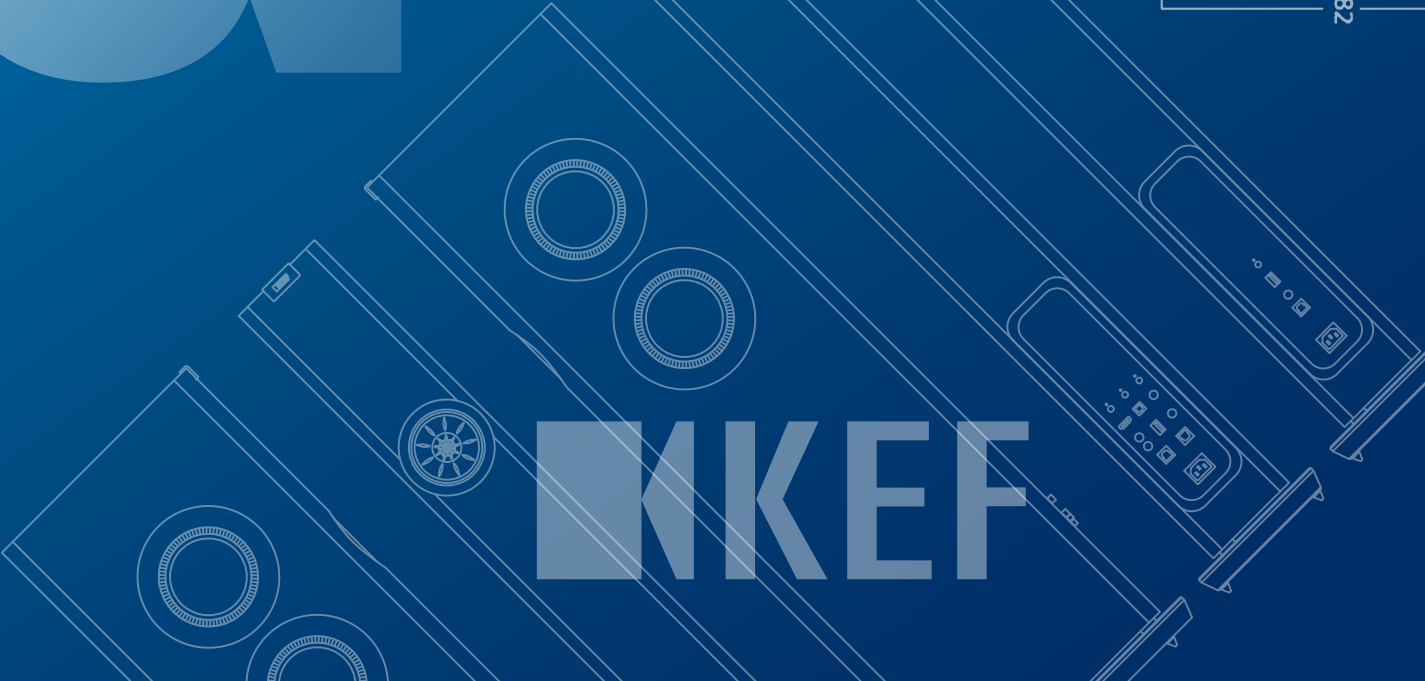
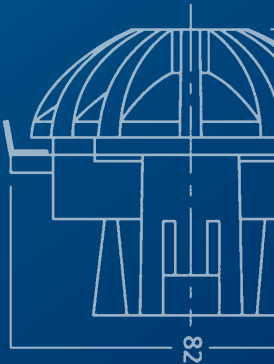
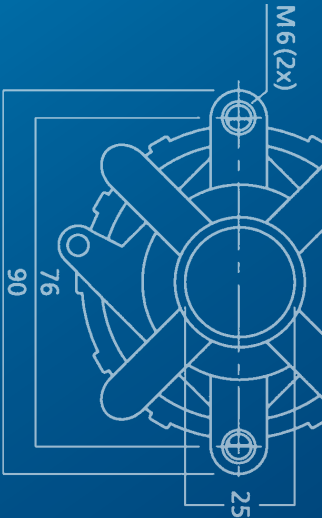
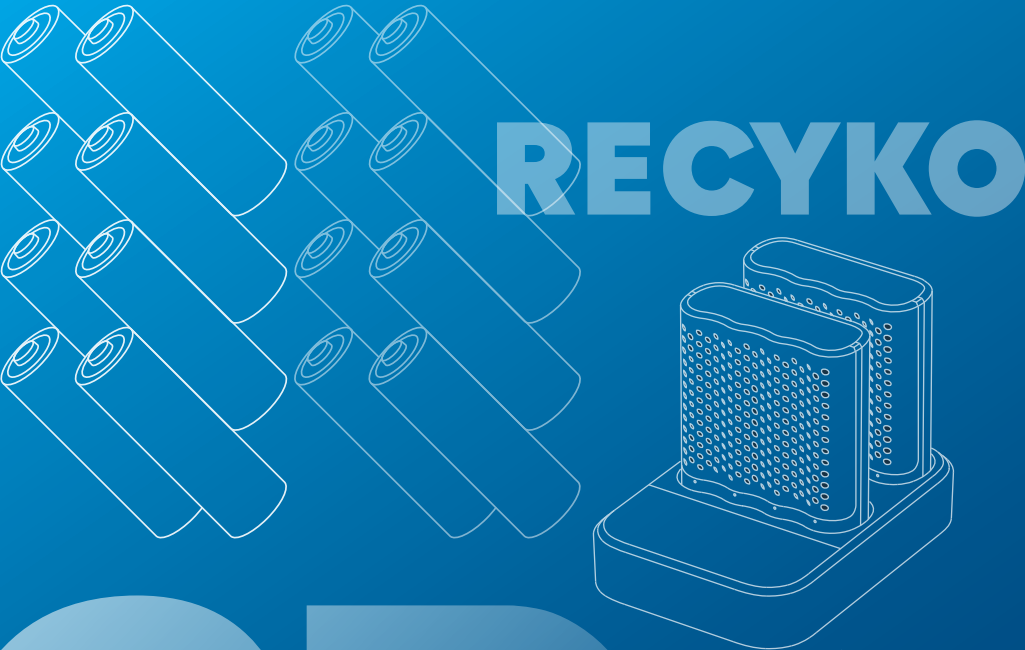




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1. About This Sustainability Report

GP Industries Limited (“GP Industries” or the “Company”) upholds its commitment to sustainability with the publication of its annual sustainability report. This sustainability report (“FY2024 SR”) covers the sustainability approach, initiatives and performance of GP Industries and its subsidiaries (“Group”) for the financial year from 1 April 2023 to 31 March 2024 (“FY2024”).

This FY2024 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 recognized globally as a framework for sustainability reporting and represent the global best practices for reporting on economic, environmental, and social topics. This FY2024 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 FY2024, as set out in its annual report for FY2024 (“Annual Report”), incorporate the financial statements of the Company and its subsidiaries made up to 31 March 2024. Information on the significant subsidiaries of the Company is set out on pages 109 to 112 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 FY2024 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 113 to 114 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 its progress and data collection methodology over time. Except for the completion of the distribution (“DIS”) of GP Energy Tech Limited and its subsidiaries (“GP Energy Tech Group”) disclosed on pages 115 of the Annual Report, there is no significant change to the organisation’s size, structure, ownership, and relationship with key suppliers in FY2024.

This FY2024 SR, available to shareholders via SGX website and GP Industries' 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 FY2024 SR. GRI does not require external assurance and Management has assessed that external assurance is not required for this FY2024 SR.

The management of the Group welcome feedback on this FY2024 SR and any aspect of its sustainability performance. Comments or feedback can be sent to gpind@gp.industries.

2. Statement of the Board and Governance

Sustainability as the value driver, beyond compliance

The Group recognizes environment, social and governance ("ESG") as its responsibility for business continuity and regenerative growth.

The global economic landscape during the financial year ended 31 March 2024 ("FY2024") continued to present significant challenges. Rising geopolitical tensions and higher interest rates created a complex operating environment. Notwithstanding that, the Group has invested considerable efforts to mitigate the impacts of these external pressures through disciplined cost-efficiency measures.

During the year, two of the Group's battery manufacturing facilities in Malaysia have been awarded Zero Waste to Landfill (ZWTL) Platinum validation by the UL Solutions while four of the other facilities in Malaysia, Vietnam and China have achieved the Gold level validation. As the first organization in Malaysia to receive the highest honor in the ZWTL validation program, which requires 100% waste diversion from landfills, this remarkable milestone solidifies the Group's commitment to environmental sustainability. The Group will continue to enhance waste diversion across other production facilities and minimize environmental impact.

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To continue our efforts on environmental initiatives, renewable energy is more widely used in the Group's facilities across all regions. Solar panels are installed on rooftops in our facilities in Malaysia, China and the UK to power their operations. The Group will continue to explore the purchase of green energy to reduce carbon footprint.

As a responsible manufacturer of quality batteries, the Group is committed to minimising the environmental impact across our entire product lifecycle, from raw material to end-of-life recycling. The Group is revamping the battery product packaging to progressively increase the use of paper and recycled materials, and reduce the use of plastics. GP intends to have its branded, new rechargeable batteries and accessories packaging made of FSC paper and be 100% recyclable. This will eventually be extended to other product portfolios. Together with GP rechargeable batteries and charging systems, the Group is committed to introducing more good value products and driving more people to use rechargeable energy.

With a strategic focus on pioneering innovative, sustainable battery products, the Group will continue to research and develop to revolutionize the rechargeable energy landscape for the future.

KEF continues to strategically position itself for sustained growth through targeted retail partnerships, physical expansion, product innovation, and a keen understanding of evolving consumer preferences.

To enable more people to access high-fidelity sound, KEF delivers more appealing user experiences to its customers through quality design. Our audio solutions proposition has received strong market acceptance and good industry reception. The new KEF Music Gallery in Tokyo, Chengdu and London aim to bring an immersive sound experience to more people. The expanded geographical outreach allows the Group to showcase its audio innovations and enable more people to access truly immersive and high-fidelity sound.

With a 100-year heritage and strong market credentials, Celestion has never stopped innovating. Through research and development, the company is able to launch new market-leading products that push the boundaries of performance with high energy efficiency.

Looking ahead

Sustainability is at the core of the Group's business. The Group has secured a HK\$740 million syndicated sustainability-linked loan facility ("SLL facility") , one of the largest such arrangements in Asia's consumer batteries industry, from a consortium of banks in the Greater Bay Area in November 2023. This landmark financing underscores the Group's steadfast commitment to long-term sustainable development.

The proceeds from this facility are mainly utilized to further strengthen the development of clean and efficient production and sustainable product packaging. The Group will continue to pursue both organizational and product-level ESG initiatives, all with the aim of reducing its carbon footprint in the whole life cycle and contribute towards the net-zero.

To better respond to climate change, the Group has also intensified efforts to identify climate-related risks and opportunities and prepare for the related disclosure pertinent to the International Sustainability Standards Board from 2025.

Navigating the challenges of recent times would not have been possible without the concerted, collaborative efforts of our diverse stakeholders. The Group would like to express heartfelt appreciation to our dedicated Management team members, Board of Directors, shareholders and valued business partners for their persevering and unfailing support.

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 FY2024 SR.

