report was prepared in accordance with the GRI Standards, and Stock Exchange ESG Guide. The General Standard Disclosures, Material Topic Disclosures, and Stock Exchange ESG Guide reference are presented below with either linkage to the reported section(s) or direct answer.

GRI Content Index

| | |
|------------------|---|
| Statement of use | VTech has reported in accordance with the GRI Standards in FY2023 (1 April 2022 to 31 March 2023) |
| GRI 1 used | GRI 1 - Foundation 2021 |

| GRI 2: General Disclosures 2021 | | |
|--|---|--|
| GRI Indicator | Description | Location and Notes |
| The organisational and its reporting practices | | |
| 2-1 | Organisational details | Page 4, About this Report |
| 2-2 | Entities included in the organization's sustainability reporting | VTech Major Subsidiaries |
| 2-3 | Reporting period, frequency and contact point | About this Report, Back Cover |
| 2-4 | Restatements of information | Page 76 |
| 2-5 | External assurance | About this Report, Page 76 |
| Activities and workers | | |
| 2-6 | Activities, value chain and other business relationships | Pages 4, 37-39, About this Report, Key Performance Data |
| 2-7 | Employees | Page 4, Key Performance Data |
| 2-8 | Workers who are not employees | All workers perform work for VTech are in employment relationship with VTech. |
| Governance | | |
| 2-9 | Governance structure and composition | Page 5, Annual Report - Corporate Governance Report |
| 2-10 | Nomination and selection of the highest governance body | Annual Report - Corporate Governance Report - Nomination Committee Report |
| 2-11 | Chair of the highest governance body | Annual Report - Corporate Governance Report |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | Pages 5, 9-11 |
| 2-13 | Delegation of responsibility for managing impacts | Pages 5-12 |
| 2-14 | Role of the highest governance body in sustainability reporting | Pages 5, 11 |
| 2-15 | Conflicts of interest | Annual Report - Corporate Governance Report |
| 2-16 | Communication of critical concerns | Annual Report - Corporate Governance Report - Risk Management and Sustainability Committee Report |
| 2-17 | Collective knowledge of the highest governance body | Annual Report - Corporate Governance Report |
| 2-18 | Evaluation of the performance of the highest governance body | Annual Report - Corporate Governance Report |
| 2-19 | Remuneration policies | Annual Report - Corporate Governance Report - Remuneration Committee Report |
| 2-20 | Process to determine remuneration | Pages 59-60, Annual Report - Corporate Governance Report - Remuneration Committee Report |
| 2-21 | Annual total compensation ratio | Not applicable. Although related data is available, making a definitive statement about the compensation ratio at the corporate level is difficult as compensation metrics vary greatly depending on the market trend, geographic location and inflation rate etc. VTech performs comprehensive assessments to ensure fair, equitable and competitive compensation. This includes but not limited to conducting regular salary survey, engaging with external human resources agencies for benchmarking, and reviewing salary policy in a timely manner. With such measures, our compensation packages comply with the local regulations and in line with the local market expectations. |

Stock Exchange ESG Guide Index

| Aspects | Disclosure | Location and Notes |
|-----------------------------------|---|-----------------------------------|
| Mandatory Disclosure Requirements | | |
| Governance Structure | A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses | Pages 5-7, 26 |
| Reporting Principles | A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report. | About this report |
| Reporting Boundary | A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change. | About this report, Page 76 |
| A. Environmental | | |
| 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. Note: - Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations; - Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride; - Hazardous wastes are those defined by national regulations. | Pages 40-42 |
| KPI A1.1 | The types of emissions and respective emissions data. | Pages 48-49, Key Performance Data |
| KPI 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). | Key Performance Data |
| KPI A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Page 63, Key Performance Data |
| KPI A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Page 62, Key Performance Data |
| KPI A1.5 | Description of emission target(s) set and steps taken to achieve them. | Pages 23, 44-49 |
| KPI 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. | Pages 23, 53-59 |

TCFD Index

In FY2020, VTech started to disclose climate-related initiatives using the TCFD's framework. The information on how we assess and manage climate-related risks and opportunities, as well as strategies for mitigating risks and realizing opportunities are provided to our stakeholders under four thematic areas - governance, strategy, risk management and metrics and targets.

