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GP Industries Limited Sustainability Report 2022 – 2023

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1. About This Sustainability Report

GP Industries Limited (“GP Industries” or the “Company”) upholds its commitment to sustainability with the publication of its annual sustainability report. This sustainability report (“FY2023 SR”) covers the sustainability approach, initiatives and performance of GP Industries and its subsidiaries (“Group”) for the financial year from 1 April 2022 to 31 March 2023 (“FY2023”).

This FY2023 SR sets out the Group’s sustainability strategies in the economic, environmental, social and governance aspects moving forward, as well as incorporates targets for the Group to achieve in the short-term, medium-term, and long-term and its performance on a year-to-year basis. It also sets the pace for the Group to engage with various stakeholders, such as employees, investors, customers, business partners, community, and regulators, to share its sustainability commitments, and to identify and address stakeholders’ material issues and concerns.

The Global Reporting Initiative (“GRI”) Standards are widely recognised globally as a framework for sustainability reporting and represent the global best practices for reporting on economic, environmental, and social topics. This FY2023 SR has been prepared in accordance with the Sustainability Reporting Guide of the Singapore Exchange Securities Trading Limited (the “SGX-ST”), incorporates the primary components of report content as set out by the SGX-ST’s “Comply or Explain” requirements on sustainability reporting under Rule 711B of the SGX-ST Listing Manual, and with reference to the GRI Standards.

The consolidated financial statements of the Group for FY2023, as set out in its annual report for FY2023 (“Annual Report”), incorporate the financial statements of the Company and its subsidiaries made up to 31 March 2023. Information on the significant subsidiaries of the Company is set out on pages 121 to 125 of the Annual Report.

GP Industries remains committed to its current practices to review and manage key material issues unique to this segment. Environmental, social and governance (“ESG”) topics selected are based on principles of materiality, sustainability context and stakeholder inclusion.

This FY2023 SR does not cover the ESG performance of the Group’s associates, of which the Group does not have control. Information on the significant associates of the Group is set out on pages 126 to 128 of the Annual Report. Some of the significant associates have already embarked on their sustainability journey and such information can be accessed as follows:

Name of Significant Associates	Report or Sustainability Initiatives
Dongguan Jifu Metallic Products Ltd.	Social Responsibility Policy (Labour and Corporate Ethics Policy)
Meiloon Industrial Co., Ltd.	(a) Sustainability Commitment and Strategy; and (b) ESG Reporting

The Group will continue to assess and improve our progress and data collection methodology over time. There is no significant change to the organisation’s size, structure, ownership, and relationship with key suppliers in FY2023.

This FY2023 SR, available to shareholders via SGX website and GP Industries's website, should be read with the Company's Annual Report for more information on the Group's businesses and financial performance.

Detailed section reference with GRI Standards can be found at the end of this FY2023 SR. GRI does not require external assurance and Management has assessed that external assurance is not required for this FY2023 SR.

The management of the Group welcome feedback on this FY2023 SR and any aspect of our sustainability performance. Comments or feedback can be sent to gpind@gp.industries.

2. Statement of the Board and Governance

Sustainability and ESG at the core of our business

The Group recognises environment, social and governance as an integral part of our strategic deployment, extending beyond compliance to priming a work culture and fostering partnerships that spearhead innovation and sustainable development.

The Group continued its efforts on environmental and climate change initiatives in FY2023. Six plants in Malaysia, Vietnam and China have achieved Zero Waste to Landfill Gold Validation and further investments will be made to minimize waste and emissions. Solar energy will be more widely adopted in the Group's facilities in Malaysia, China and the United Kingdom ("UK") where solar panels will be installed for powering part of our operations.

As a manufacturer, the Group is doing our best to reduce the environmental impact from raw material acquisition and improve recyclability at product end-of-life. The Group is working to increase the use of recycled materials in its products and expand its application to a wider product range. A re-branded alkaline batteries range was launched with paper packaging as the Group pursues progressive elimination of plastics in our product packaging. This is one of many steps of the Group to manifest its commitment to promoting a circular economy.

GP Energy Tech Limited ("GP Energy Tech"), a newly formed wholly owned subsidiary of the Company, focuses on driving more innovative, sustainable and environmental-friendly battery products and energy storage solutions. With innovation by research and performance enhancement, the Group aims to revolutionize rechargeable energy as the energy solution for the future.

The Group's commitment to green energy is underpinned by its relentless efforts in research & development ("R&D") and product innovations. GP Recyko Charge10 is the fastest rechargeable battery system in the world using Nickel Metal Hydride ("NiMH"). Together with other GP rechargeable batteries and charging systems, the Group is committed to introducing more good value products and converting more people to use rechargeable energy.

With innovation and R&D at the core of the Group's business, the laboratories of the Group in Hong Kong and Shenzhen, China have been engaging in several major projects, such as the development of rechargeable NiMH batteries with higher percentage use of recycled materials and the development of new alloy materials for rechargeable NiMH batteries for extreme low temperature applications. This expands the application range catering for different climate zones and widens the market for the Group's rechargeable battery products.

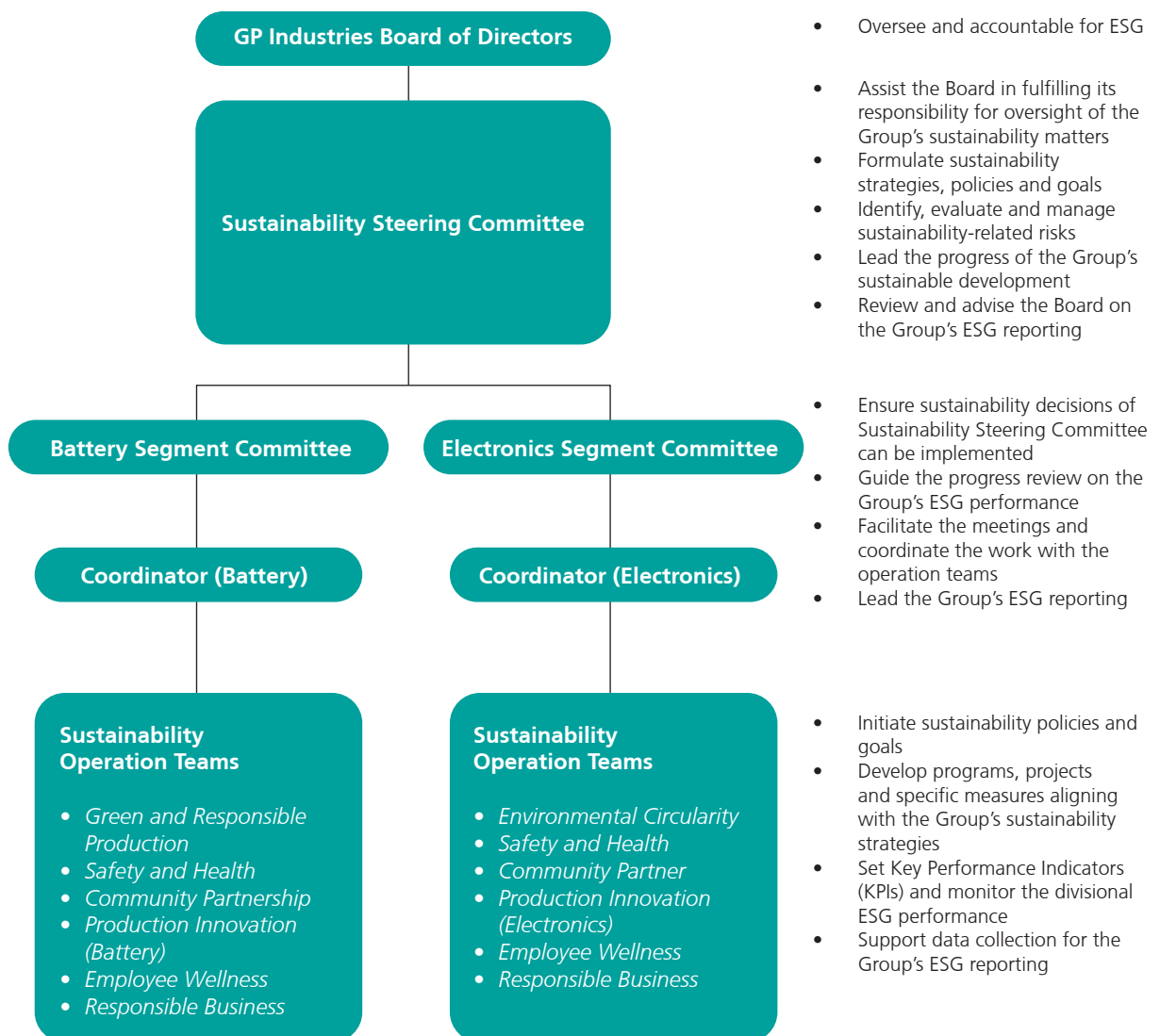
Sustainability is an integral part of the Group's business. The Group will continue to invest in sustainability and contribute to climate change initiatives. More energy-saving equipment and facilities will be installed. Product packaging revamp will continue to minimize waste and improve recyclability. The Group aspires to reduce its carbon footprint in the whole life cycle, for both the Group and its consumers to co-create a greener future.

Sustainability Strategy

Sustainability is a key factor to the long-term success of the Group, which enhances the stakeholder value. In formulating its business strategies, due consideration is given by the Board of Directors (the "Board") of the Company to risks and opportunities arising from the sustainability issues.

Sustainability and ESG Governance

The Group has established a comprehensive Sustainability and ESG governance framework that provides a strong foundation for incorporating sustainability into the Group's businesses and ensuring that the Group's stakeholders' interests and expectations are taken into account in the Group's development strategies and implementations. The comprehensive framework facilitates communications and defines the roles and responsibilities of the team to properly address ESG issues. The following shows the Group's Sustainability and ESG governance structure:



3. Organisational Profile

The Company is incorporated in the Republic of Singapore and has been listed on the Mainboard of the SGX-ST since 1995. It is the main industrial investment vehicle of Hong Kong-listed Gold Peak Technology Group Limited which currently owns an 85.59% interest in the Company as of the date of this FY2023 SR.