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

Underpinned by the Group's in-house production sites for equipment and design manufacturing of batteries and audio 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 extensive 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, Netherlands, 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.

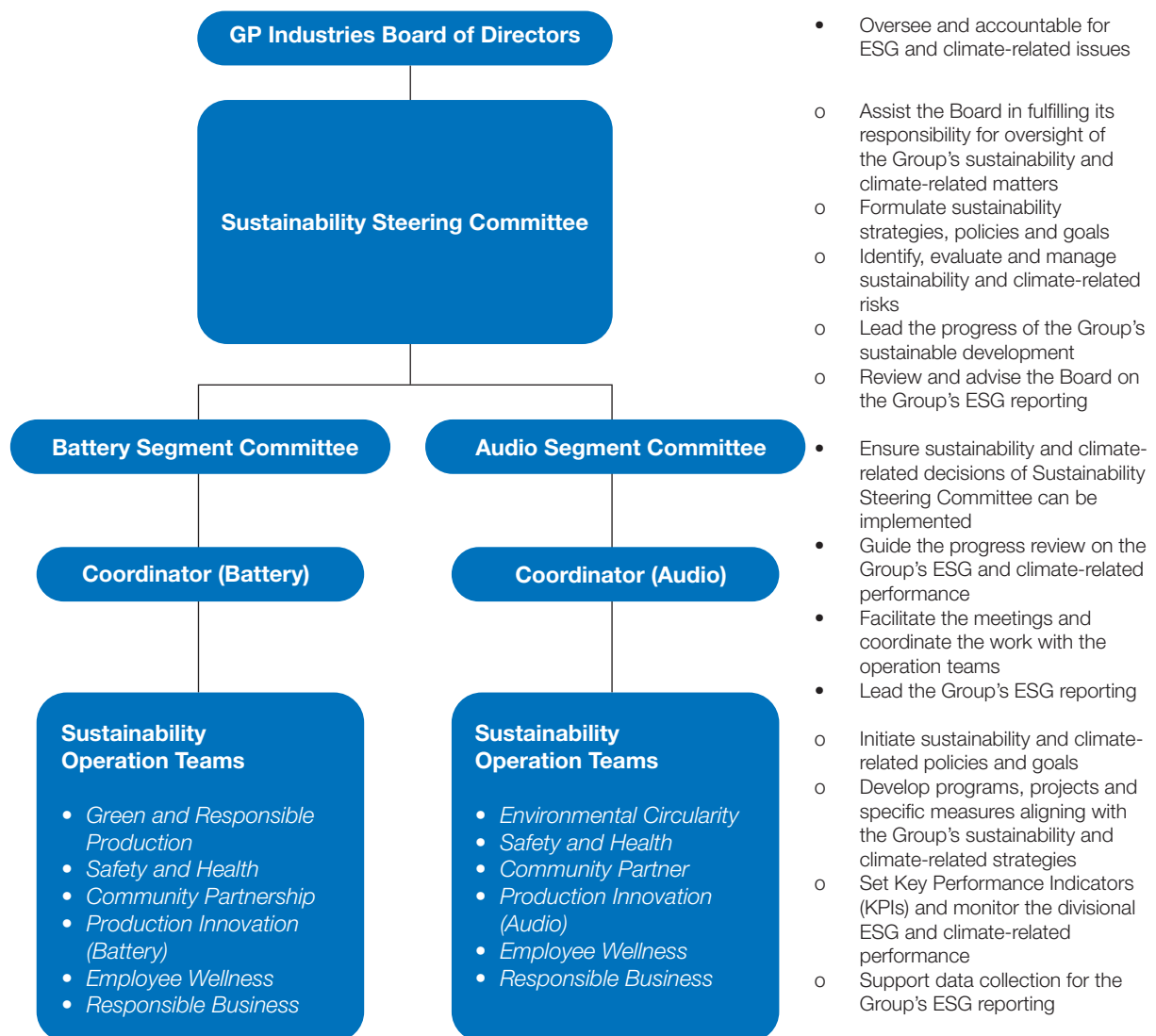
In January 2024, the Company completed the proposed distribution in-specie ("Proposed Distribution") of issued ordinary shares in the capital of GP Energy Tech Limited ("GP Energy Tech") to the Company's shareholders. Upon completion of the Proposed Distribution, the Company's direct shareholding in the business has been reduced to approximately 11.7%. The Rechargeable Battery Business is heavily reliant on ongoing research, development, and engineering capabilities, requiring substantial capital expenditures to drive profit margins and profitability. This strategic move enables the Company to better focus its resources on its core Primary Battery Business, which is a mature and stable operation with consistent returns.

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, including climate-related risks. At the top, the Board of Directors provides strategic oversight and support, while the Sustainability Steering Committee focuses on the execution of sustainability initiatives and the management of ESG-related risks. The following shows the Group's Sustainability and ESG governance structure:



In response to heightened public attention and stakeholder concerns regarding climate-related issues, the Group is committed to enhancing its sustainability governance to enable more systematic oversight and management of climate-related risks and opportunities. In the upcoming years, the Group will develop climate-related metrics to systematically monitor, assess, and manage potential impacts, safeguarding the long-term resilience of the Group.

Governance Mechanisms and Frequency of Communication

The Sustainability Steering Committee is tasked with reporting to the Board on sustainability and climate-related issues regularly, ensuring these critical topics receive continuous attention and oversight. The Committee provides updates to the Board annually, but more frequent reporting can occur as necessary. The Convenor of the Sustainability Steering Committee, who is the Head of Group ESG Initiatives, plays a pivotal role in overseeing the Group's ESG-related matters on a daily basis. The Group's top-down governance structure ensures that the governing body is well-informed and capable of making strategic decisions based on up-to-date information about sustainability and climate-related risks and opportunities.

Governance Body and Individual Responsibilities

The Sustainability Steering Committee, endorsed by the Board, is responsible for the oversight of sustainability and climate-related matters. The Board of Directors holds ultimate responsibility for overseeing sustainability and climate-related issues across the Group and its business units, with the Sustainability Steering Committee providing essential support in managing these issues. The duties and responsibilities regarding the oversight and management of sustainability and climate risks and opportunities are clearly defined in the Group's internal Climate Change Policy and the Sustainability Steering Committee's Terms of Reference.

Specifically, these documents outline the Group's approach to addressing climate change through mitigation, adaptation, resilience, and disclosure. The Climate Change Policy establishes guidelines for mitigating the impacts of climate change on the Group's operations and sets out principles for adapting to and enhancing the resilience of the Group's business to climate change. The Terms of Reference for the Sustainability Steering Committee, which is set out on pages 145 to 146 of Annual Report, detail the specific roles and expectations for Committee members, ensuring clarity and accountability in their efforts to drive the Group's sustainability agenda.

Skills and Competency

Ensuring the governing body and management possess the necessary skills and competencies to effectively oversee strategies addressing sustainability and climate-related risks and opportunities is a fundamental aspect of the Group's ESG governance framework. The governing body and management receive periodic training on sustainability and climate-related issues. The training sessions are designed to keep our professionals informed about the latest developments, best practices, and regulatory requirements in the field of sustainability. The Convenor of the Sustainability Steering Committee, who is also the Head of Group ESG Initiatives, has a relevant educational background and extensive experience in overseeing the Group's ESG-related matters, providing crucial guidance.

By fostering a culture of continuous improvement and knowledge enhancement, the Group ensures that its governing body and management have the skills and competencies necessary to navigate the complexities of sustainability and climate-related challenges.

Controls and Procedures

Within the Group, we employ a comprehensive set of controls and procedures to oversee sustainability and climate-related risks and opportunities, ensuring these considerations are embedded throughout the organisation's operations and decision-making processes. These controls and procedures are integrated with the organization's other internal functions, such as operational processes and compliance frameworks, to create a cohesive approach to managing sustainability and climate impacts.

The Group's Climate Change Policy explicitly states the incorporation of climate-related risks into the Company's risk management policy and internal control system, which are overseen by the Audit and Risk Committee. This ensures climate risks are considered alongside other significant business risks, providing a holistic view of potential impacts and mitigation strategies. Furthermore, the Group is actively assessing the financial implications of sustainability and climate issues, ensuring that these factors are considered in financial planning and decision-making.

Setting and Monitoring Sustainability Targets

The Board of Directors, the Sustainability Steering Committee, and the Sustainability Operation Teams play a crucial role in overseeing the setting of sustainability and climate-related targets and monitoring progress towards these targets.

Regular updates and reviews of its sustainability performance ensure that the Group can adapt to evolving priorities and stay on track to meet its goals. The Group is committed to setting clear and progressive ESG targets. These targets are not only integral to the strategic planning of the Group but are also aligned with its remuneration policies. Further discussion on ESG Metrics and Targets is presented in Section 6 of this report.

The Group is committed to achieving the following long-term sustainability goals:

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

Decision Making with Sustainability

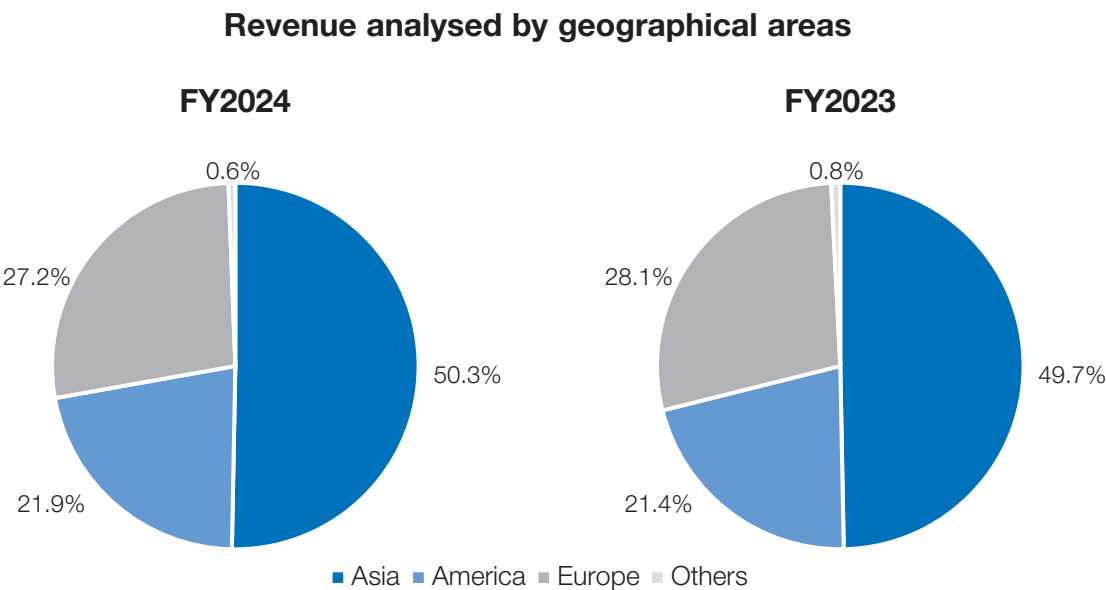
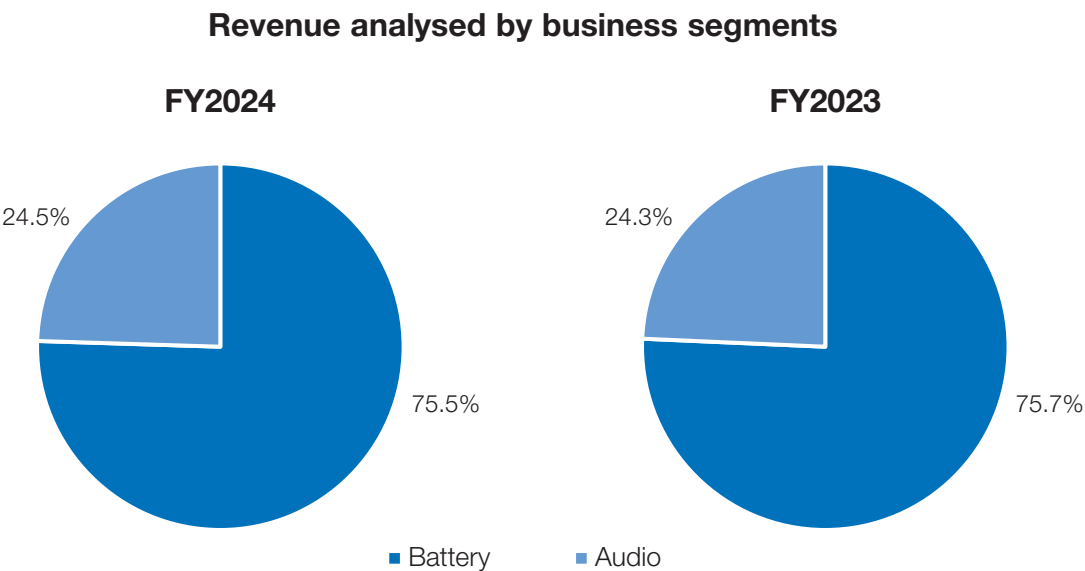
Within the Group, sustainability and climate-related considerations are increasingly being integrated into the management's oversight of business strategy, major transactions, and risk management processes to address the growing importance of environmental resilience and long-term business sustainability. The integration is embodied by the principles outlined in the Group's Climate Change Policy and involves a comprehensive evaluation of trade-offs associated with the relevant risks and opportunities.