| TCFD recommendation | Disclosure | Reference |
|---|---|------------------|
| Governance: Disclose the organization's governance around climate-related risks and opportunities. | | |
| a) Describe the board's oversight of climate-related risks and opportunities. | At VTech, our RMSC established by the Board comprises Executive Directors, an Independent Non-executive Director, the TEL President, the Group CFO, and the Company Secretary and Group Chief Compliance Officer and oversees climate change-related issues, and provides vision and strategic decision through its regular meetings on a biannual basis. The RMSC is also responsible for reviewing our sustainability strategies and improvement activities, assessing how the policies are implemented in achieving the sustainability goals and targets, and monitoring the performance progress. | Pages 5, 25-26 |
| b) Describe management's role in assessing and managing climate-related risks and opportunities. | Our RMSC has also formed the Sustainability Sub-Committee which has the strategic and operational responsibility to manage sustainability issues while implementing the policies and measures to achieve strategic vision and direction approved by RMSC. The Sub-Committee comprises key employees from the Company's different product lines and relevant departments, including Group Chief Financial Officer, TEL President, Vice President of ELP Operation, Managing Director of CMS, and the Sustainability team. It is responsible for monitoring the progress of our sustainability activities compared with targets in their responsible product lines and functions, evaluating and determining the sustainability investments from economic, environmental and social aspects, and sharing new and significant industry sustainability concerns with the committee members quarterly. We have recognised our climate change risk and formulated the Sustainability Plan 2025. Approved by the RMSC, the plan ensures our continuous improvement programmes and approaches on sustainability would be carried out effectively and consistently. | Pages 6-7, 43-46 |
| Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material. | | |
| a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. | In the short (0-1 year) and medium (1-5 years) terms, interruptions in the supply chain due to extreme weather events, climate-related new regulatory requirements and reporting obligations, and changing customer behaviour and increased stakeholder concern are identified as potential risks whereas adaptive capacity enhancement, and development of low emission goods and services via R&D are considered opportunities. In the long term (5 years+), it will be essential to transform rapidly towards sustainable use of energy and resources through technological advancement, in face of potential risks of chronic physical risks and shifts in energy prices. | Pages 43-46 |
| b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. | The climate-related risk and opportunities have affected our products and services, supply chain, R&D, and other operations. Therefore, VTech is striving to combat climate change by utilising necessary financial resources to build capacity for climate mitigation and adaptation. We also seize opportunities by investing in R&D and low-carbon technologies to align our strategies to drive positive impact in the long term. | Pages 43-46 |
| c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | Two scenarios have been considered. The business-as-usual scenario was chosen to assess the impact of physical risk under a high-emissions scenario, while the Paris-agreed scenario is a below 2°C scenario for identifying impact of transitional risks under transformation towards low-carbon economy respectively. VTech has established the Sustainability Plan 2025 to ensure our continuous improvement programmes and approaches on sustainability would be carried out effectively and consistently. We will continue to explore energy saving opportunity and reduce GHG emissions. | Pages 23, 43-46 |
| Risk Management: Disclose how the organization identifies, assesses, and manages climate-related risks. | | |
| a) Describe the organization's processes for identifying and assessing climate-related risks. | Potential climate-related risks have been identified with reference to TCFD recommendations. We have evaluated the impact level and likelihood of occurrence of the risks under the two scenarios identified. For physical risks, we consider the impact of extreme climate events on our supply chain, manufacturing process as well as in-bound and out-bound logistics. For transition risks, we have considered the development on regulatory requirements and carbon tax, as well as the impact of technological advancement and shifting market preferences on our product life cycle. | Pages 43-46 |

A total of 3 standards are referenced: GRI, HKEX and TCFD.共參考3種標準：GRI、HKEX和TCFD

Reference: <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0614/2023061400846.pdf>

05

HOW TO CONDUCT A MATERIALITY ASSESSMENT

如何進行重要性評估



HOW TO FILL THE QUESTIONNAIRE 如何填寫問卷



- First, divide internal and external stakeholders into Group A and B 首先將內部和外部持份者分為AB組
- Tick the box that best suits your current position 在方塊中勾選最適合您目前職位的選項



與集團的關係

分組 A:

- ☐ 執行董事
- ☐ 非執行董事
- ☐ 獨立非執行董事
- ☐ 高級管理人員（部門主管或以上）
- ☐ 一般員工
- ☐ 人力資源
- ☐ 品質保證
- ☐ 行政
- ☐ 財務
- ☐ 生產人員
- ☐ 營銷
- ☐ 客戶服務