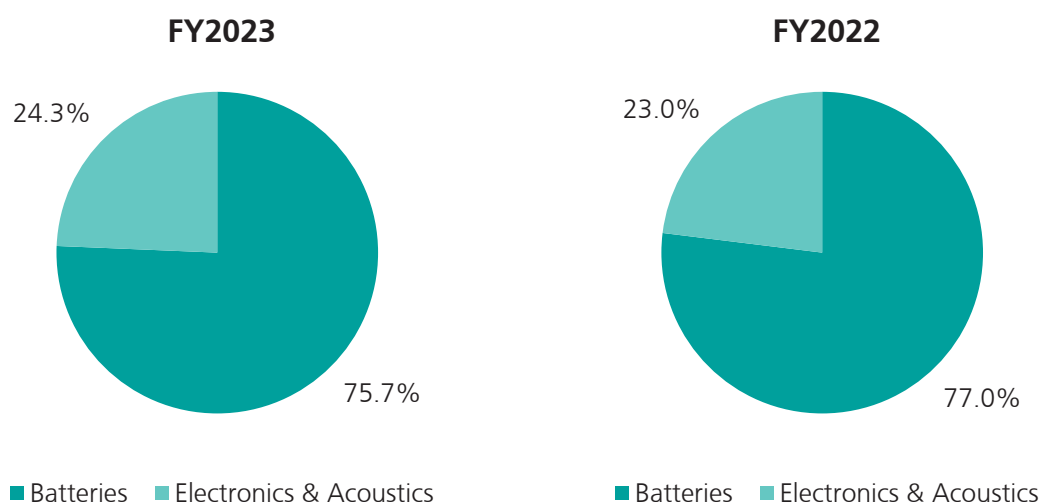
The Company is principally engaged in holding investment in subsidiaries and associates and is the regional headquarter of the Group. The Group's core businesses involve the development, manufacturing and marketing of batteries and related products, and electronics and acoustics products.

Underpinned by the Group's in-house production sites for equipment and design manufacturing of batteries and electronics and acoustics products, the Group has built renowned brand names for its major product categories, such as "GP Batteries", "KEF" premium consumer loudspeakers and music systems, "Celestion" professional speaker drivers and "C-Music" high performance busking amplifier, which are marketed and distributed globally. In addition, the Group also manufactures, markets and distributes the "Pairdeer" batteries and markets and distributes certain types of "Toshiba" batteries in China.

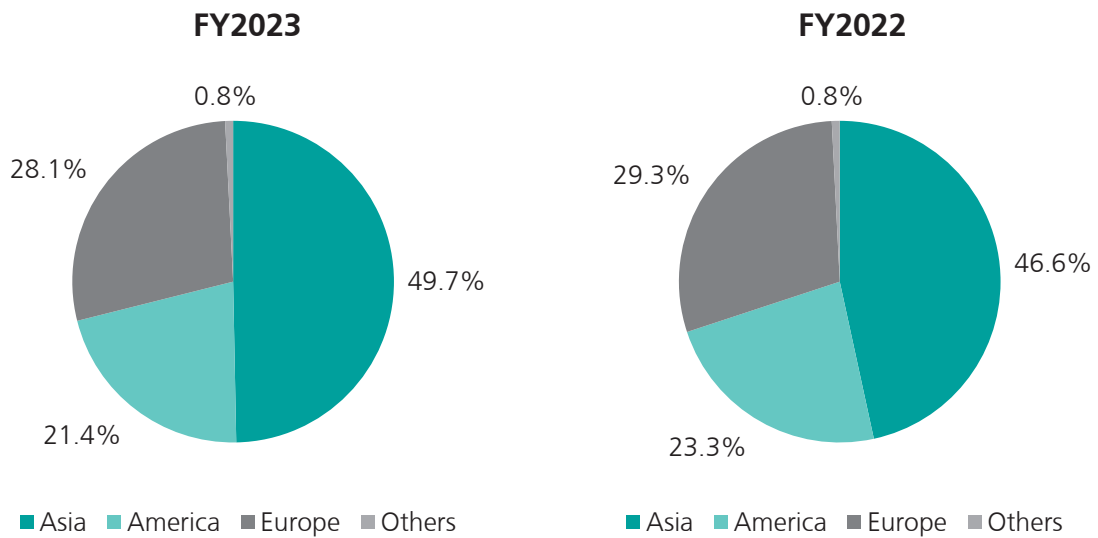
Over the years, the Group has successfully established a robust and widespread manufacturing and distribution network. Primarily, manufacturing activities are conducted in China, Malaysia, Thailand, and Vietnam. To enhance distribution channels and marketing efforts, the Group has set up numerous subsidiaries across the globe, such as in Singapore, China, Hong Kong, Taiwan, Japan, Malaysia, the UK, Germany, the United States of America, Poland, and South Korea. The Group's Hong Kong hub plays a significant role in managing and executing a considerable portion of administrative activities of the Group's businesses.

The Group's revenue from continuing operations for FY2023 analysed by business segments and geographic areas are as follows:

Revenue analysed by business segments



Revenue analysed by geographical areas



The Group's major suppliers are mainly located in China. The Group's purchases include metals and chemicals used for the manufacturing of batteries, electronic components, wood panels and wooden boxes for the manufacturing of electronics and acoustics products.

The Group's associates are principally engaged in the manufacturing of metallic products, electronic components and acoustics products, and manufacturing, marketing and trading of batteries and battery-related products.

4. The Group's Sustainability Story

Conservation, Product Excellence and Corporate Social Responsibility

The Group is determined to embed sustainability into all aspects of the operations by closely monitoring relevant ESG issues. By committing to protecting the environment and being socially responsible to its stakeholders, the Group strives to create long-term value for its investors and stakeholders. The Group will continue to value stakeholders' views and engage different parties to achieve its objectives towards sustainable development.

The Group views sustainability as a responsibility for business continuity and regenerative growth. Hence, the Group envisions promoting the quality of life through the adoption of green energy, the modernisation of manufacturing facilities and the development of eco-friendly products. With the Group's continuous efforts, the Group now has an effective team with diverse backgrounds and skillsets to navigate the Company through uncertain business environments while creating value for our customers, community, and the planet.

The Group also understands that human capital is the key to its long-term success. To support the Group's sustainability initiatives, the Group makes strategic sustainability-focused hires to help promote collaborative creativity, as well as integrate people-, stakeholder- and life-centric designs as part of the business culture to achieve sustainable growth in the Group's work practices.

In response to the challenges posed by the COVID-19 pandemic and the resulting trade anomalies and constraints, the Group has proactively adapted its manufacturing and investment strategies for its factories. By implementing effective preparation and resource planning measures, the Group has been able to navigate the severe disruptions in the supply chain while maintaining normal business operations. One notable example of this adaptation is the modernisation plan for the Group's manufacturing facilities in China and Southeast Asia. By leveraging automation technology, the Group has improved the safety, efficiency, and quality assurance of its manufacturing processes. This strategic shift has enabled the Group to better manage the challenges posed by the pandemic.

The Group regularly assesses its operations to identify any negative impacts that it may be having on the environment, society, and human rights. The Group also uses feedback from our employees, customers, suppliers, and other stakeholders to identify potential negative impacts and prioritizes its actions based on the severity and urgency of the impact and involves relevant departments and stakeholders in developing remediation plans.

In addition to incorporating automation, the modernisation plan also involves relocating to state-of-the-art facilities. This move not only benefits the Group by providing a more advanced workspace but also significantly improves the working and living conditions for the Group's employees, thereby enhancing the overall well-being.

The Group's "Zero Waste to Landfill" validations underpin its commitment to be responsible and conscious of optimising the use of resources and minimising waste generation. The Group is also working on product packaging re-design to avoid using plastics to the extent possible.

The Group strives to develop innovative products that are both eco-friendly and cost-efficient in order to enrich the daily experience and improve the living standard of its customers as a whole. During financial year ended 31 March 2022 ("FY2022"), the Group launched the GP Recyko Charge 10, the world's fastest rechargeable NiMH battery system, and the new GP Recyko Pro, the world's fastest photo-flash battery. The Group will continue to invest in technology and product innovation to provide better sound and portable power solutions for consumers in an effort to maintain our leadership position in the market.

The Group's Batteries Business has dedicated a significant number of resources and efforts to its research and development centre for the development of new products and the introduction of advanced equipment in response to the increase in market demand for advanced equipment and innovative products. Equipped with cost-effective automated systems, the Batteries Business can enhance overall productivity and quality control, which helps ensure the data-driven quality management system and manufacturing process follows the continuous improvement philosophy. Factors or parameters that could affect product quality are hence prevented by data automation.

To achieve long-term success and enhance competitiveness, the Group has an ongoing plan to establish new centres of excellence in key cities including Hong Kong, Kuala Lumpur, London, Shenzhen and Singapore. The strategic plan is not only to expand the Group's talent base, but also to enable the Group to be resilient against the latest consumer trends and technologies in the regions surrounding these global cities.

The Group strives to create vibrant communities with improved quality of living and engages with the local communities through various social caring programmes and events. Driven by this fundamental value, the Group continues to invest in resources to protect the environment, promote health and safety in the workplace, take an active role in shouldering corporate social responsibility and stay committed to providing the best products and services for its customers and the community.