Specifically:

- 1. Climate-conscious Procurement:** Climate considerations are embedded into the Group's procurement process to support low-carbon or energy-efficient products and materials throughout the supply chain, ensuring that sustainability is a key factor in all procurement decisions, promoting a more sustainable supply chain and reducing the Group's overall carbon footprint.
- 2. Risk Management:** The Group incorporates climate-related risks into its risk management policy and internal control system, overseen by the Audit and Risk Committee. This integration ensures that climate-related risks are considered alongside other significant business risks. The platform for collecting ESG and climate-related information will also play a crucial role in this process by providing timely data and analytics for informed risk management decisions.
- 3. Informed Decision-Making:** The exposure to climate-related risks and identification of business opportunities are key considerations in the Group's business strategy. Senior management continuously evaluates sustainability-relevant information, such as the immediate costs of implementing sustainable practices versus the long-term benefits of risk mitigation and enhanced reputation, to make informed decisions.
- 4. Stakeholder Collaboration and Contingency Planning:** The Group collaborates with stakeholders to propose feasible measures for preventing or minimizing the impacts of climate-related risks. Our collaboration includes developing and maintaining effective contingency plans with suppliers, distributors, and clients to manage risks induced by more frequent extreme weather events, such as logistical disruptions and supply chain tensions.

4. The Group’s Sustainability Story

The Group’s revenue for FY2024 analysed by business segments and geographic areas are as follows:



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 audio products.

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

Conservation, Product Excellence and Corporate Social Responsibility

The Group remains steadfast in its commitment to sustainability, viewing it as an integral part of business continuity and regenerative growth. By embedding sustainability into all facets of its operations and focusing on climate-related issues, the Group strives to create long-term value for its investors and other stakeholders. The Group will continue to value stakeholders' views and engage different parties to achieve its objectives towards sustainable development.

Sustainable Operations and Environmental Stewardship

Throughout FY2024, the global economy faced challenges posed by geopolitical instabilities and high interest rates. Despite these hurdles, the Group has successfully implemented cost-efficient measures, reorganized corporate structures, and support global brand expansion. The Group's commitment to environmental stewardship is demonstrated through regular assessments to mitigate its negative impacts on the environment, society, and human rights. Initiatives such as its "Zero Waste to Landfill" campaign and efforts to redesign product packaging to minimise plastic use underscore the Group's dedication to resource optimization and waste reduction.

Innovation and Product Development

The Group's drive for innovation is not limited to operational practices but extends into product development. GP Batteries' products include a wide range of rechargeable and specialty batteries designed with cutting-edge technology for longevity and performance. Similarly, KEF continues to enhance audio experiences with minimal sound interference, expanding its global presence through new outlets in Tokyo, Chengdu, and London. These efforts are complemented by the Group's dedicated research and development center in the Battery Business, which focuses on the creation of advanced products and equipment to meet increasing market demands and ensure high-quality production through data-driven automation.

Human Capital and Community Engagement

Recognizing the critical importance of talents, the Group has made strategic hires to foster a workplace culture that prioritises collaborative creativity and sustainable growth. The Group's commitment to community engagement is reflected in its diverse social programs and events aimed at building vibrant communities with enhanced living standards. As the Group continues to invest in resources to protect the environment, promote workplace health and safety, and take an active role in corporate social responsibility, the Group reinforces its dedication to delivering superior products and services with positive social impacts.

Financial Strategies and Market Expansion

In November 2023, the Group secured a HK\$740 million sustainability-linked loan, the largest of its kind in the consumer primary batteries industry in Asia. This landmark arrangement with seven major banks in the Greater Bay Area not only marks the Group's first foray into sustainability-linked financing but also elevates its commitment to sustainable development. The proceeds from this loan will be directed towards enhancing the Group's eco-friendly production processes and developing green product packaging.

Sustaining Growth and Excellence

Moving forward, the Group remains committed to leveraging its global centers of excellence in key cities such as Hong Kong, Malaysia, Kuala Lumpur, London, Shenzhen, and Singapore. These centers are strategic hubs that enable us to stay resilient and responsive to consumer trends and technological advancements, ensuring the Group's competitive edge in the global marketplace. Through its concerted efforts, the Group is dedicated to maintaining leadership in the market, enriching customer experiences, and contributing positively to the planet's well-being.

Climate Change Management

The Group's operations are potentially vulnerable to climate-related factors, including greenhouse gas ("GHG") emissions, consumption of natural resources, and waste production. Predominantly, GHG emissions arise from the consumption of grid-supplied electricity during manufacturing processes. In response, 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. Moreover, the Group is dedicated to fostering eco-friendly product designs, advancing recycling initiatives, and collaborating with stakeholders to promote cleaner production practices.

The Group is acutely aware of the evolving global climate and the potential implications of climate-related risks and opportunities for its business. This year, in response to the release of the inaugural IFRS S2 standard of the International Sustainability Standards Board (ISSB), the Group now systematically discloses climate-related information in alignment with the four-pillared framework developed by the Task Force on Climate-related Financial Disclosures (TCFD). By adopting the TCFD framework – Governance, Strategy, Risk Management, and Metrics and Targets – the Group aims to provide its investors and other stakeholders with a more comprehensive and nuanced understanding of its climate practices and the potential impacts of climate change on its operations.

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Governance

The oversight of ESG-related, including climate-related, risks and opportunities is managed on an integrated basis within the Group. This integrated management approach ensures that all critical aspects are seamlessly embedded into an overall sustainability governance framework. The detailed information regarding the Group's climate governance, including the roles and responsibilities of its governing bodies and individuals, is included in the "Sustainability and ESG Governance" section of this report. This section provides comprehensive insights into how the Group incorporates sustainability and climate considerations into its decision-making processes and strategic planning.

Strategy

The Group has utilized a range of climate scenarios to assess the potential impact of climate change on its business operations. These scenarios, developed by world-leading institutions¹, represent distinctive pathways for reducing GHG emissions and mitigating climate change. The scenarios are categorized into three broad groups: a low-emission group, which represents a strongly declining emissions trend; a mid-emission group, which assumes moderate efforts to reduce emissions, and a high-emissions pathway, which assumes limited or no action to reduce emissions. Each group has a corresponding projected global mean temperature increase by the end of the century, ranging from well below 2.0°C to above 3.0°C. Furthermore, the Group has undertaken a comprehensive city-level scenario analysis for key asset locations in regions including Hong Kong, Mainland China and Malaysia to better understand the specific local implications of climate change.

¹ The climate scenario referenced are based on data and projections from the Intergovernmental Panel on Climate Change (IPCC) and the Network for Greening the Financial System (NGFS) datasets.

Climate-related Risks

The Group examined the potential impacts of a number of physical and transition climate risks that are likely to affect the Group in the future. Physical climate risks refer to the direct impacts of climate change on the Group's operations, assets, and infrastructure, such as changes in temperature, precipitation patterns, and sea levels. Transition climate risks, on the other hand, involve the risks associated with the shift towards a low-carbon economy, including regulatory changes, market shifts, and technological advancements.

The following physical and transition risks are considered potentially material to the Group's business and value chain:

- Short-term: 2030
- Medium-term: 2050
- Long-term: 2090

Physical Risks			
Risk Categories	Potential Risks	Time Horizon	Potential Business Impact
Acute	Increase in highest temperature and hot days above 35 degrees Celsius	Medium – Long	Higher temperatures can lead to increased cooling costs for manufacturing facilities, impact employee health and productivity, and strain energy resources.
Acute	Increase in extreme rain days	Medium – Long	Extreme rainfall can cause flooding, disrupt supply chains, damage infrastructure, and lead to production downtime.
Acute	1-in-100-year extreme sea level	Long	Higher sea levels can threaten coastal facilities, increase the risk of flooding, and necessitate significant investments in flood defense systems and infrastructure resilience.
Acute	Increase in longest dry spell days	Medium – Long	Prolonged dry spells can affect water supply for manufacturing processes, increase the risk of wildfires, and impact the availability of cooling water for facilities.
Chronic	Increase in annual mean temperature	Medium – Long	Rising mean temperatures can lead to higher energy consumption for cooling, affect employee health and safety, and exacerbate wear and tear on equipment.
Chronic	Increase in total annual rainfall	Medium – Long	Increased rainfall can lead to flooding, disrupt transportation and logistics, and cause delays in production and delivery schedules.
Chronic	Relative sea level rise	Long	Rising sea levels can threaten coastal manufacturing sites, increase the risk of saltwater intrusion, and require substantial investments in protective infrastructure.

Transition Risks			
Risk/ Opportunity Category	Potential Risks/ Opportunities	Time Horizon	Potential Business Impact
Policy and Legal	Increased production costs due to carbon pricing and carbon tax.	Short – Medium	The most direct impact of carbon pricing is the increase in production costs for businesses reliant on carbon-intensive processes. This can lead to higher operational costs as companies pay more for carbon emissions, potentially reducing profit margins.
	Reliance on non-renewable electricity sources leading to higher costs and regulatory risks.	Short – Medium	Businesses that continue to rely on non-renewable energy sources may face increased costs as these resources become more expensive due to diminishing availability, increased regulation, and taxes on emissions. The potential increase in costs can be exacerbated by price volatility, making financial planning more challenging.
Market	Carbon pricing and tax may incentivize companies to early comply with the potential regulations and innovate on low-carbon technologies and products.	Short – Long	Companies that proactively comply with carbon regulations, seek innovations, and lead in sustainability can enhance their market positioning. Early compliance and innovative low-carbon products can provide a competitive advantage, attracting customers, partners, and investors who prioritise sustainability.
	Opportunities in energy efficiency improvements and renewable energy adoption.	Short – Long	In the long term, implementing energy-efficient technologies is likely to substantially reduce energy consumption, leading to lower utility bills. Over time, the cost savings generated can be substantial, particularly for industries such as manufacturing.
	Opportunities to transition to renewable electricity sources, reducing carbon footprint and operational costs.	Medium – Long	Utilizing renewable energy sources helps companies stay ahead of regulatory requirements, reducing the risk of non-compliance penalties. By transitioning to renewable energy, companies can attract green financing options, including bonds and grants dedicated to sustainability projects.