分組 B:

- ☐ 股東
- ☐ 投資者
- ☐ 供應商
- ☐ 合作伙伴
- ☐ 債權人
- ☐ 客戶
- ☐ 政府
- ☐ 監管機構
- ☐ 行業機構
- ☐ 非政府組織
- ☐ 民間社會組織
- ☐ 本地社區
- ☐ 媒體

Relationship with the Group:

Group A:

- ☐ Executive Director
- ☐ Non-Executive Director
- ☐ Independent Non-Executive Director
- ☐ Senior Management (Head of Department or above)
- ☐ General Staff
- ☐ Human Resources
- ☐ Quality Assurance
- ☐ Administration
- ☐ Finance
- ☐ Production staff
- ☐ Marketing
- ☐ Customer service

Group B:

- ☐ Shareholder
- ☐ Investor
- ☐ Supplier
- ☐ Business Partner
- ☐ Creditor
- ☐ Client
- ☐ Government
- ☐ Regulator
- ☐ Industry Association
- ☐ Non-Governmental Organization (NGO)
- ☐ Civil Society Organization
- ☐ Local Community
- ☐ Media

HOW TO FILL THE QUESTIONNAIRE如何填寫問卷



環境管理

請選擇以下各方面對集團業務的重要程度*

| | 5 極其重要 | 4 非常重要 | 3 重要 | 2 少許重要 | 1 不太重要 | 0 不相關 |
|-------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 環境合規 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 廢氣管理 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 車輛排放管理 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 廢水管理 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 噪音管理 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 溫室氣體排放 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 廢棄物管理 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 能源使用 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 水資源使用 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 綠色辦公室 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 綠色能源項目 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 綠色建築 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 原材料及包裝材料使用 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 土壤污染管理 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 生態保護 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 應對氣候變化 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 環境事故預防及處理 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 玩具回收和消費後廢棄物 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Tick the box that best fits your perspective從您的角度出發勾選最適合的方框

Environmental Stewardship

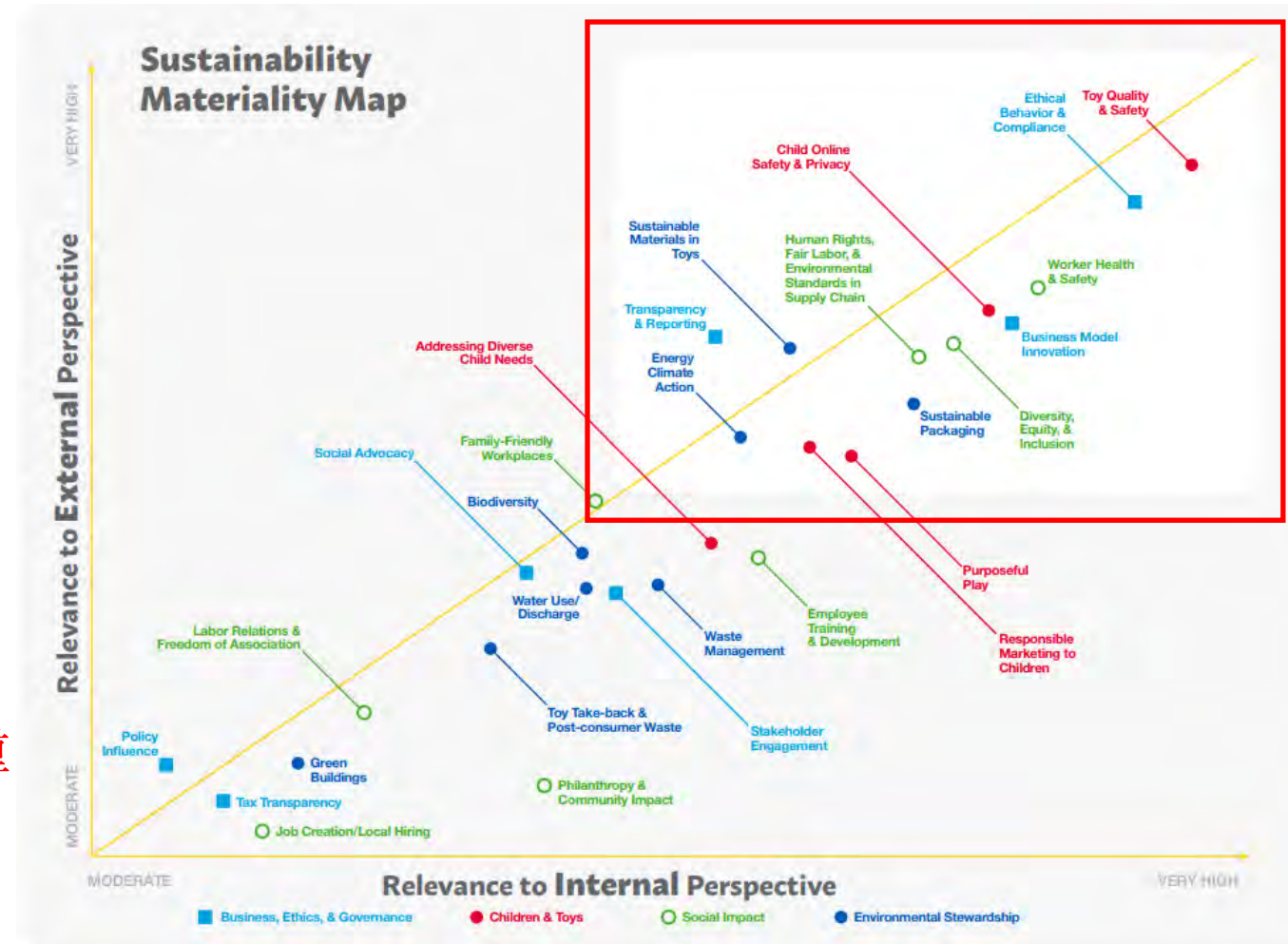
Please indicate the following aspects' significance to the Group's business.