Climate Change

The Group's operations could be significantly impacted by climate-related factors, such as greenhouse gas ("GHG") emissions, natural resource consumption, and waste production. The Group's manufacturing processes produce GHG emissions mainly from the use of electricity from the grid in manufacturing sites. To address this issue, the Group is prioritising the development of energy-efficient production methods, investing in energy-saving equipment, and creating energy-efficient products to minimise GHG emissions. In addition, the Group has been focusing on sustainable production techniques, waste reduction, material recycling, and the exploration of alternative materials and technologies to conserve natural resources. Furthermore, the Group is committed to developing eco-friendly product designs, implementing recycling initiatives, and collaborating with stakeholders to encourage cleaner production practices.

The Group is proactively working towards climate disclosure by financial year ending 31 March 2025. The Group's approach to achieving this involves the following steps:

1. **Establishing a governance structure:** The Group has set up a climate change policy to address climate-related risks and opportunities.
2. **Assessing climate impacts:** The Group will conduct a thorough review of the transitional and material impacts of climate change on its business operations, supply chain, and overall industry landscape, enabling the Group to identify potential vulnerabilities and opportunities.
3. **Developing and monitoring metrics:** The Group will identify relevant metrics to assess and manage the impacts of climate change on its business, using these metrics to monitor progress, set targets, and make informed decisions to mitigate risks and seize opportunities related to climate change.

By actively preparing for climate disclosure, the Group aims to enhance its sustainability efforts and demonstrate its commitment to addressing climate-related issues, thereby contributing to a more resilient and sustainable future.

Sustainability Targets

It is the Group's long-term sustainability targets to:

- Limit the use of hazardous substances;
- Lower energy consumption during manufacturing;
- Avoiding occupational health and safety incidents; and
- Minimising carbon emissions

Noteworthy Sustainability Initiatives

Batteries Business

Zero Waste to Landfill Validation



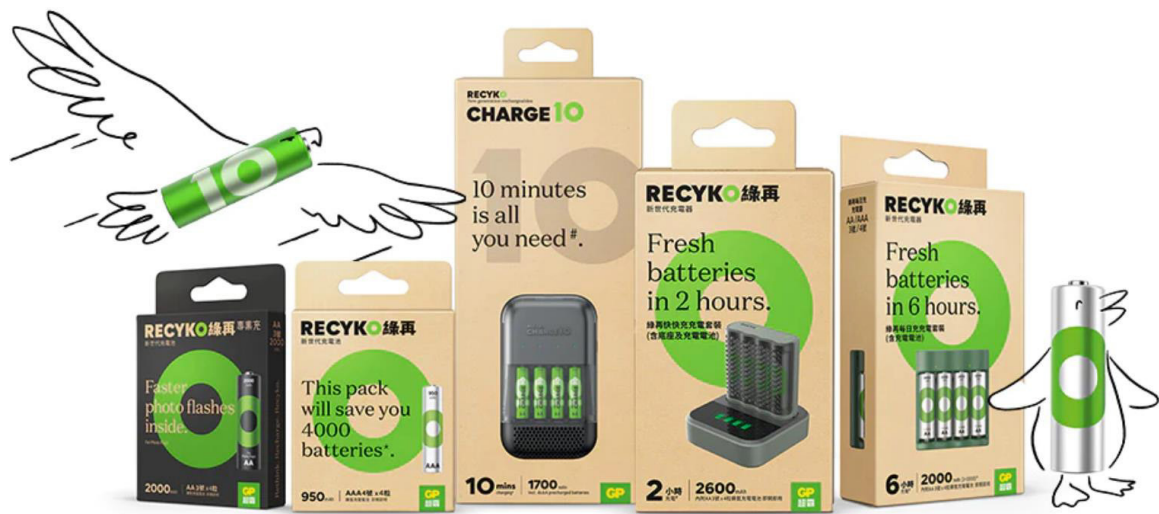
Reducing waste is one of the Group's main environmental focus areas, and the Group has been working towards zero waste in its battery manufacturing facilities – to measure and validate reduction, reuse, recovery, composting, anaerobic digestion and incineration of waste to generate energy.

The mantra “Reduce, Reuse, Recycle” is more than a way of life or business; for the Batteries Business, it is a promise. During FY2023, the Group continued our efforts on environmental and climate change initiatives. Six plants in Malaysia, Vietnam and China have achieved Zero Waste to Landfill Gold Validation and further investments will be made to minimize waste and emissions. Solar energy will be more widely adopted in the Group's facilities in Malaysia, China and the UK where solar panels will be installed for powering part of its operations.

Currently, 10% or more recycled materials are used in the Group's selected rechargeable battery models and the Group is working to increase this figure and expand its application to a wider product range and pursue progressive elimination of plastics in its product packaging.

In addition to extensive staff training to ensure waste is correctly diverted for recycling or reuse, innovative practices have also been put in place, including reusing metal or plastic bins as trash cans to fully utilise the recycled resources.

Greener Batteries



The Group aims to develop more sustainable sources of power for people's everyday lives. GP Recyko, GP Batteries' rechargeable NiMH batteries, have been designed to reduce energy usage, consumption of fresh raw materials, pollution, and waste to landfill. Significant investment has been committed to promoting GP Recyko rechargeable batteries to encourage consumers worldwide to accelerate the use of rechargeable batteries. The Group has put efforts into producing more efficient and convenient rechargeable battery systems, such as GP Recyko Charge 10, as an important initiative to promote reusable batteries and switch more consumers to use green energy.

To make a planet friendly choice, look for the **green circle**

- All GP Recyko products feature user-centric paper packaging.
- All GP Recyko batteries are made in the Group's manufacturing facilities that have achieved Zero Waste to Landfill (ZWT) Validation from UL.
- 90%+ of the entire battery pack (including the box) for all GP Recyko battery products can be recycled.
- Selected cell models of GP Recyko batteries are certified as made of more than 10% recycled materials.*



* For six models of GP Recyko AAA and AA batteries

The Group is constantly looking for ways to increase the use of recycled materials in its battery products. GP Batteries is the first battery company in Greater China that has obtained the voluntary UL Environmental Claim Validation (“ECV”) certificate for recycled content (UL ECVP 2809) for its rechargeable battery models contain at least 10% recycled material. Also, 90% of materials for GP Recyko batteries are recyclable by weight at the end of the use cycle.

Beyond the products themselves, the Group is actively exploring ways to increase the use of recycled materials in packaging. All GP Recyko rechargeable batteries and chargers features user-centric paper packaging.

The Group puts great emphasis on evaluating the environmental impact of our products “from cradle to grave”. Apart from the measures aforementioned which focus on the development and manufacturing stages, the Group also takes care of the impact during the use phase. This is tied to the Group’s product performance, which includes energy loss from self-discharge and, standby mode, and for rechargeable batteries, from the charging and discharging process. To enhance energy efficiency during charging, the Group constantly refines its product features to minimise self-discharge and energy loss while in standby mode. This demonstrates our dedication to creating environmentally responsible and energy-efficient solutions for its customers.

Safety first



As one of the world’s leading battery brands, GP Batteries is committed to providing products that live up to the highest international safety standards. GP Batteries adheres to strict safety requirements and the Group’s quality assurance centres and laboratories have been well-recognised by international bodies. GP Batteries’ emphasis on safety does not end at the product itself – for example, when it comes to its lithium battery coins, GP Batteries adopted childproof packaging specifically to prevent accidental battery ingestion by children.

Electronics and Acoustics Business

Green and Responsible Production



The Group consistently monitors and controls the emission from production. The Group is committed to eliminating toxic chemicals, minimising the use of high-risk solvents and seeking natural substitutes. The Group employs alternatives to petroleum-based products, including water-based systems, gels, and solvent substitutions which emits fewer volatile organic compounds (VOC), reduces the risk of respiratory problems and makes production more sustainable.

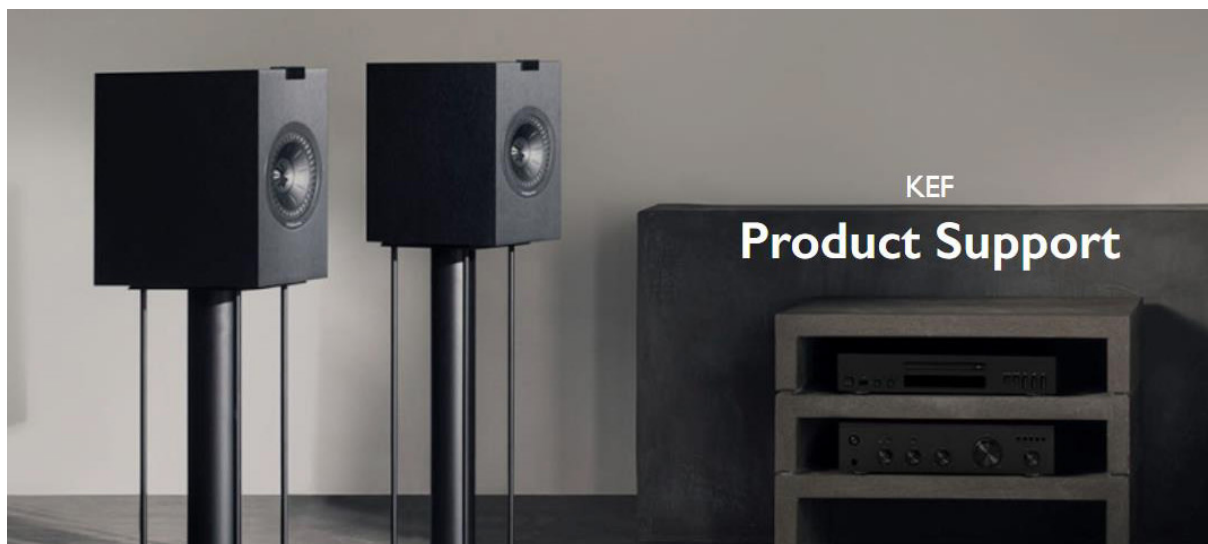
The Group employs a supplier re-cycle packing strategy to decrease waste and encourage a circular economy. Through re-cycle packing, the Group endeavours to decrease carbon emissions, preserve resources, and lessen the environmental effects of packaging.