Transition Risks

Risk/ Opportunity Category	Potential Risks/ Opportunities	Time Horizon	Potential Business Impact
Market	Costs of raw materials may rise due to climate change impacts on supply chains, such as increased frequency of extreme weather events disrupting mining and transportation. Regulatory changes aimed at reducing carbon emissions may also lead to increased costs for carbon-intensive materials.	Short – Long	As the prices of raw materials increase, whether due to climate change impacts on supply chains or regulatory changes aimed at reducing emissions, production costs for manufacturers inevitably rise, which may compress profit margins and potentially affect the financial health of the company.
	Opportunities in supply chain optimization, circular economy practices, and developing alternative materials with a lower carbon footprint.	Short – Long	The pressure to reduce raw material costs can drive innovation in supply chain management, pushing firms to optimize logistics, reduce waste, and improve inventory management. Alternative materials that are less carbon-intensive may also be developed, potentially opening up new business opportunities.
	Shift towards sustainable and eco-friendly products (which may lead to increase in production and procurement costs in the short to medium term).	Short – Medium	Transitioning to products with sustainability features often entail initial increases in production and procurement costs. These can arise from sourcing more expensive sustainable material, investing in new manufacturing processes, or complying with environmental certifications and standards.
Technology	Fluctuating electricity costs affecting manufacturing expenses	Short – Long	Fluctuations in production costs such as the price of electricity may lead to unstable product prices.
Reputation	Opportunities in capturing new market segments and investor interest through sustainability initiatives.	Short – Medium	As consumer demand for sustainable products grows, companies that effectively meet this demand can sharpen their competitive edge and access new segments of the market. Companies that successfully adapt to changing consumer preferences often see enhanced reputation and brand loyalty, leading to increased customer acquisition and retention.

The identified climate-related risks and opportunities may affect the Group's operations, revenue streams, and cost structure. In particular, these risks and opportunities may have impacts on the following key areas within the Group's business model and value chain.

- **Supply Chain Sustainability:** Risks arising from the sourcing of key chemicals, metals, and electronic components used in the Group's products, necessitating responsible procurement practices to ensure environmental and social compliance.
- **Product Lifecycle Management:** Managing sustainability and climate-related risks throughout the entire product lifecycle is crucial. This involves designing products for energy efficiency, recyclability, and durability, and establishing take-back programs for recycling or proper disposal at the end of the product's life.
- **Renewable Energy Integration:** Opportunities exist in capitalizing on the growing demand for renewable energy solutions. The Group is actively developing battery solutions for data center uninterrupted power supply systems, intelligent transportation systems, and renewable energy storage systems.

During the year, the Group observed no potential material adjustments to the carrying amounts of assets and liabilities for the next reporting period, arising from the risks and opportunities mentioned above.

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Mitigation and Adaptation Plans

To address the identified climate risks, the Group is integrating sustainability and climate-related considerations into its business strategy and decision-making frameworks. Specifically, the Group has developed a comprehensive set of mitigation and adaptation measures listed below in response to specific risk items:

- **Infrastructure Resilience:** Upgrading and reinforcing manufacturing facilities to withstand extreme weather events, including elevated cooling systems, flood defenses, and stormwater management systems.
- **Employee Health and Safety:** Implementing measures to protect employee health during extreme temperature events, such as providing adequate cooling, hydration and rest areas.
- **Diversification of Manufacturing Locations:** Strategically set up multiple locations for each of the products to make sure manufacturing ability is maintained for each kind of product even if there is disruption in a certain location due to climate events.
- **Diversification of Supply Chains:** Reduce dependency on single suppliers by establishing multiple sourcing options to enhance resilience against disruptions.
- **Investment in Renewable Energy:** Further increase investment in renewable energy sources such as solar to stabilize energy costs and reduce carbon footprint.
- **Enhancement of Energy Efficiency:** Implement advanced energy management systems and energy-efficient technologies to reduce overall energy consumption and costs.
- **Long-term Strategic Partnerships:** Form long-term partnerships with key suppliers and stakeholders to ensure stability and collaborative innovation.

- **Research and Development in Sustainable Materials:** Invest in R&D to discover and adopt alternative, sustainable and recycled materials that can replace carbon-intensive ones.
- **Adoption of Circular Economy Practices:** Further enhance recycling and reuse strategies to minimize waste and better manage waste stream in manufacturing processes, and reduce reliance on virgin raw materials and improve recyclability of products and packaging.
- **Regular Monitoring and Compliance:** Continuously monitor regulatory changes and ensure compliance with evolving carbon pricing and market regulations.
- **Stakeholder Engagement and Transparency:** Engage with consumers, investors, and other stakeholders to align business practices with their sustainability expectations and enhance transparency.
- **Climate Risk Assessment and Planning:** Conduct regular climate risk assessments to identify vulnerabilities and develop robust adaptation plans.

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The Group, on a strategic level, anticipates a shift towards a circular business model by designing products that emphasizes durability, repairability, and recyclability, and at the same time support end-of-life recycling.

Climate Resilience

Climate-resilient business model and strategy are essential for ensuring the long-term sustainability and competitiveness of the Group. By integrating climate considerations into the core aspect of operations, the Group can effectively manage risks and capitalize on new opportunities. The Group demonstrates its commitment to building strong climate resilience by continuously assessing and adapting its strategy and business model over the short, medium, and long term. Its approach encompasses the following key areas:

1. **Financial Resources and Flexibility:** The Group regularly evaluates its existing financial resources to ensure sufficient allocation for addressing climate-related risks and opportunities. This includes managing physical impacts, regulatory changes, and market shifts. The Group's financial strategy is designed to maintain flexibility, enabling the Group to respond effectively to emerging climate-related challenges and to seize new opportunities for growth in a low-carbon economy.
2. **Asset Management and Adaptability:** The Group considers climate-related risks in its asset management strategies, ensuring appropriate maintenance, retrofitting, or replacement of assets as needed. The Group's ability to redeploy, repurpose, upgrade, or decommission existing assets ensures that it can adapt to changing climate conditions and maintain operational efficiency.
3. **Investment in Climate Resilience:** The Group is committed to investing in climate-related mitigation, adaptation, and opportunities to bolster its climate resilience. Current and planned investments focus on developing eco-friendly and energy-efficient products, improving supply chain resilience, and integrating renewable energy solutions. The initiatives not only aim to mitigate climate risks but also position the Group to capitalize on the growing demand for sustainable products and services.

Risk Management

Climate-related risk management is an essential component of the Group's approach to sustainability and overall business resilience. The Group employs comprehensive processes and policies to identify, assess, prioritize, and monitor climate-related risks and opportunities.

Identifying, Assessing, Prioritizing, and Monitoring Climate-related Risks

Processes and Inputs:

To identify the relevant climate-related risks, the Group gathers inputs from various sources, including management, operational teams, external sustainability professionals, suppliers, customers, and investors. This multi-stakeholder approach helps identify a comprehensive range of climate-related risks that may affect the Group. Parameters such as carbon emissions, resource scarcity, regulatory changes, and stakeholder expectations are considered during the identification process.

Scenario Analysis:

The Group utilizes scenario analysis to inform its identification of climate-related risks, assessing different climate scenarios to understand the range of emerging risks and their potential impacts on its business. The chosen scenarios help to explore different pathways and outcomes, enabling the Group to develop robust strategies for mitigation and adaptation.

Risk Assessment:

The Group leverages publicly available climate databases and third-party consultant inputs to assess the nature, likelihood, and magnitude of climate risks. For physical climate risks, the Group analyses the trajectories of severity and intensity compared to global averages under different climate scenarios. For transition climate risks, the Group evaluates the potential business implications by drawing on insights gained from climate databases and the professional inputs elicited from the management of its different business units.

Risk Prioritization:

The Group integrates and prioritises sustainability and climate-related risks alongside other types of risks by considering their materiality, significance, and potential long-term impact. The prioritization process involves assessing the alignment of risks with its strategic objectives, stakeholder expectations, regulatory requirements, and industry best practices. This integrated approach ensures that climate risks are managed within the broader context of the Group's overall risk management practices.

Monitoring:

The Group continuously monitors climate-related risks over time – this includes regularly reviewing its Climate Change Policy and evaluating ESG KPIs to promptly identify and address changes in risk profiles or emerging risks.

Identifying, Assessing, Prioritizing, and Monitoring Climate-related Opportunities

The Group uses similar processes to identify, assess, prioritise, and monitor climate-related opportunities, including leveraging scenario analysis and inputs from third-party sustainability professionals to explore potential opportunities arising from climate-related trends and developments.

Noteworthy Sustainability Initiatives

Batteries Business

Zero Waste to Landfill Validation



Waste reduction is a principal environmental focus for the Group. Within its battery manufacturing operations, the Group is committed to achieving zero waste through meticulous measurement and validation of reduction, reuse, recovery, composting, anaerobic digestion, and waste-to-energy incineration processes.

The guiding principle of “Reduce, Reuse, Recycle” transcends mere operational protocol for the Group’s Battery Business — it embodies a firm commitment. In FY2024, the Group advanced its environmental and climate change initiatives. Notably, two of its battery factories in Malaysia were awarded the UL Zero Waste to Landfill Platinum Validation, confirming that these facilities have achieved 100% diversion of waste from landfill, thereby reaffirming their commitment to enhancing sustainability performance. Additionally, four other battery plants in China, Malaysia, and Vietnam successfully retained the Gold Validation by continuing to maximize waste diversion and energy recovery rates.

The Group plans further investments to reduce waste and emissions across its operations. In particular, the adoption of solar energy will be expanded in the Group’s facilities located in Malaysia, China, and the UK, where new solar panel installations will support parts of its operational energy needs.

Comprehensive staff training initiatives have been implemented to ensure proper waste diversion for recycling or reuse. Innovative practices have also been introduced, such as repurposing metal or plastic bins as trash receptacles, to optimize the utilization of recycled materials.

Greener Batteries

The Group leverages the range of GP Recyko, the Group's featured NiMH rechargeable batteries brand, and other GP branded products to encourage consumers worldwide to accelerate the use of rechargeable batteries.

GP Recyko has been designed to foster a circular economy by minimising fresh raw material consumption and waste disposed to landfill. These features help reduce the carbon footprint and environmental impacts of GP Recyko across the whole product lifecycle. Together with its paper packaging and use of recyclable raw materials, GP Recyko helps to avoid the use of plastics and achieves high level of recyclability.