| | 5 Crucial | 4 Very important | 3 Important | 2 Somewhat important | 1 Of little importance | 0 Not relevant |
|--|--------------------------|--------------------------|--------------------------|--------------------------|---------------------------|--------------------------|
| Environmental Compliance | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Air Pollutant Management | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Fleet Emissions Management | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Wastewater Management | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Noise Management | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Greenhouse Gas Emission | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Waste Management | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Energy Consumption | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Use of Water Resources | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Green Office | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Green Campus | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Green Energy Project | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Green Building | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Use of Raw Materials and Packaging Materials | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Soil Contamination Management | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Ecological Protection | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Responding to Climate Change | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Prevention and Handling of Environmental Incidents | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Toy Take-back & Post-consumer Waste | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |



HOW TO ANALYSIS THE DATA BY MATERIALITY ASSESSMENT 如何分析重要性評估的數據

- 1) Average the data in Group A from internal stakeholders 從組別 A 提取平均數
- 2) Average the data in Group B from internal stakeholders 從組別 B 提取平均數
- 3) Point out the result in crossed with X and Y axis 點出與X、Y軸交叉的結果
- 4) Extract important issues related to stakeholders for decision making 提取跟利害關係人相關重要性議題作出更進



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Supporting Services includes:

ErP - Environmental Assessment, Life Cycle Assessment (LCA), Product Carbon Footprint (PCF) - PAS 2050, GHG Protocol, Carbon Disclosure Project (CDP), Green Leaf Mark, Consumer Carbon Index (CCI), CarbonTrust Reduction Label, Carboncounted Label, Verification on Taiwan Product Carbon Footprint label, EPEAT environmental requirement, Low Carbon Manufacturing Program (LCMP), Low-carbon Office Operation Program (LOOP/LOOP+), Cleaner Production (CP3), SAC Higg Index verification, Carbon Reduction /'Less' Certificate and CarbonSmart Pilot Fund, CarbonCare Label, Energy and Carbon audit, BEAM Plus Green Building Assessment, BEAM Plus Interiors, HKGBC Green Product Accreditation and Standards (HK G-PASS), LEED Green Building Rating System, WELL Building Standard, Retro-commissioning (RCx), Measurement & Verification (M&V) on Building Retrofit, Energy Saving Achievement Certificate (ESAC), CLP Eco-Building Fund (EBF), HK Electric Smart Power Building Fund (SPBF), Internet of Things (IoT) Environmental Management Solution (iEMS), Industry 4.0 advistoy, ISO 14001 Environmental Management System (EMS), ISO 50001 Energy Management System (EnMS), Energy Efficiency - Energy Star, Energy Saving Trust, EU Energy label, ErP and HKEELS, Water Efficiency - HKWELS...etc



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