Furthermore, the Group has replaced non-biodegradable packaging materials, such as Polyfoam and PE foam, with biodegradable alternatives like recyclable paper materials gradually. The Group also promotes these eco-friendly practices throughout the supply chain to promote sustainability and environmentally conscious operations.

Exhaust air treatment systems are used to capture and remove harmful pollutants and particulate matters from industrial exhausts which help to reduce air pollution and improve air quality. This can improve the health and safety conditions for workers and nearby communities, reduce the risk of respiratory problems, and promote a more sustainable and healthier environment.

To lower energy consumption and emissions, our factories have implemented LED lighting systems which are more efficient and cost-effective. Central hot water systems have been installed in our factories to reduce energy consumption, emissions, and water wastage. Such installation can also enhance safety by reducing the likelihood of scalding accidents.

Customer Relations and Satisfaction



Customer interest and security are always KEF's top priorities. Customers who bought KEF products from our official website or purchased at any of KEF's authorised retailers enjoy price transparency and quality assurance, complete customer service and international product warranty. Price transparency and quality assurance helps customers make informed decisions and build trust in the product. Complete customer service ensures a positive customer experience and enhancing satisfaction. International product warranty adds value by instilling consumer confidence in the product's quality and reliability.

Noteworthy Awards

During FY2023, the Group received numerous awards in recognition of its efforts in protecting the environment and product innovation:

Batteries Business

	Brand/Entity	Awarded by	Award
1	GP Batteries	Greater China Association of Branding Industry	100% HK Branding Award – Outstanding Corporate Social Responsibility (CSR) in Environmental Conservation 2022
2	GP Batteries	Hong Kong Green Organisation	(a) Energywi\$e Certificate – Good Level and (b) Wastewi\$e Certificate – Good Level
3	GP Batteries and a factory in China	Environment and Ecology Bureau of Hong Kong SAR and the Department of Industry and Information Technology of Guangdong Province, China	(a) Hong Kong-Guangdong Cleaner Production Partner (Supply Chain) and (b) Hong Kong Guangdong Cleaner Production Excellent Partner (Manufacturing)
4	A plant in Dongguan, China	Office of Dongguan Work Safety Commission	Dongguan Safe Enterprise Award

Electronics and Acoustics Business

	Product	Awarded by	Award
1	KEF LS50 Meta loudspeaker	What Hi-Fi? Sound & Vision, UK	Product of the Year Award – Standmount Speakers
2	KEF LS60 Wireless	EISA, UK and StereoNET, Australia	(a) Best Product 2022-2023: Wireless Floorstanding Loudspeakers and (b) The Applause Award
3	KEF Blade Two Meta	Stereophile, US	Product of the Year 2022: Loudspeaker
4	KEF LSX II	StereoNET, Australia	Product of the Year Award 2022- Standmount Speaker (Active)

Considering Stakeholders' Interest Amid the COVID-19 Pandemic

During the waves of COVID-19 unfolded, the Group recognises the importance for all its stakeholders to collaborate closely and support one another. The Group closely monitored the pandemic situation, and in current times of gradual easing of the pandemic restrictions, the Company continuously refines its efforts to improve the effectiveness of anti-pandemic strategies and considers the interests of its stakeholders while achieving the Group's business objectives amid the COVID-19 pandemic.

With the gradual easing of COVID-19 safe management measures, the Company will hold a physical meeting for 2023 annual general meeting ("2023 AGM"), enabling the resumption of past practices regarding shareholder rights and general meeting conduct. The 2023 AGM provides enhanced communication, transparency, feedback, networking and voting opportunities for shareholders which fosters relationships and ensures shareholder engagement in important decisions affecting the Company.

Our Group's manufacturing plants have continued to prioritize health and safety measures, taking necessary precautions to ensure the well-being of its employees. The Group has maintained close coordination with its suppliers, optimizing production and logistics to provide top-notch products and services to its customers. The Group has also remained committed to meeting the needs of its community, as outlined in paragraph 11.5 of this FY2023 SR.

5. Ethics and Integrity

Business Ethics and Integrity

The Group upholds the principles of fair business practices and is committed to conducting business with integrity and achieving business growth under fair market competition. The Group takes a zero-tolerance stance against unfair trade practices, such as bribery and corruption, and is committed to ensuring that its affairs are in compliance with the law in all transactions and interactions. Directors of the Company (the “Directors”) have a responsibility to lead by example, while the Board has the overall responsibility for the Group’s ethical framework. The Board has adopted a Code of Business Conduct and Ethics for the Directors (the “Ethics Code”). The Ethics Code serves to guide the Directors on the following areas of ethical risk and sets a framework where integrity and accountability are paramount:

- (i) avoid conflict of interest in corporate opportunities and other board appointments;
- (ii) maintain the confidentiality of confidential or proprietary information that a director may learn of when discharging his duties as a director;
- (iii) compliance with laws, rules and regulations, including those relating to the dealing in the Company’s securities; and
- (iv) fair dealing with customers, suppliers, competitors, and employees.

All Directors must act in accordance with the principles set in the Ethics Code to practise and promote ethical behaviour.

The Board should ensure the Company encourages its employees (i) to seek guidance from supervisors, managers and appropriate personnel when in doubt about the best course of action in any particular situation; and (ii) to report any potential violations of laws and Company policy.

The Ethics Code also sets out the channel of communication for the Directors to report matters concerning improper business conduct and unethical practices.

Whistle-Blowing Policy

To maintain a high level of corporate governance, the Audit and Risk Committee of the Company (“Audit and Risk Committee”) has established a whistle-blowing policy and is responsible for oversight and monitoring of the said policy. The whistleblowing policy aims to provide safe and confidential reporting channels and guidance on reporting possible improprieties, including but not limited to irregularities in financial reporting, fraudulent acts, bribery and corruption and other matters.

Staff and stakeholders who deal with the Group, such as customers, suppliers and creditors, are encouraged to raise concerns about any suspected improprieties allegedly committed by management and staff of the Company or its subsidiaries. Pursuant to the whistle-blowing policy:

- (i) arrangements are in place for independent investigations by the Audit and Risk Committee of such matters and review of the outcome of the follow-up actions;
- (ii) the identity of the whistle-blower is kept confidential; and
- (iii) any form of disadvantage or reprisal against the whistle-blower by management is expressly prohibited.

The whistle-blowing policy and reporting procedure is posted on notice boards of the Group's factories and the Group's intranet.

Anti-Corruption

The Group is committed to preventing corruption, bribery, extortion, fraud, and money laundering, as well as complying with applicable anti-corruption laws and regulations. It prohibits its employees from offering, making, or receiving any improper payments, kickbacks, and other forms of bribery, for the purpose of securing business advantages, or otherwise engaging in corrupt activities or practices. Anti-corruption training sessions were offered to employees to refresh their knowledge of anti-corruption laws and be aware of corruption loopholes.

The Group's whistle-blowing policy also enables suspected corruptive practices within the Group to be reported in strictest confidence.

During FY2023, the Group complied with all relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud, and money laundering. No legal case regarding corrupt practices was brought against the Group or its employees.

Interested Person Transaction ("IPT")

The Company has adopted an internal policy in respect of any transaction with interested persons and has set out the procedures for review and approval of the Group's IPT. Please refer to the section headed "Interested Person Transactions ("IPTs")" on page 162 of the Annual Report for disclosure in accordance with Rule 907 of the SGX-ST Listing Manual in respect of IPTs.

Dealing in Securities

The Group has adopted a Code of Best Practices on Securities Transactions with respect to dealings in securities of the Company by Directors and officers of the Group.

Directors and officers of the Group are prohibited from dealing in the Company's securities during the period commencing one month before both the announcements of the Company's half-yearly results and full-year results, ending on the date of the relevant announcements of the Company's financial results.

Directors and officers of the Group are also not expected to deal in the Company's securities on considerations of a short-term nature.

The Company has complied with its Code of Best Practices on Securities Transactions in FY2023.

6. Material ESG factors – Policies, Practices, Performance and Targets

The Group identifies and evaluates material ESG factors regularly to ensure such factors are relevant in a rapidly changing business environment and to the Group's evolving business strategies. The Group recognises engagement with stakeholders is critical to the successful identification of material ESG factors.

The existing framework and policy are reviewed and enhanced continuously. In addition, realistic achievement targets are set with proper parameters determined for evaluation of the progress.

7. Stakeholder Engagement

The Company is dedicated to engaging with stakeholders as an integral aspect of its sustainability strategy. This engagement allows the Group to identify and address the key issues, subjects, or concerns impacting our stakeholders, thereby aligning the Group's sustainability objectives with those of our stakeholders.

The Group endeavours to engage stakeholders regularly to maximise opportunities for them to share their perceptions and experience, as well as for the Group to provide updates on recent developments through diverse engagement channels.