"Charge 10" of the GP Recyko brand showcases the Group's dedication to excellence and innovation. It is the fastest NiMH rechargeable battery system in the world with a 10-minute charge time, which underpins the Group's investment and prowess in manufacturing, engineering, and design.

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 (ZWTL) 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 Recyko AAA 650/800/850/950 mAh and Recyko AA 1300/2000/2100/2600 mAh batteries.

Circularity of products is the centric of the Group's design concept. The Group always strives to improve the recyclability of its products, and at the same time use more recycled or sustainable materials in its products and packaging. For instance, GP Recyko rechargeable batteries and chargers feature user-centric paper packaging. Also, 90% of materials by weight are recyclable for GP Recyko batteries at the end of life. The Group is constantly looking for ways to increase the use of recycled materials in its battery products. Certain GP Recyko battery models have obtained the UL Environmental Claim Validation ("ECV") certificate (UL ECVP 2809) for containing at least 10% recycled contents. The Group is planning to further increase the recycled contents in its batteries. By implementing such an approach, the Group has been able to transform discarded materials at the end of their lifecycle into valuable components, conserving natural resources and aiming to achieve a circular economy.

GP Batteries received the "Transform Awards Asia - Best Use of Sustainable Packaging (Gold)" from Transform Awards Asia in FY2024. The recognition from Transform Awards Asia is a clear demonstration of the Group's dedication to environmental responsibility and design-for-sustainability methodology.



The Group puts great emphasis on evaluating the environmental impact of its products "from cradle to grave". Apart from the aforementioned measures which focus on the development and manufacturing stages, the Group also takes care of the impact during the use phase of products. 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 the Group's 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 centers and laboratories have been well-recognized by international bodies.

Audio Business

Green and Responsible Production

The Group consistently monitors and controls the emission from production. The Group is committed to eliminating toxic chemicals, minimizing 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), thereby reducing the risk of respiratory problems and making production more sustainable.

The Group employs a supplier re-cycle packing strategy to reduce waste and encourage a circular economy. Through re-cycle packing, the Group endeavors 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 its supply chain to promote sustainability and environmentally conscious operations.

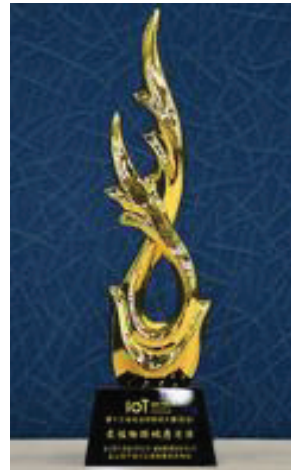
To reduce air pollution and improve air quality, the Group uses exhaust air treatment systems to capture and remove harmful pollutants and particulate matters from industrial exhausts. This can improve the health and safety conditions for workers and nearby communities, creating a more sustainable and healthier environment.

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

The Group's audio factory in Huizhou, China, transitioned to water-based paint for its audio products, achieving water savings and environmental protection.

The audio factory also implemented a Smart Logistics System which addresses the challenges of varying packaging sizes and dispersion issues within the factory and optimises inventory management. This exemplifies the Group's commitment to achieve a more sustainable and green supply chain. The System was awarded the "Hong Kong ICT Awards 2023: Smart Mobility (Smart Logistics) Award – Bronze Award" in November 2023. It was also nominated for the 13th Guangdong-Hong Kong Internet of Things (IoT) Award and was presented "The Best IoT Application Award" in March 2024.

**Hong Kong ICT Awards 2023: Smart Mobility (Smart Logistics) Award – Bronze Award and
13th Guangdong-Hong Kong Internet of Things (IoT) Award – The Best IoT Application Award**

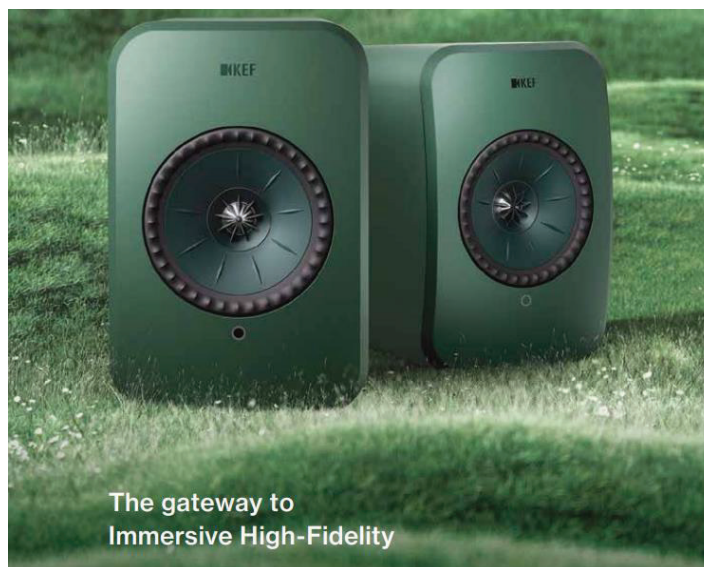


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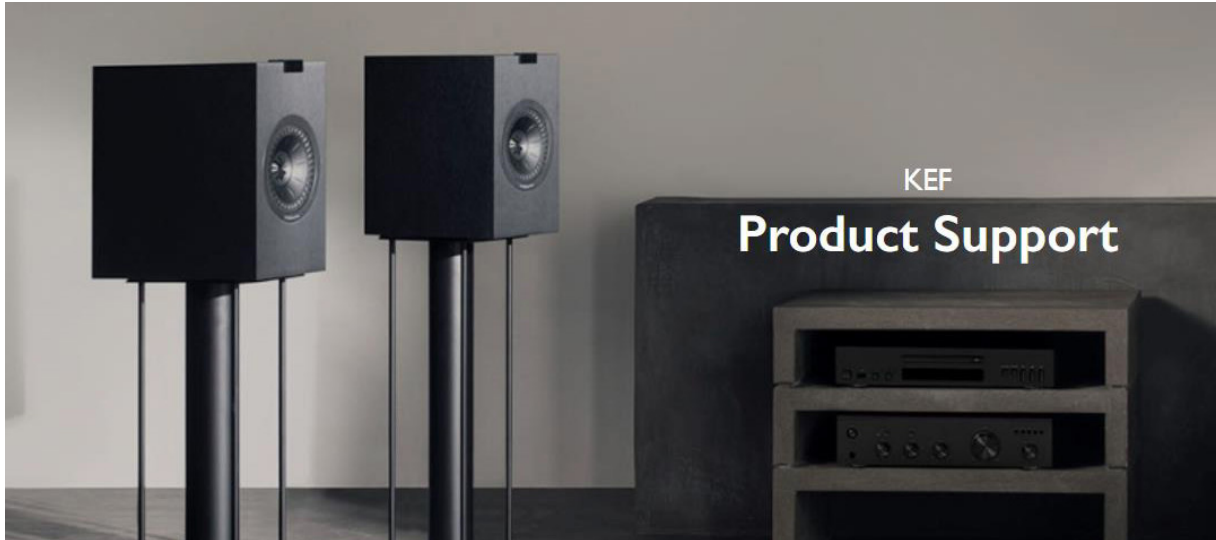
Sound Technology

From R&D to product design, engineering, and manufacturing, the Group is dedicated to crafting products that consistently exceed expectations, marrying exceptional quality with outstanding performance.

In tandem with its commitment to minimizing environmental impact, KEF, a trailblazer in high-fidelity audio, continues to push the boundaries of sound technology innovation. KEF's relentless pursuit of perfection is driven by a singular focus: to deliver a truly immersive listening experience with breathtakingly natural sound that lets customers connect with music on a deep level.



**LSX II LT – The new addition to the award-winning LSX family.
Same great sound, new lower price**



Customer interest and security are always the Group's top priorities. Customers who bought GP and KEF products from our official websites or purchased at any of the Group'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.

Awards and Recognitions

During FY2024, the Group received a number of awards and recognitions for its efforts in protecting the environment and product innovation:

Batteries Business

	Brand/Entity	Awarded by	Award
1	GP Batteries	Bronze Medal, 2023 EcoVadis Sustainability Rating	EcoVadis
2	Two factories in Malaysia	Zero Waste to Landfill Platinum Operations	UL (Underwriters Laboratories)
3	Four plants in China, Malaysia and Vietnam	Zero Waste to Landfill Gold Operations	UL (Underwriters Laboratories)
4	GP Batteries and a factory in China	BOCHK Corporate Low-Carbon Environmental Leadership Awards 2022 - "EcoPartner"	Federation of Hong Kong Industries
5	GP Batteries	Hong Kong Green Organisation Certification - Wastewi\$e Certificate (Good Level)	Environmental Campaign Committee
6	GP Batteries	Hong Kong Green Organisation	Environmental and Ecology Bureau (HKSAR), Environmental Campaign Committee
7	GP Batteries	100%HK Branding Award – GBA ESG Sustainable Corporate Award	Greater-China Association of Branding Industry Limited
8	GP Batteries	Gold Award, 2023 Privacy-Friendly Awards	Office of the Privacy Commissioner for Personal Data, Hong Kong
9	GP Batteries	ESG Advocator 2023	The Chinese Manufacturers' Association of Hong Kong
10	GP Batteries	Gold Award of "Best Use of Sustainable Packaging"	Transform Award Asia 2023, UK

Audio Business

	Product	Awarded by	Award
1	KEF R series	EISA	EISA Best Product 2023-2024: Loudspeaker Series
2	KEF R3 Meta	What Hi-Fi?	What Hi-Fi? Award 2023: Best Standmount Speaker £1500-£2500
3	KEF LSX II	EISA	EISA Best Product 2023-2024: Wireless Bookshelf Loudspeakers
4	KEF LSX II	What Hi-Fi?	What Hi-Fi? Award 2023: Best Speaker System £750-£1500
5	KEF LS50 Meta	What Hi-Fi?	What Hi-Fi? Award 2023: Best Standmount Speaker £800-£1000
6	KEF LS50 Wireless II	What Hi-Fi?	What Hi-Fi? Award 2023: Best Speaker System £1500-£3000

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 practice and promote ethical behavior.

The Board should ensure the Company encourages its employees to (1) seek guidance from supervisors, managers and appropriate personnel when in doubt about the best course of action in any particular situation; and to (2) 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 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 all applicable anti-corruption laws and regulations. Employees are strictly prohibited 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 the highest level of confidentiality.

During FY2024, 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.

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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. Readers may refer to the section headed "Interested Person Transactions ("IPTs")" on page 139 of the Annual Report for disclosures 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 FY2024.

6. Policies, Practices, Performance and Targets

Setting and Monitoring Sustainability Targets

The Board of Directors, the Sustainability Steering Committee and the Sustainability Operation Teams work in synchrony to advance works relating to sustainability development across the wider scope of ESG. Their collaborative efforts aim to drive progress and ensure a comprehensive approach to sustainability.

To effectively manage ESG-related data, the Group has adopted an enterprise-wide data management platform. This platform not only allows the management to collate data and review progress across business units but also enables active tracking of key performance indicators, such as carbon emission, energy consumption and waste generation. Through this, the Group can identify opportunities for implementing sustainable practices and minimising environmental impact. The data platform serves as a central ESG data repository, providing valuable analytics to facilitate reporting and decision-making processes.

The Group is actively taking systematic steps towards identifying sustainability-related risks and opportunities. This proactive approach aims to enhance transparency and foster trust in its sustainability initiatives by strengthening communication with stakeholders, including specific climate-related disclosures.

During FY2024, the Group conducted an evaluation of its sustainability performance compared to the FY2022 baseline. In addition, benchmarking and research activities were carried out to gain insights from industry peers and identify best practices. Currently, the Group is working on evaluating the exposure of its assets and activities to identify climate-related vulnerabilities and opportunities for reducing greenhouse gas emissions and transitioning to renewable energy sources. The initial findings from this assessment are presented in the “Climate Change Management” section of the report.

Looking ahead, the Group recognises the importance of education and awareness in promoting sustainability. Training and exchange will keep directors and top management informed about the latest regulatory requirements and business practices for sustainable growth. Additionally, they will empower employees to actively contribute to sustainable initiatives and drive positive change within their spheres of influence.

The Group intends to widen stakeholder engagement in order to gather deeper insights and perspectives. This will help identify priority areas and key sustainability focus areas that require attention and actions. Scope 3 emissions and SMART target setting will be among the areas of focus. The Group also recognises linking executives’ remuneration with sustainability-related initiatives as part of its commitment to contribute towards business sustainability.

Metrics and Targets

The Group recognises the critical importance of setting progressive and achievable climate-related metrics and targets to monitor its sustainability efforts in a systematic way. Currently, the Group is engaged in a comprehensive study to identify and implement the most effective climate-related metrics and targets that align with the long-term sustainability goals of the Group.

To facilitate the transition towards a low-carbon economy, the Group will study the feasibility of setting an internal carbon pricing mechanism. This structured approach aims to internalise the costs of carbon emissions and align financial considerations with environmental goals. By implementing such a mechanism, the Group aims to drive efforts to reduce emissions, inform strategic decision-making, and proactively manage associated risks.

7. Stakeholder Engagement

The Company is dedicated to engaging with stakeholders as a fundamental component of its sustainability strategy. Engagement with stakeholders enables the Group to identify and address the primary issues, subjects, or concerns affecting its stakeholders, thus aligning the Group's sustainability objectives with those of stakeholders. The Company convened the 2024 Annual General Meeting in a physical format to facilitate enhanced communication, transparency, and networking among shareholders. The meeting will also provide robust opportunities for feedback and voting, thereby strengthening relationships and ensuring shareholder engagement in critical decisions impacting the Company.

The Group's manufacturing facilities continue to place a high priority on health and safety measures, implementing necessary precautions to safeguard employee well-being. The Group has maintained rigorous coordination with its suppliers to optimize production and logistics, ensuring the delivery of superior products and services to its customers. As a responsible member of the society, the Group remains dedicated to addressing the needs of the community, as detailed in section 11.5 of this Sustainability Report.

The Group endeavors to engage stakeholders regularly to maximize opportunities for them to share their perceptions and experience, and for the Group to provide updates on recent developments through various engagement channels.

Management identifies key stakeholders as groups that either significantly impact or could potentially be impacted by the Group's operations. Below is a summary of the Group's key stakeholders, the principal methods of engagement, and the main topics and concerns that have been raised:

Stakeholders	Engagement Platforms	Key Topics and Concerns Raised
Employees	- Performance appraisal discussions - Company's newsletters - E-communications	- Remuneration and welfare - Training and career development - Workplace health and safety - Updates on company's events and progress of development projects
Customers	- Regular meetings - Customer satisfaction surveys - Email correspondence - Social media channels	- Pricing - Health and safety of customers and products - EHS practices - Ethical practices - Customer management and after-sales services
Business Partners	- Meetings - On-site inspections - Price quotations and email correspondence - Vendor evaluation and assessments	- Economic performance - Ethical practices and fair trading - Respect intellectual property rights - Product and service quality management

Stakeholders	Engagement Platforms	Key Topics and Concerns Raised
Shareholders / Investors	▪ Annual Report ▪ Annual General Meeting ▪ Corporate website ▪ SGXNET announcements ▪ Investor relations emails	▪ Economic performance ▪ Distribution to shareholders
Regulators	▪ Meetings ▪ On-site inspections ▪ Seminars ▪ Email correspondence ▪ Periodic reports & returns ▪ Official circulations	▪ 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 FY2024 SR. Reporting and disclosure requirements imposed by regulatory authorities are considered. Material ESG topics of the peers are also considered if they are relevant to the Group.

Taking into account both internal and external factors, the Group conducted a materiality assessment to identify the top ESG issues of concern to its stakeholders. Various stakeholder groups were invited to evaluate the significance of a list of potential material topics. The following outlines the materiality assessment process:

1. **Issue Identification:** Conduct an initial screening of relevant ESG issues by referencing Sustainability Reporting Guide of the SGX-ST and benchmarking the material ESG issues of industry peers.
2. **Stakeholder Engagement:** Invite key internal and external stakeholders to participate in surveys to obtain their ratings and insights on each ESG issue.
3. **Prioritization:** Consolidate the issue identification and stakeholder engagement results to prioritise the ESG risks.
4. **Validation:** Confirm and validate the key material ESG issues.

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The assessment results cover a variety of material topics, reflecting the Group's strategic focus, mission, resources, industry trends, and stakeholders' concerns. This year, to better reflect stakeholder interest, the Group integrated and categorized the old topics, reducing the total number from 36 to 14. This streamlined approach allowed for a more focused and cohesive understanding of the most critical ESG issues. Notably, several topics saw significant changes in their ranking, and new entries highlighted evolving priorities.

- **Product Safety and Quality, Occupational Health and Safety, Supply Chain Management and Responsible Sourcing, and Waste Management and Packaging Optimization** all experienced significant rise in rankings. The rise in the ranking of these topics highlight an increasing stakeholder emphasis on operational integrity and responsible management practices.
- **Sustainable Growth** emerged as a new entry and was ranked third, underscoring a growing recognition of the importance of long-term economic viability alongside environmental and social considerations.
- Standing out from the list are (1) **Product Safety and Quality**, (2) **Occupational Health and Safety**, and (3) **Sustainable Growth**, which are the top three material ESG topics this year.
- The high ranking of "**Product Safety and Quality**" reflects an increasing demand from consumers and regulatory bodies for high standards in product safety and reliability, signifying the Group's commitment to maintaining the highest quality standards to ensure customer satisfaction and trust.
- The heightened focus on "**Occupational Health and Safety**" can be attributed to the increasing global awareness for workplace conditions, emphasizing the traditional yet essential aspect of corporate ESG priorities.
- As a new topic, the high ranking of "**Sustainable Growth**" indicates a shift towards integrating sustainability into the core business strategy, reflecting elevated stakeholder expectations and enhanced recognition of sustainability as a key driver of long-term success.

The following materiality matrix illustrates the level of importance to stakeholders (y-axis) and their significance to the Group's business continuity (x-axis). Accompanying this matrix is a list of material topics, which serves as a guide to locate the corresponding sections in this report, demonstrating the Group's efforts to address the concerns associated with these critical issues.



Tier 1	High Importance	Issues that are critical to the Group's core business operations and have substantial impacts on stakeholders and the environment
Tier 2	Moderate Importance	Issues that have a moderate impact on the Group's business and stakeholders and the environment
Tier 3	Relatively Low Importance	Issues that have a relatively low impact on the Group's business and stakeholders and the environment

FY2024 Ranking	Material Topic	Trend	FY2023 Ranking (Relative)	Impact Boundaries	Issues
1	Product Safety and Quality	↑	2	All stakeholders	Social Responsibilities – Product Innovation and Responsibility
2	Occupational Health and Safety	↑	3	- Employees - Customers - Business partners - Community	Social Responsibilities – Health and Safety
3	Sustainable Growth	NEW	-	All stakeholders	Environmental Stewardship – Emissions, Waste; Social Responsibilities – Supply Chain Management
4	Business Ethics and Anti-corruption	↓	1	All stakeholders	Social Responsibilities – Human Capital and Anti-Corruption
5	Supply Chain Management and Responsible Sourcing	↑	9	All stakeholders	Social Responsibilities – Supply Chain Management
6	Waste Management and Packaging Optimisation	↑	5	All stakeholders	Environmental Stewardship – Waste
7	Ethical Employment Practices and Labour Rights Protection	↓	4	- Employees - Business partners - Community	Social Responsibilities – Human Capital
8	Sustainability Governance and Risk Management	NEW	-	All stakeholders	Sustainability and ESG Governance
9	Resource, Water, and Energy Management	↓	7	All stakeholders	Environmental Stewardship – Emissions, Waste, Use of Resources

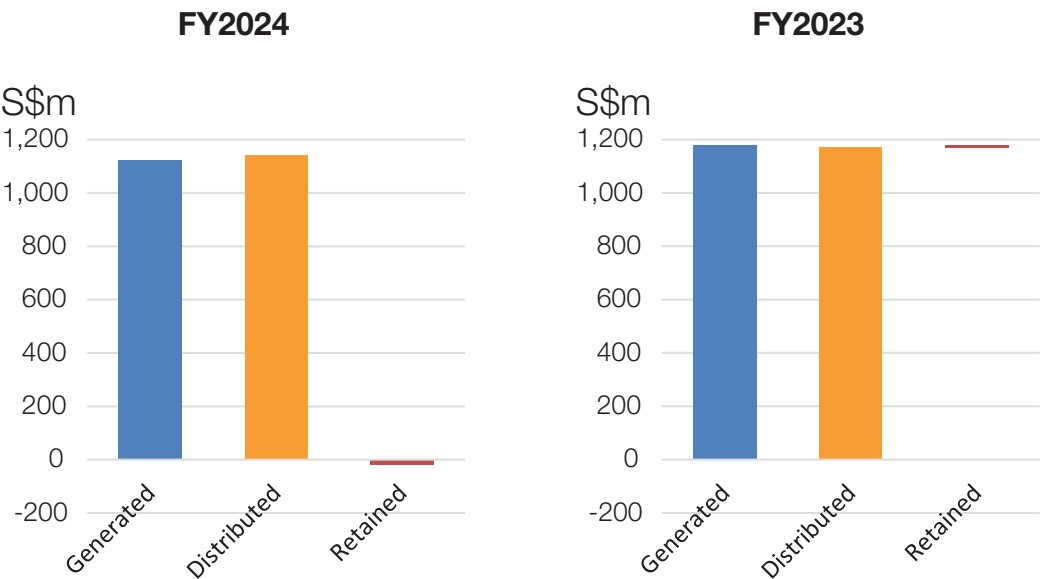
FY2024 Ranking	Material Topic	Trend	FY2023 Ranking (Relative)	Impact Boundaries	Issues
10	Talent Recruitment, Development and Caring	↓	8	Employees	Social Responsibilities – Human Capital
11	Climate Change and GHG Emissions	↑	10	All stakeholders	Environmental Stewardship – Emissions, Climate Change
12	Diversity, Equal Opportunity, and Inclusivity (DEI)	↓	6	• Employees • Business partners • Community	Social Responsibilities – Diversity
13	Biodiversity Conservation	↑	12	All stakeholders	Environmental Stewardship – The Environment and Natural Resources
14	Community Investment and Engagement	↓	11	• Employees • Community	Social Responsibilities – Human Capital

• Environmental • Social • Governance

9. Economic Topics

9.1 Direct economic value generated and distributed

The Group strives 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 Economic performance. The Group's income statement for FY2024 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 FY2024, 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:

	FY2024 S\$' million	Y2023 S\$' million
Direct economic value generated:	1,121.1	1,178.9
Revenue	1,108.1	1,150.0
Proceeds from disposal of assets ⁽¹⁾	0.5	4.8
Share of results of associates, net of taxation ⁽²⁾	12.5	24.1
Economic value distributed:	1,142.5	1,171.3
Operating costs ⁽³⁾	870.5	924.4
Employee wages and benefits ⁽³⁾	183.3	195.4
Payments to providers of capital (finance costs and dividends)	82.1	44.9
Payments to government	6.6	6.6
Economic value (distributed)/ retained:	(21.4)	7.6

(1) FY2023 amount includes restructuring charges written back of S\$1.2million

(2) FY2024 amount excludes exclude share of impairment loss of XIC Innovation Limited of S\$71.9million

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

The Group's revenue for FY2024 declined by S\$41.9 million or 3.6% to S\$1,108 million due mainly to the GP Batteries' S\$33.4 million or 3.8% decline in revenue during FY 2024 when compared to FY2023. The Group's economic value retained for FY2024 declined by S\$29.0 million to distributed of S\$21.4 million due mainly to payment to providers of capital for distribution in specie of GPET group in FY2024.