Management identifies key stakeholders as groups which have material impacts or could potentially be impacted by our operations. The following is a summary of the Group's key stakeholders, how they are principally engaged and what the key topics and concerns raised:

Stakeholders	Engagement Platforms	Key Topics and Concerns Raised
Employees	<ul style="list-style-type: none"> Performance appraisal discussions Company's newsletters E-communications 	<ul style="list-style-type: none"> Remuneration and welfare Training and career development Workplace health and safety Updates on company's events and progress of development projects
Customers	<ul style="list-style-type: none"> Regular meetings Customer satisfaction surveys Email correspondence Social media channels 	<ul style="list-style-type: none"> Pricing Health and safety of customers and products EHS practices Ethical practices Customer management and after-sales services
Business Partners	<ul style="list-style-type: none"> Meetings On-site inspections Price quotations and email correspondence Vendor evaluation and assessments 	<ul style="list-style-type: none"> Economic performance Ethical practices and fair trading Respect intellectual property rights Product and service quality management
Shareholders / Investors	<ul style="list-style-type: none"> Annual Report Annual General Meeting Corporate website SGXNET announcements Investor relations emails 	<ul style="list-style-type: none"> Economic performance Distribution to shareholders
Regulators	<ul style="list-style-type: none"> Meetings On-site inspections Seminars Email correspondence Periodic reports & returns Official circulations 	<ul style="list-style-type: none"> Compliance with laws and regulations

8. Material Topics and Boundaries

Material topics are identified by communications with stakeholders as discussed in paragraph 7 of this FY2023 SR. Reporting and disclosure requirements imposed by regulatory authorities are considered. Material sustainability topics of the peers are also considered if they are relevant to the Group. To better reflect the stakeholders' interest of the Company, eleven new topics have been included for stakeholders to consider in FY2023. The identified material topics are then evaluated internally and prioritised accordingly to the impact on the stakeholders and attributable to the risk and opportunities. During FY2023, certain key internal and external stakeholders were invited to participate in surveys to evaluate the importance of a list of potential material topics. The assessment result reflects the materiality of the topics in multiple aspects including the Group's strategy, mission, resources, industry trends and stakeholders' concerns. A major shift in focus towards economic topics, such as ethics and compliance and anti-corruption, has been observed. This suggests that stakeholders are becoming increasingly aware and concerned over the Group's overall governance and supply chain performance. Meanwhile, certain environment and employee-themed topics remain significant for the Group's business continuity.

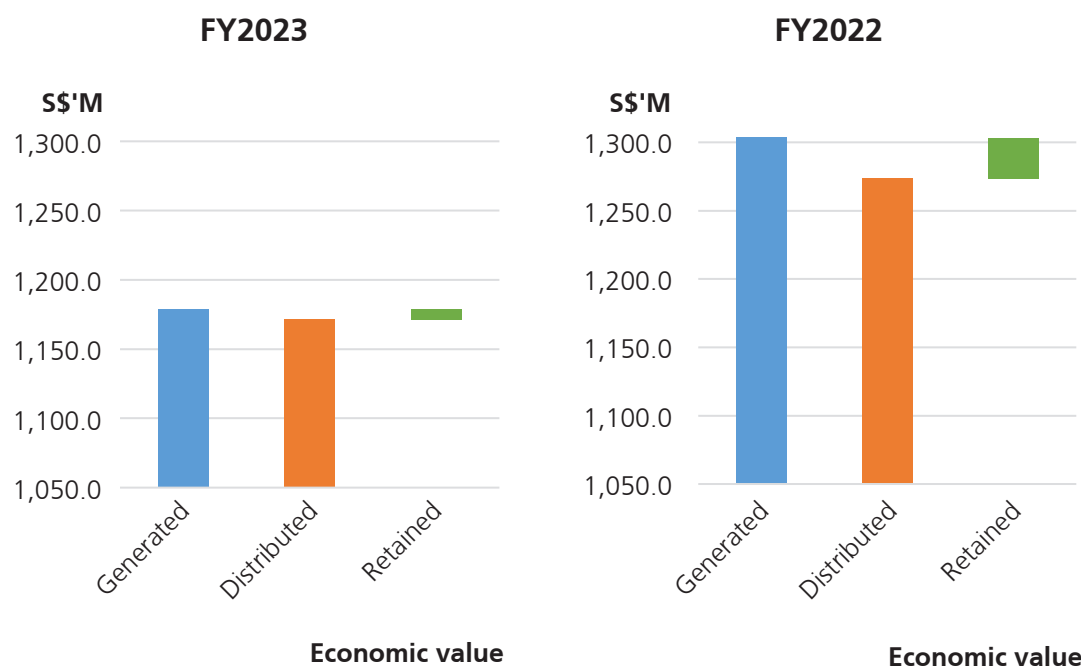
Material topics discussed in this FY2023 SR	Impact Boundaries
Economic	
Market Presence	All stakeholders
Economic Performance	
Anti-corruption	
Ethics and Compliance	
Respect Intellectual Property Rights	
Health and Safety of Customers	
Product and Service Quality Management	
Data Security and Privacy Protection	
Customer Relations and Satisfaction and After-sales Services	<ul style="list-style-type: none"> ▪ Employees ▪ Customers ▪ Business partners
Fair and Responsible Marketing	All stakeholders
Supplier Engagement	<ul style="list-style-type: none"> ▪ Customers ▪ Business partners
Environmental	
Efficient Use of Materials	All stakeholders
Energy Usage and Efficiency	
Water Conservation and Effluent Management	
Waste Management	
Environmental compliance	
Packaging Optimisation	
Air Pollution Management	

Material topics discussed in this FY2023 SR	Impact Boundaries
Environmental (cont'd)	
Greenhouse Gases Emission Management	All stakeholders
Renewable Energy	
Respond to Climate Change	
Biodiversity	
Encourage Supplier Environmental Protection	
Supply Chain Environmental Risks	
Social	
Occupational Health and Safety	<ul style="list-style-type: none">▪ Employees▪ Customers▪ Business partners▪ Community
Training and Development	Employees
Diversity, Equal Opportunity, and Non-discrimination	<ul style="list-style-type: none">▪ Employees▪ Business partners
Local Communities	Community
Supplier Social Assessment	Suppliers
Customer Health and Safety	Customers
Socioeconomic Compliance	Regulators
Prevent Child Labour and Forced Labour	<ul style="list-style-type: none">▪ Employees▪ Customers▪ Business partners▪ Community
Employment Management System	Employees
Employer-employee Relations	Employees
Community Engagement	<ul style="list-style-type: none">▪ Employees▪ Community
Community Investment	<ul style="list-style-type: none">▪ Employees▪ Community
Supply Chain Social Risks	Suppliers

9. Economic Topics

9.1 Direct economic value generated and distributed

We strive to meet or even exceed the expectation of various groups of stakeholders, and one of the key indicators to demonstrate the Group’s capability is our Economic performance. The Group’s income statement for FY2023 is set out on page 38 of Annual Report. The following is a statement of direct economic value generated and distributed by the Group for FY2023, as compiled from the afore-mentioned income statement and other information set out in Annual Report:



The components of economic value generated and distributed are set out below:

	FY2023 S\$' million	Y2022 ⁽¹⁾ S\$' million (restated)
Direct economic value generated:	1,178.9	1,303.3
Revenue	1,150.0	1,237.3
Proceeds from disposal of assets ⁽²⁾	4.8	11.7
Share of results of associates, net of taxation	24.1	54.3
Economic value distributed:	1,171.3	1,273.3
Operating costs ⁽³⁾	924.4	1,016.1
Employee wages and benefits ⁽³⁾	195.4	214.6
Payments to providers of capital (finance costs and dividends)	44.9	35.1
Payments to government	6.6	7.5
Economic value retained:	7.6	30.0

(1) Includes continuing operations and discontinued operations.

(2) FY2023 amount includes restructuring charges written back of S\$1.2million (FY2022: S\$13.1 million) and FY2022 amount also includes loss from disposal of Automotive Wire Harness Business of S\$2.9 million

(3) Includes economic value distributed attributable to community investments activities, which was not separately identified.

The Group's revenue from continuing operations for FY2023 declined by S\$72.7 million or 5.9% to S\$1,150 million due mainly to the GP Batteries' S\$70.8 million or 7.5% decline in revenue during FY 2023 when compared to FY2022. The Group's Economic value retained for FY2023 declined by S\$22.4 million to S\$7.6 million due mainly to the increased payments to providers of capital including finance costs and dividend paid increased for FY2023.

10. Environmental Topics

Environmental Stewardship

The Company's business continuity crucially relies on the preservation of environmental resources. Hence, the Group puts great emphasis on environmental stewardship to protect the planet for present and future generations. The Group endeavours to accelerate the low-carbon transition by optimising resource utilisation and minimising adverse environmental impacts during its business operations. Relevant policies and standards are also in place to govern our employees and relevant parties to maintain green operations and invest in eco-friendly technologies and products.

The Group's Environmental Policy is regularly updated and is made available to all relevant stakeholders to guide the actions and ensure compliance with all applicable laws and regulations so that the Group can conduct business in an environmentally conscious manner and advocates good practices in our value chain. The policy covers a wide range of topics, including greenhouse gas management, air pollution, solid waste management, water management and sewage management.

The Group is determined in adopting efficiency-enhancing practices and promoting resource recycling and reuse to better conserve natural resources and promote resource recycling and reuse. Apart from having the environmental policy in place to ensure the efficient use of resources, the Group is also exploring resource-saving initiatives to reduce total energy consumption and examining the possibility to increase the proportion of renewable energy consumption.

The Group established an effective environmental management system to control and manage our environmental performance. Our factories have been accredited with the ISO 14001 environmental management system. Six plants in Malaysia, Vietnam and China received UL Zero Waste to Landfill Gold Validation to acknowledge their efforts and achievements in maximizing waste diversion as well as their ongoing commitment to improving sustainability performance.



10.1 Materials used by weight or volume

Circularity of products is the centric of our design concept. The Group always strives to improve the recyclability, and at the same time use more recycled or sustainable materials in its products and packaging. For instance, the Group's GP Recyko rechargeable batteries and chargers features user-centric paper packaging. Also, 90% of materials for GP Recyko batteries are recyclable by weight at the end of the use cycle. Apart from the necessary protection for shipment, the Group strives to avoid excessive packaging design. Packaging is designed to be reused or recycled easily. Reuse is achieved through repeated usage, waste recycling for making new products, waste-to-energy combustion, or composting. This can reduce pollution to the environment and fully utilise resources. Types of packaging material usually include cartons, plastics, metal, and plywood pallets. Biodegradable packaging materials are also used to avoid the formation of permanent waste. For selected consumer alkaline battery products, we use soy-based ink, which is more biodegradable and environmentally friendly, in the product packaging. Product packaging is constantly reviewed in order to reduce material usage and minimise the impact on the environment.