10. Environmental Topics

Environmental Stewardship

The sustainability of the Group’s operations is crucially dependent on the preservation of environmental resources. Consequently, the Group places a strong emphasis on environmental stewardship to protect the planet for current and future generations. The Group is committed to accelerating the transition to a low-carbon economy by optimizing resource utilization and minimizing negative environmental impacts during its operations. To this end, relevant policies and standards are in place to ensure that the Group’s employees and associated parties maintain environmentally friendly operations and invest in sustainable technologies and products.

The Group’s Environmental Policy is regularly updated and disseminated to all relevant stakeholders. This policy guides the actions and ensures compliance with all applicable environmental laws and regulations, enabling the Group to operate in an environmentally conscious manner and advocate for best practices throughout its value chain. The policy addresses a broad spectrum of issues, including greenhouse gas management, air pollution control, solid waste management, water management, and sewage treatment.

The Group is committed to adopting efficiency-enhancing practices and promoting the recycling and reuse of resources to better conserve natural resources. In addition to implementing an environmental policy that ensures the efficient use of resources, the Group is exploring initiatives to reduce total energy consumption and is examining the feasibility of increasing the use of renewable energy.

The Group has also established an effective environmental management system to control and manage its environmental performance. Most of the Group’s factories were accredited with the ISO 14001 environmental management system. Notably, two battery factories in Malaysia have received UL Zero Waste to Landfill Platinum Validation, confirming that these plants have achieved 100% waste diversion from landfills and are continuously improving their sustainability performance. Meanwhile, four other plants located in China, Malaysia, and Vietnam have maintained Gold Validation, recognizing their sustained efforts and success in maximizing waste diversion.

UL Environmental Claim Validation (“ECV”) certificate for Zero Waste to Landfill



10.1 Materials used by weight or volume

Sustainable Design and Circular Product Lifecycle

The Group places circularity at the core of its product design concept, consistently aiming to enhance the recyclability of products while integrating more recycled or sustainable materials into both products and packaging. A prime example is GP Recyko's line of rechargeable batteries and chargers, which features user-centric packaging made predominantly from paper. Additionally, 90% of the materials used in GP Recyko batteries are recyclable by weight at the end of their lifecycle.

To complement its environmental goals, the Group designs packaging to avoid excess while ensuring the necessary protection for shipment. Packaging solutions are crafted for easy reuse or recycling. This encompasses strategies for repeated use, recycling waste into new products, converting waste to energy, or composting, all contributing to pollution reduction and optimal resource utilization. The types of materials used in packaging typically include cartons, plastics, metal, and plywood pallets. The Group also incorporates biodegradable materials to prevent the accumulation of permanent waste.

To further minimise environmental impact, selected consumer alkaline battery products are packaged using soy-based ink, which is more biodegradable and environmentally friendly, in packaging printing. The Group's approach to product packaging is under continual review to reduce material usage and lessen environmental impact.

The weight and intensity of the packaging materials used are determined either through direct measurements or estimations, as deemed appropriate by the concerned entity. The relevant metrics are presented below:

	FY2024 Tons	FY2023 Tons
Weight	18,242.1	15,992.5
Intensity (per S\$ million revenue)	16.462	13.906

During FY2024, packaging material usage increased, which was attributed to higher production levels, changes in the product mix and packaging design.

10.2 Energy consumption within the organisation

The Group closely tracks and reviews energy consumption to maintain lean and efficient operations. When making capital investments, the energy efficiency of equipment is a key consideration. For the development of manufacturing equipment, the Group prioritises energy-saving technologies and incorporate energy-efficient components. Additionally, the Group actively promotes the use of green energy, including the implementation of solar equipment.

The Group's factories embrace various green building concepts to enhance energy savings. These include maximizing natural lighting through windows and courtyard glass, installing utilities underground to increase usable space, using glass partitions extensively, replacing traditional light sources with LED tubes, adopting zonal lighting system and integrating solar energy into specific lighting systems.

To foster energy-saving behaviours among staff, the Group has placed reminder stickers next to switches and produced an introductory video on green office practices to heighten awareness.

Total energy consumption are as follows:

	FY2024 Million kWh	FY2023 Million kWh
Energy consumption [#]	84.4	85.2
Intensity (per S\$ million revenue)	0.076	0.074

[#] Energy consumption mainly includes electricity purchased from external parties and determined by direct measurements based on meter readings, as well as the city gas purchased from external parties.

During FY2024, total energy consumption slightly decreased. This decrease was mainly due to GP Energy Tech Group's energy consumption in February and March 2024 was excluded after the completion of DIS.

The Group has installed additional solar panels in its factories and increased the use of solar energy throughout the year. Scope 2 emissions from use of grid electricity slightly decreased. The Group remains resolute in its commitment to advancing the adoption of renewable energy in the future.

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10.3 Water withdrawal

The Group diligently monitors its water consumption to ensure that business activities are conducted with a strong awareness of water stewardship. This includes efforts to minimise water usage across operations, such as the installation of low-flow faucets and the implementation of water-saving measures. The Group is committed to ongoing discussions about water use reduction strategies and take actions where viable.

Water supply facilities and equipment are properly maintained, and water-saving washing facilities are utilized to enhance water efficiency. In specific production plants, water is recycled for various operations including floor washing, battery washing, water spray de-dusting, and cleaning uniforms and containers. Moreover, the Group operates onsite sewage treatment facilities to minimise water pollution. The facilities undergo regular inspections to ensure they function correctly, prevent leakages and avoid accidents. There was no issue in sourcing water that is fit for the Group's manufacturing purpose in FY2024.

Total water consumption, sourced exclusively from public water utilities, is determined through direct measurements based on meter readings. The results are as follows:

	FY2024 Million litres	FY2023 Million litres
Water consumption	387.8	447.1
Intensity (per S\$ million revenue)	0.350	0.389

During FY2024, the Group's audio factory made a transition to using water-based paint for its audio products. This change reduced water consumption associated with paint application and cleanup processes and contributed significantly to the decrease in total water consumption.

10.4 Emissions

The Group is committed to actively seeking opportunities to minimise and regulate emissions as part of its efforts to combat climate change. As stipulated in the Group's Environmental Policy, all facilities are responsible for identifying and documenting all sources of greenhouse gas (GHG) emissions and maintaining accurate and current records. This responsibility includes the tracking and reporting of all direct (Scope 1) GHG emissions from sources that the Group owns or controls, as well as indirect (Scope 2) GHG emissions resulting from the energy purchased and consumed.

Carbon dioxide (CO₂) is the predominant GHG emission produced by the Group. Direct CO₂ emissions primarily originate from the consumption of diesel in generators, forklifts, and petrol and diesel by Company-owned vehicles. The Group regularly monitors its CO₂ emissions and have implemented controls on the use of diesel generators and company vehicles to reduce these direct emissions. Additionally, converting diesel forklifts and vehicles to electric models is a key strategy to further decrease CO₂ emissions. Indirect CO₂ emissions largely stem from electricity usage. To address this, the Group monitors electricity consumption, pursue energy-saving initiatives, and enhance energy efficiency to decrease overall energy use. A smaller portion of indirect CO₂ emissions comes from the use of outsourced vehicles and business air travel. In line with its commitment to reducing carbon footprint, the Group promotes online meetings to lessen the need for business travel and advocates for paperless operations to further reduce its environmental impact.

GHG emissions are quantified in terms of CO₂ equivalent ("CO₂-e"). For FY2024, Scope 1 and Scope 2 GHG emissions of the Group are as follows:

	FY2024 Tonnes CO₂-e	FY2023 Tonnes CO ₂ -e (restated)
Direct GHG [#] (Scope 1) emissions	867.1	2,017.6
Indirect GHG [#] (Scope 2) emissions	47,650.2	48,969.1
	48,517.3	50,986.7
Intensity (per S\$ million revenue)	43.78	44.33

[#] GHG covered in this FY2024 SR include CO₂, methane, and nitrous oxide.

FY2023 GHG emission was restated due to official retrospective revision to Mainland China's national level grid emission factor.

During FY2024, total direct GHG (Scope 1) and indirect GHG (Scope 2) emissions amounted to 48,517.3 tonnes CO₂-e (2023: 50,986.7 tonnes*). Scope 1 and Scope 2 emissions represented approximately 2% (2023: 4%) and 98% (2023: 96%) of the total GHG emissions, respectively.

Scope 1 emissions decreased by 1,150.5 tonnes CO₂-e due to the continued effectiveness of the fire suppression agents introduced in FY2023 throughout FY2024. The Group consistently inspects its fire suppression systems to prioritize employee safety and stakeholder interests. Scope 2 emissions decreased by 1,318.9 tonnes, attributed to increased utilization of solar energy in FY2024. In addition, emissions from GP Energy Tech Group for February 2024 and March 2024 was excluded after the completion of DIS.

Striving for Net Zero: Renewable Energy and Efficiency Measures

To achieve its overarching goal of net-zero carbon emissions, the Group is actively reducing carbon emissions, primarily by promoting the use of renewable energy sources to replace grid electricity. Notable initiatives include the installation of solar heaters that convert solar energy to heat and the use of air-to-heat pumps that extract heat from the air to warm water.

The Group is also focusing on enhancing energy efficiency. Measures implemented include adopting LED lighting, installing inverters in discharge facilities, and replacing centralized air conditioning systems with smaller, zonal units to better meet staff needs and enhance energy management.

Additionally, the Group is exploring alternatives to business travel and encouraging employees to make climate-smart travel decisions. This includes prioritising video conferencing over in-person meetings and adopting other practices that minimise the environmental impact of its operations. These initiatives are part of the Group's broader commitment to combating climate change while continuing to operate sustainably and responsibly.

Reducing Air Emissions in Manufacturing

The Group is committed to reducing emissions of air pollutants. In battery manufacturing, the Group employs biological trickling treatment to manage volatile organic compounds (VOCs) and various de-dusting techniques to decrease particulate emissions. In audio manufacturing, the primary emissions sources are the use of glue and paint in the production of loudspeakers and speaker cabinets. As these materials cure, solvents and chemical gases such as toluene and xylene are released.