The weight and intensity of packaging material used, determined by direct measurements or estimation as deemed appropriate by the concerned entity, are as follows:

	FY2023 Tonnes	FY2022 Tonnes
Weight	15,992.5	17,100.8
Intensity (per S\$ million revenue)	13.906	13.821

10.2 Energy consumption within the organisation

Energy consumption is closely tracked and reviewed to maintain a lean and efficient operation. The energy efficiency of equipment is considered in capital investment. For the development of manufacturing equipment, the Group adopts energy-saving technology and uses energy-effective components. The Group also actively promotes the use of green energy through the use of solar equipment. Factories adopt various green building concepts to save energy, which includes using natural lighting from windows and courtyard glass, installing utilities underground for more headroom, utilising glass as a partition as much as possible, replacing various light sources with LED tubes and using solar energy for certain lighting systems. To encourage energy-saving behaviours, the Group placed stickers next to switches to remind colleagues to turn off lights and prepared an introduction video to educate colleagues about green office initiatives and raise their awareness. All these measures improved the energy efficiency and contributed to the decrease in energy consumption in FY2023.

Total energy consumption are as follows:

	FY2023 Million kWh	FY2022 Million kWh
Energy consumption [#]	85.2	104.5
Intensity (per S\$ million revenue)	0.074	0.085

[#] Energy consumption mainly includes electricity purchased from external parties and determined by direct measurements based on metre readings, as well as the city gas purchased from external parties. The energy consumption does not include other insignificant direct energy consumption.

10.3 Water withdrawal

The Group regularly monitors its water consumption to ensure that its business activities are managed with awareness to protect water resources, such as minimising our water usage in operations by installing low-flow faucets and setting up water-saving toilets. This is demonstrated in the decrease in water consumption in FY2023. The Group will continue to strengthen the discussion of water use reduction measures and take actions where feasible.

Water supply facilities and equipment are properly maintained while water-saving washing facilities are utilised to improve water efficiency. Water used in certain production plants is recycled for operations such as floor washing, battery washing, water spray de-dusting, washing dusty uniforms and containers. The Group has onsite sewage treatment facilities to minimize water pollution. The facilities are regularly inspected to ensure normal operations, prevent leakages and avoid accidents. There was no issue in sourcing water that is fit for the Group's manufacturing purpose in FY2023.

Total water consumption, all supplied by public water utilities and determined by direct measurements based on metre readings, are as follows:

	FY2023 Million litres	FY2022 Million litres
Water consumption	447.1	584.5
Intensity (per S\$ million revenue)	0.389	0.472

10.4 Emissions

The Group has always been actively seeking opportunities to minimise and regulate emissions in its efforts to combat climate change. As outlined in the Group's Environmental Policy, all facilities were responsible for identifying and documenting all sources of GHG emissions and maintaining up-to-date records. This includes tracking and reporting all direct (Scope 1) GHG emissions from sources under their ownership or control, as well as indirect (Scope 2) GHG emissions from the energy they purchased and consumed.

Carbon dioxide ("CO₂") is the major GHG emission from the Group. Direct CO₂ emissions mainly arise from the direct consumption of diesel for generators, forklifts and petrol and diesel for owned vehicles. The Group monitors its CO₂ emissions regularly and controls the use of diesel generators and company cars to lower direct CO₂ emissions. Conversion of diesel forklifts and vehicles to electric ones is another approach to minimize CO₂ emissions. Indirect CO₂ emissions mainly arise from the use of electricity. The Group monitors its electricity consumption, implements energy-saving initiatives and improve energy efficiency to reduce energy consumption. A small amount of indirect CO₂ emissions is also emitted from the usage of outsourced vehicles and business air travel. Aligned with our commitment to reducing the carbon footprint from our operations, the Group encourages online meetings to reduce business travel and advocates paperless operations.

GHG emissions are quantified in terms of CO₂ equivalent (“CO₂-e”). For FY2023, Scope 1 and Scope 2 GHG emissions of the Group are as follows:

	FY2023 Tonnes CO₂-e	FY2022 Tonnes CO ₂ -e
Direct GHG [#] (Scope 1) emissions	2,017.6	2,314.1
Indirect GHG [#] (Scope 2) emissions	47,472.3	60,084.7
	49,489.9	62,398.8
Intensity (per S\$ million revenue)	43.03	50.43

[#] GHG covered in this FY2023 SR include CO₂, methane, and nitrous oxide.

The reduction in GHG emissions in FY2023 was mainly due to decrease in energy consumption and reduction in China’s electricity emission factor.

To achieve the ultimate overall net zero carbon emission goals, the Group is taking steps to reduce carbon emissions, most importantly promoting the use of renewable energy sources to replace grid electricity. For example, the Group is using solar heaters, which convert solar energy to heat, and utilising air-to-heat pumps to absorb heat from the air to heat water.

The Group also put emphasis on energy efficiency measures. These include adopting LED lighting, installing inverters in discharge facilities, replacing centralised air conditioners by smaller zonal air conditioners to increase flexibility adjusted according to staff needs. The Group also gradually increase the greenery area in our facilities for carbon absorption.

In addition, the Group are committed to identifying alternatives to business traveling and encourage its employees to make climate-smart decisions when it comes to travel. This includes opting for video conferencing instead of in-person meetings and making other choices that help minimise the environmental impact of our operations. By taking these measures, the Group hopes to make a meaningful contribution to the fight against climate change while continuing to operate in a sustainable and responsible manner.

Concerning air emissions, the Group’s objective is to decrease emissions from air pollutants. For battery manufacturing, the Group applies biological trickling treatment for VOC and various dedusting techniques to reduce particulates in the air. For audio manufacturing, the primary sources of these emissions are the application of glue and paint during the production of loudspeakers and speaker cabinets. As the glue and paint cure, solvents, and chemical gases, like toluene and xylene, evaporate. Solvents in common use are categorised as “preferred,” “usable,” and “undesirable.” The Group exclusively utilises solvents from the first two classifications. The air emission risk associated with glue and paint usage is divided into three levels: high, medium, and low. The Group consistently monitors and maintains the air emission risk within a safe range. Moreover, the Group is also committed to eliminating toxic chemicals, minimising the use of high-risk solvents such as toluene and xylene, and seeking natural substitutes. The Group employs alternatives to petroleum-based products, including water-based systems, gels, and solvent substitutions. Additionally, the Group implement resistance welding in lieu of soldering for some products to further reduce air pollutants.

10.5 Waste generated

Guided by the Group's Environmental Policy, standardised approaches are adopted to manage hazardous waste and avoid waste generation whilst promoting resource recycling. The Group's Environmental Policy states that solid waste from operations must be monitored, segregated, and disposed of in a way that prevents harm to the local environment. Facilities must handle, store, transport and dispose of hazardous waste legally and responsibly, and keep proper and accurate records of resource consumption and waste streams.

Hazardous wastes include mainly nickel, manganese, metals and waste mineral oil-water emulsion from scrap and unqualified batteries as well as rags and containers which were contaminated by oil and paints, organic solvents, and a trace of metals. Following the standardised management approach, all hazardous wastes to be disposed of are centrally stored in special warehouses with labels according to different categories. Production volumes are measured and recorded in ledgers by assigned workers. The production, collection, storage and handling of hazardous wastes have been properly carried out in order to reduce the negative impacts on soil, water and air. Hazardous wastes are aptly collected and sold to recycling companies for proper treatment.

Non-hazardous wastes include mainly scrapped cardboard, wood, plastics, metals, kitchen wastes and office wastes. Non-hazardous wastes are classified into non-recyclable and recyclable wastes. More than 80% of the non-hazardous wastes are recyclable. Non-recyclable wastes are collected and disposed of by garbage collection companies. Recyclable scrap parts such as cardboard, solder oxide wastes and copper wire scraps are collected and sold to recycling companies. To minimise waste, waste segregation is implemented to store, utilise and move waste according to regulations or standards to turn waste into public resources. Food waste is reduced by outsourcing canteen vendors to sort and collect food waste for soil enrichment, fish and pig farms. In our factory in Xiegang, China, kitchen waste was recycled by qualified companies to breed black soldier flies for conversion into insect protein and organic fertiliser.

Total wastes generated are as follows:

	FY2023 Tonnes	FY2022 Tonnes
Hazardous waste	1,290.4	1,884.8
Non-hazardous waste	2,438.6	2,419.6
Total	3,729.0	4,304.4
Intensity (per S\$ million revenue)	3.242	3.479

The Group is committed to reducing waste generation and diverting more waste away from being disposed to landfills. Through reuse and recycling, the Group constantly explore ways to improve our waste recycling rate. To accelerate the elimination of packaging waste, for instance, together with suppliers, the packaging is redesigned to be more recyclable and eco-friendlier. The Group also takes the initiative to influence its suppliers and industry peers to make sustainable packaging innovations and to raise the awareness of reducing, reusing and recycling among customers.

To raise colleagues' awareness of waste reduction, a wide range of recycling activities are held regularly within the Group. At the Mid-Autumn Festival in 2022, the Group organised the "Mooncake Tins Recycling Programme". Recycling boxes were set up at the office cafeteria to collect mooncake tins. Collected containers were sent to recycling stations for further processing.

10.6 Non-compliance with environmental laws and regulations

During FY2023, the Group complied with all relevant laws and regulations that have significant impacts on the Group relating to discharges into water and land, and the generation of hazardous and non-hazardous wastes.

11. Social Topics

11.1 Work-related injuries

It is the Group's policy to provide its employees with a safe and healthy working environment in order to protect the employees from occupational hazards.

Various measures associated with occupational health and safety are implemented across the Group. Workers are required to conduct regular occupational health checks to detect work-related injuries and diseases, under the employee health check-up guidelines. The Hong Kong headquarter is equipped with Automated External Defibrillator ("AED") and all operation areas have fire extinguishers to tackle emergencies. On-site safety audits are conducted in factories to assess the safety issue at the operation level, including dust control, prevention of occupational disease and fire safety. The Group provides first-aid training to employees across different operation locations, where the number of qualified first aiders exceeds the requirement of local regulations. Safety and occupational health courses are mandatory in orientation programmes for new employees to join the production plants, including training courses on first aid, and how to properly handle hazardous materials and chemicals.

The Group also put heavy emphasis on the safety and health for our visitors. Safety briefings are provided to all visitors who enter our operations areas in our factories. Appropriate personal protective equipment will also be provided. Any visitors who do not want to be abided by these requirements will be excused from the operations areas to ensure their safety and health.

The Group adopts ISO 45001, Occupational health and safety management systems – requirements with guidance for use ("ISO 45001") as a framework for its occupational health and safety management system in order to create the best working conditions for employees and to prevent workplace accidents and illnesses. A number of the Group's factories were certified with ISO 45001 accreditations.



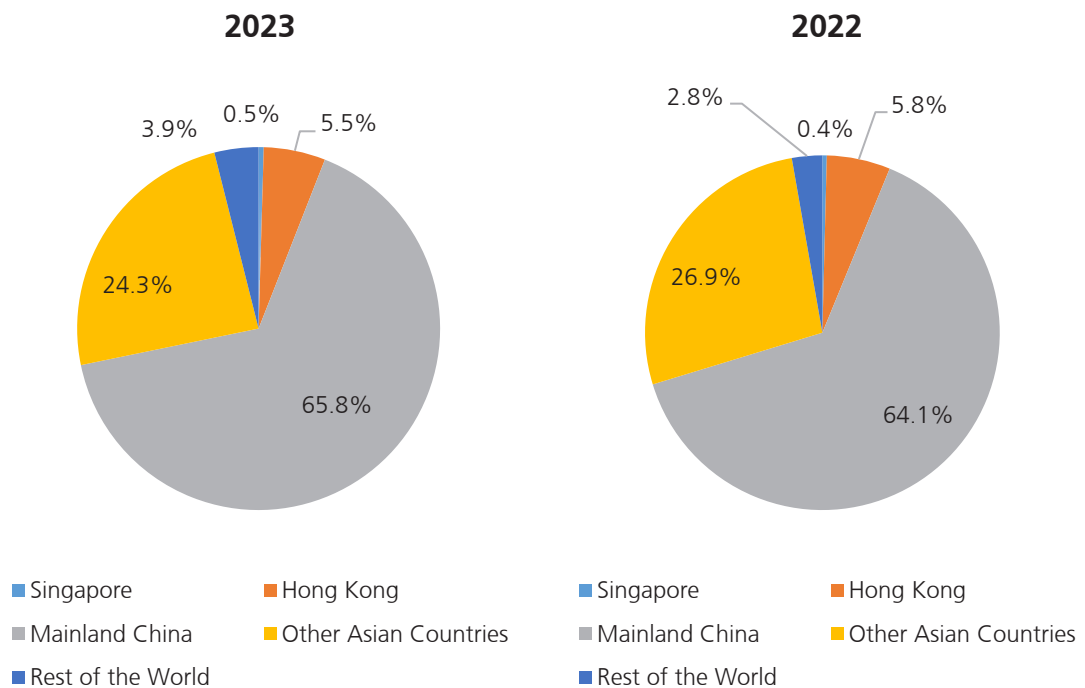
During FY2023, the Group complied with all relevant laws and regulations that have significant impacts on the Group relating to providing a safe working environment, protecting employees from occupational hazards, and prohibiting child and forced labour.

During FY2023, the Group reported 20 (2022: 46) cases of workplace injury, which resulted in a loss of 615 (2022: 815) working days, and zero work-related fatality (2022: Nil).

11.2 Information on employees and other workers

As of 31 March 2023, the Group was supported by a motivated workforce of approximately 6,620 (2022: 7,020) employees worldwide, comprising approximately 3,185 (2022: 3,300) male employees and 3,435 (2022: 3,720) female employees. The workforce is deployed in various countries or regions, as follows:

Percentage of employees by country or region



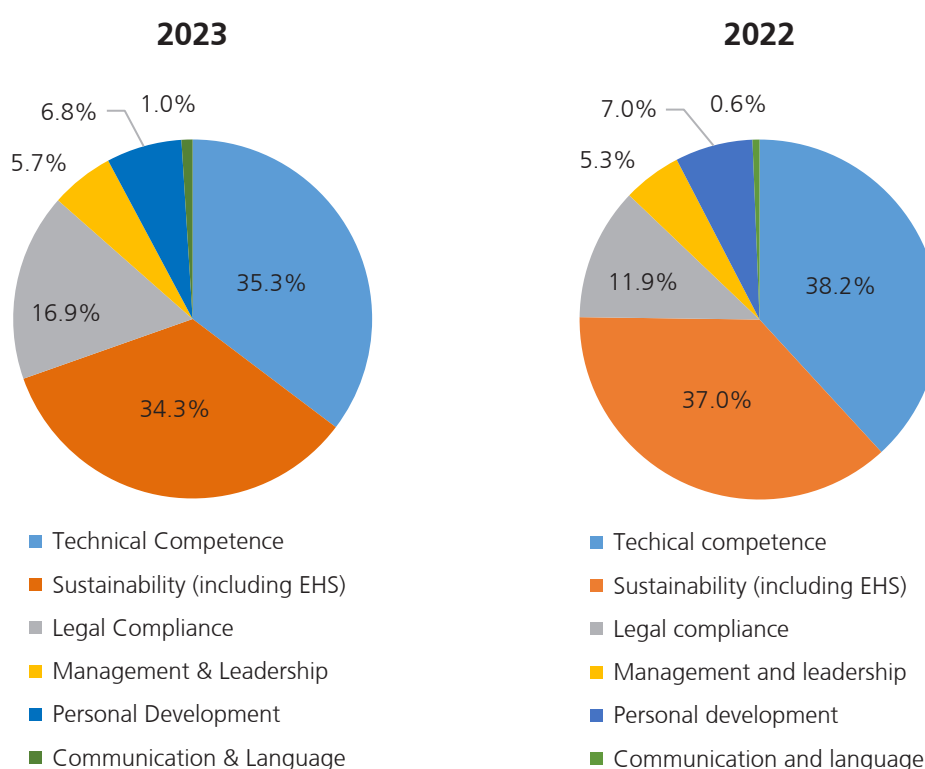
11.3 Average hours of training per year per employee

The Group invests in employees through development programmes to enhance their soft and hard skills as well as work competence in preparation for their career development. Employees participated in various workshops and training sessions on legal compliance, management and leadership skills, personal development, technical competence, sustainability (including environmental, health and safety, "EHS") as well as language and communication. Sustainability (including EHS) training cover environmental protection, chemical and waste management, occupational safety, and social responsibility. In orientation program for new employees, our vision on sustainability and sustainability policies are introduced. In addition, orientation programmes provided to new employees in production plants include training on safety and occupational health courses relevant to their scope of work.

During FY2023, a total of approximately 43,100 (2022: 40,300) hours of training, excluding orientation programmes for new employees, were recorded.

The total number of training hours, excluding orientation programmes for new employees, are analysed below:

Percentage of training hours by topics



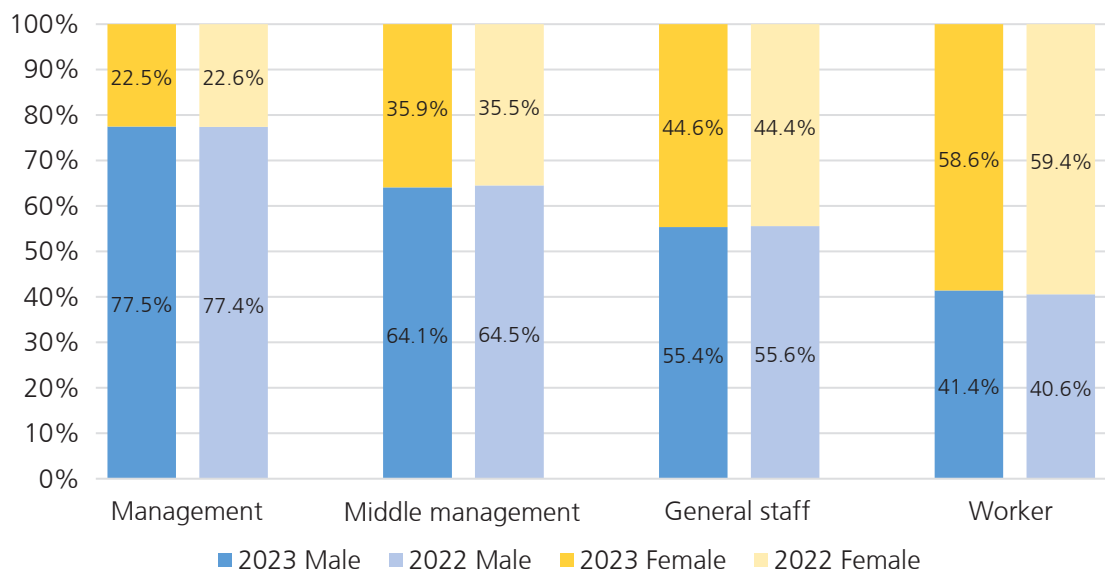
11.4 Diversity of governance bodies and employees

The Group adopts a policy of equal employment opportunities to ensure that every job applicant and employee has equal employment and promotion opportunities. Personal capability and suitability are the bases for consideration. The Group strives to ensure that everyone works in an environment free of discrimination and harassment.

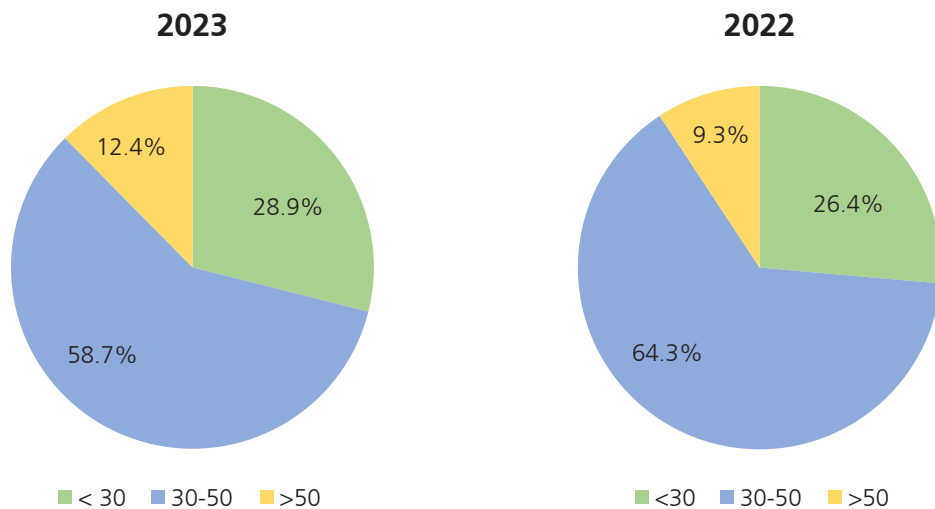
The Group also sees increasing Board diversity as an important aspect in enhancing our sustainability performance. As of 31 March 2023, the Board consists of one female director, representing 9.1% of the Board. 48.1% and 51.9% of the Group's employees were male and female respectively.

The profile of the Group's workforce is set out below:

Percentage of employees per employee category by gender as at 31 March



Percentage of employees by age group as of 31 March



Further information on the Board and senior management of the Group are set out on page 20 to 27 of Annual Report.

The Group respects and promotes diversity by showing appreciation during international celebration days and local festive periods. On International Women's Day, flowers and gifts are given to female employees across different operational locations to acknowledge their contributions and advocate for gender equality. In Malaysia, during the Fasting month, food is provided to staff members as a means of supporting their religious belief and fostering a sense of community and inclusivity. Through these initiatives, the Group emphasises the importance of employee well-being, diversity, and inclusion.

The Group views its employees as its most valuable assets and provides them with equitable and competitive remuneration packages. Remuneration policies and packages undergo regular reviews to ensure that compensation and benefits align with the market in each territory. Eligible employees receive discretionary incentives based on the Group's performance and their individual contributions. Retirement schemes are also included as part of the compensation package. This approach facilitates the recruitment and retention of talented professionals, further strengthening the Group's commitment to its workforce.

11.5 Community Involvement

At the heart of the Group's operations, the Group place a strong emphasis on sustainability and the development of sustainable communities in the regions where the Group operate. To this end, the Group actively engages in community outreach to understand the needs of the communities and ensure that its activities align with their interests. The Group's roadmap has been updated to define the focus areas of contribution, with "Environmental and Sustainability" and "Social and Community Development" being the main priorities. Our approach to achieving sustainable community development begins with nurturing a culture of social care among our staff, engaging in short-term social services, and then gradually committing to project-based and regular community programmes.

Leveraging the Group's design and innovation expertise, the Group partner with Hong Kong Design Centre in their Design In Action initiative under the BODW City Programme to offer design industry knowledge and hands-on work experience to students. Company visits and job tasting sessions were arranged for secondary and tertiary students. GP Batteries also collaborated with Green Influencers to create educational content on green production and energy consumption, with an aim to encourage the development of responsible and sustainability-oriented individuals in the younger generation.

GP Batteries has remained the exclusive battery supplier and an official sponsor for the Hong Kong Standard Chartered Marathon since 2014. In keeping with its commitment to promoting a healthy lifestyle and work-life balance, GP Batteries continued encouraging its employees to participate in the running event with their families and friends.

While most forms of activity have returned to pre-pandemic levels, the Group reckons the need of individuals who require additional attention and care. Donation of surgical face masks was made to the Methodist Centre to support those who work or reside in high-risk settings. Dispelling the gloom of the pandemic, the Group visited a non-profit school and performed for children with special education needs to spread happiness to both the students and teachers through music and inclusivity.

The Group continued to support the Corporate and Employee Contribution Programme through Community Chest and has actively promoted employee participation in social caring events, such as Blood Donation Day 2022, Love Teeth Day 2022, Earth Hour 2023, Lai See Packet Recycling Campaign, etc. The Group is presented the Caring Company Logo for twenty-one consecutive years by The Hong Kong Council of Social Service as a recognition for its contribution and commitment to community engagement.



11.6 Assessment of the health and safety impacts of product and service categories, Supplier social assessment

The Group is committed to producing safe and quality products. The International Electrotechnical Commission (IEC) 62133 series is a widely recognised safety standard for rechargeable secondary cells and batteries, encompassing both nickel and lithium systems, in portable applications. These standards are divided into two parts: IEC 62133-1 for nickel batteries and IEC 62133-2 for lithium batteries. As per the IEC 62368-1 requirements, these standards are mandatory for audio or video, information, and communication technology equipment.

IEC 62133-certified lithium-ion and NiMH batteries from the Group provide rapid market access to over 50 countries participating in the Certification Body Scheme. To ensure the safe transportation of lithium metal or lithium-ion cells, batteries, or battery systems, the United Nations (UN) has published the Recommendations on the Transport of Dangerous Goods – Manual of Tests and Criteria. Section 38.3 of this manual outlines the requirements for shipping these items.

GP lithium-ion batteries, certified under UN 38.3, can be conveniently transported by air and sea, subject to national deviations and additional tests in some cases.

The Group utilises cost-effective automated systems that enhance productivity and quality control. For example, the Batteries Business adopts a quality management system and manufacturing process that are data-driven and follows the continuous improvement philosophy. Product and process parameters that could affect product quality are defined in the related process management plan and have the appropriate controls accordingly.

The Group has established testing facilities strategically in China, Hong Kong, and Singapore for testing batteries according to registered international standards. These accredited laboratories reflect the test capability of the Batteries Business.

The Group has developed and implemented quality control systems towards hazardous substances which are produced in manufacturing processes to ensure compliance with relevant laws and regulations. Laboratories are established to control product quality. A quality management system is set up following the requirements of ISO 9001:2015 and/or IATF 16949:2016 to ensure that appropriate procedures are in place.

Most of the Group's factories have received ISO 9001 and/or IATF 16949 accreditations, indicating the Group's ability to consistently provide products and services that meet customers' needs as well as applicable statutory and regulatory requirements.



The Group's 9V carbon zinc and alkaline batteries are UL-recognised components based on UL 217 (Standard for Safety – Smoke Alarms).

The Group has a well-established supply chain management policy to monitor the qualification of its suppliers. Suppliers are qualified based on their capability to meet the product's technical and quality requirements, health and safety standards and business ethics. The Group conducts regular audits of its suppliers' production sites to ensure their continued compliance with the quality and environmental regulatory requirements.

Supplier evaluation is an essential process of responsible supplier management. Evaluation of suppliers includes completion by a supplier of a questionnaire declaring its performance on various aspects, including environmental, safety and social responsibility. The Group has established a supplier audit checklist and conducts assessments prior to acceptance of sample validation.

The Group regularly monitors our suppliers' performance to identify environmental and social risks via supplier audits. The Group also provides environmental and social awareness training, covering a wide array of topics, such as introduction to corporate social responsibility, supplier social compliance requirements, environmental compliance, and supplier solid waste management, for its strategic suppliers.

Suppliers of the Batteries Business are required to comply with the Group's policy on the disuse of hazardous substances.

The Group has established a recyclers and waste disposal agents' selection policy to guide the selection of providers for such services.

The Group is committed to producing safe and quality products and has established guidelines on product safety and the fail-safe design to guide product designers to include fail-safe concept in its products. Since 2020, the Group introduced new childproof packaging for its coin-sized lithium battery to prevent children from oesophageal injury or death caused by accidental battery ingestion. The childproof packaging features a tamper-proof design with double blisters to avoid accidental opening and can only be opened with scissors. A child safety pictogram and warning message are also printed on the packaging to reduce the risk of accidents. Packs also comply with the latest IEC standards (IEC 60086-4 Edition 5) and Australian ACCC regulations.

The Group has set up mechanisms to receive customers' feedback in order to continuously improve its products and services. Customer surveys are conducted semi-annually to measure customer satisfaction.

The customer complaints handling procedure provides guidelines on handling customers' complaints, including commercial and technical complaints. All complaints are required to be promptly attended to within a specific response time. In addition, the severity and business risk impact of each complaint is assessed.

The Group has established product recall procedures which set out the recall process, including internal analysis, communication with the complainant and the public, the logistic of recalling the concerned products and implementation of corrective and remedial actions.

11.7 Non-compliance with laws and regulations in the social and economic area

During FY2023, the Group complied with all relevant laws and regulations that have a significant impact on the Group relating to (i) compensation and benefits, recruitment, and promotion, working hours, holidays, dismissal, social insurance, equal opportunity, diversity, anti-discrimination, and other benefits and welfare; and (ii) health and safety matters on products and services provided and methods of redress.

SGX Primary Components Index

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The GRI Standards

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