The Group categorizes solvents as "preferred," "usable," and "undesirable," and exclusively use solvents from the first two categories to mitigate health and environmental risks. The air emission risk associated with glue and paint usage is stratified into three levels: high, medium, and low. The Group diligently monitors and manages these risks to ensure they remain within safe limits. Additionally, the Group is committed to phasing out toxic chemicals and minimizing the use of high-risk solvents. The Group's efforts include adopting alternatives like water-based systems, gels, and solvent replacements. Moreover, in some products, the Group implements resistance welding instead of soldering to further reduce air pollutants.

10.5 Waste generated

Guided by the Group's Environmental Policy, standardized 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 mainly include 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 standardized management approach, all hazardous wastes to be disposed of are centrally stored in special warehouses with labels according to different categories. The amounts of waste generated are measured and recorded in ledgers by assigned workers. The collection, storage and handling of hazardous waste are properly carried out to reduce the negative impacts on soil, water and air. Hazardous waste is regularly collected and sent to qualified recycling companies for proper treatment.

Non-hazardous waste mainly includes scrapped cardboard, wood, plastics, metals, kitchen waste and office waste. Non-hazardous waste is classified into non-recyclable and recyclable wastes. To minimise waste produced, waste segregation is implemented to turn waste into reusable resources. Non-reusable waste is collected by recycling and refuse treatment companies. Recyclable waste such as cardboard, solder oxide waste and copper wire scraps will undergo recycling treatment and diverted away from landfill. Food waste is reduced by outsourcing canteen vendors for soil enrichment, fish, and pig farms. In the Group's factory in Xiegang, China, kitchen waste was recycled by qualified companies to breed black soldier flies for conversion into insect protein and organic fertilisers.

Total wastes generated are as follows:

	FY2024 Tons	FY2023 Tons
Hazardous waste	1,027.2	1,290.4
Non-hazardous waste	2,649.9	2,438.6
Total	3,677.1	3,729.0
Intensity (per S\$ million revenue)	3.318	3.242

During FY2024, total waste generated slightly decreased.

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 its 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 2023, 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 FY2024, 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

The Group is dedicated to cultivating a safe and healthy culture that extends to all employees and business partners. Safety is a core component of the Group's business plan and a crucial factor in decision-making. The Group has implemented rigorous safety management mechanisms, encompassing staff training, safety design for equipment and tools, governance policies, standard operating procedures, regular safety audits, and reward and control practices. Safety performance is also a critical criterion when selecting suppliers and service providers. Failure to meet safety requirements can result in contract termination.

To guarantee a safe and healthy work environment, the Group has established various policies and procedures, such as fire emergency protocols, chemical leakage emergency plans, hazardous chemicals management regulations, dust removal systems, management handbooks, protective equipment checklists, personal protection equipment regulations, occupational health and safety regulations and employee health check-up guidelines. By adhering to these policies and guidelines, the Group ensures a secure working environment while protecting employees from occupational hazards.

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

Health and safety performance is one of the key factors to evaluate business performance. The Group adopts ISO 45001, Occupational Health, and Safety Management Systems ("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 injuries. A number of the Group's factories have been certified with ISO 45001 accreditations.

ISO 45001 accreditations



The Group is highly cautious on the chemicals used in its products as hazardous chemicals may persist in the environment, bioaccumulate through the food chain, ultimately posing a risk to human health and the environment. While adopting global chemical compliance requirements and carrying out chemical tests under different conditions are crucial, the use of chemical substances in the manufacturing process also plays a vital role in protecting the environment and ensuring customer health and safety as well. The Group strictly adheres to the standards set forth on chemical substances, including those on the restricted substance list of international and local regulations.

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. The Group's Hong Kong headquarters and several factories are equipped with Automated External Defibrillator and all operation areas have fire extinguishers in place to tackle emergencies. On-site safety audits are conducted in factories to access the safety issue at the operation level, including dust control, prevention of occupational disease and fire safety.

Training is also an essential component in improving the overall health and safety standard of the Group. First-aid trainings are provided to employees across different operation locations, where the number of employees accredited with certificates exceeds the requirement of local regulations to ensure qualified first aiders are readily available when an emergency occurs. Safety and occupational health courses are mandatory in orientation programs for new employees to join the production plants, including training courses on first aid, and how to safely approach hazardous and chemical materials.

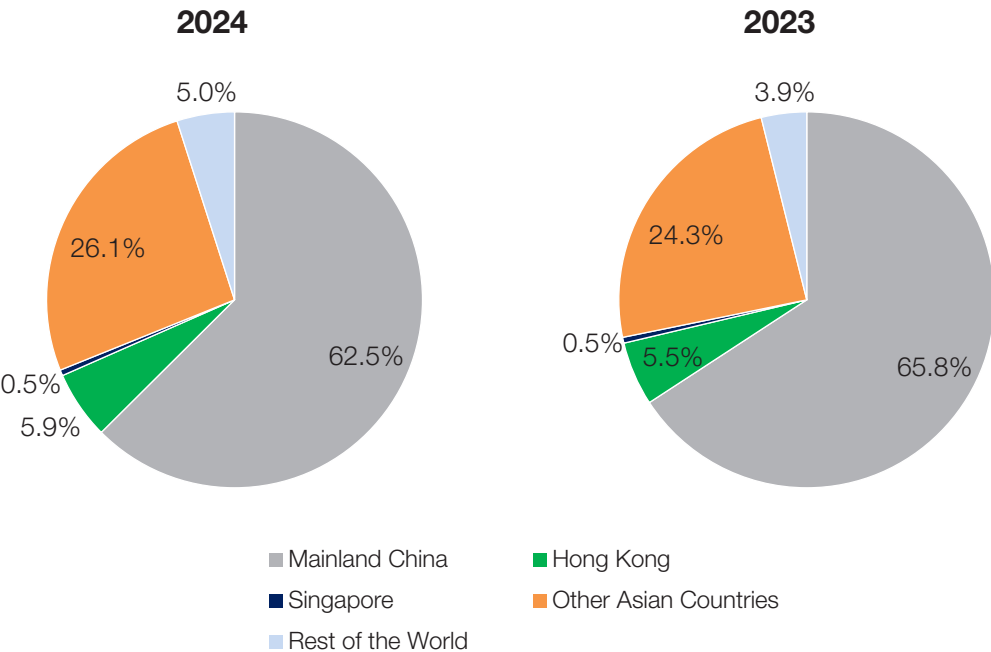
Risk management has played a crucial role in preventing major injury cases. The Group has recognised work-related hazards with the potential to cause severe injuries, including chemical exposure risks, fire and explosion risks, electrical hazards and physical hazards. To address these risks, the Group employs various safety measures, such as supplying personal protective equipment, introducing engineering controls, offering training on safe work practices, and performing routine safety audits and risk assessments.

During FY2024, the Group complied with all laws and regulations related to providing a safe working environment and protecting employees from occupational hazards. Due to better risk control and machinery maintenance, the Group reported fewer injury cases and loss of working days during FY2024. There were 12 cases (2023: 20 cases) of workplace injury (note), resulting in a loss of 344 working days (2023: 615 working days). There was no work-related fatality in each of the past three years including this reporting year. The Group will continue to improve staff awareness and create a safer working environment to further reduce work injury cases.

Note: A workplace injury refers to harm or physical damage that occurs to an employee while performing their job duties or within the work environment.

11.2 Information on employees and other workers

As of 31 March 2024, the Group was supported by a motivated workforce of approximately 5,400 (2023: 6,620) employees worldwide, comprising approximately 2,545 (2023: 3,185) male employees and 2,855 (2023: 3,435) female employees. The workforce is deployed in various countries or regions, as follows:



11.3 Average hours of training per year per employee

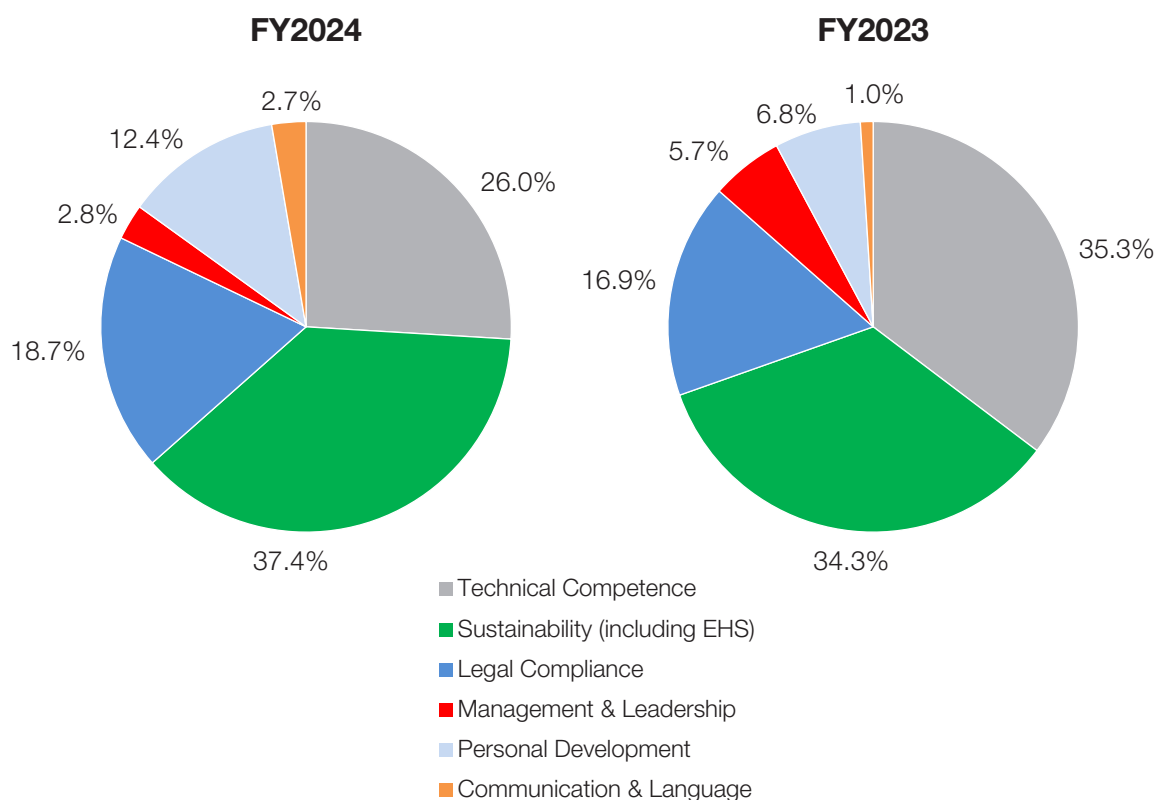
The Group invests in employees through development programs to enhance their soft and hard skills as well as work competence in preparation for their career development. Employees participated in various workshops and training sessions on legal compliance, management and leadership skills, personal development, 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, the Group’s vision on sustainability and sustainability policies are introduced. In addition, orientation programs provided to new employees in production plants include training on safety and occupational health courses relevant to their scope of work.

During FY2024, a total of approximately 59,200 (2023: 43,100) hours of training, excluding orientation programs for new employees, were recorded. More trainings are dedicated to sustainability in FY2024, encompassing topics such as responsible practices, employee health and safety, waste management, emergency response, and regulatory compliance.

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

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Percentage of training hours by topics



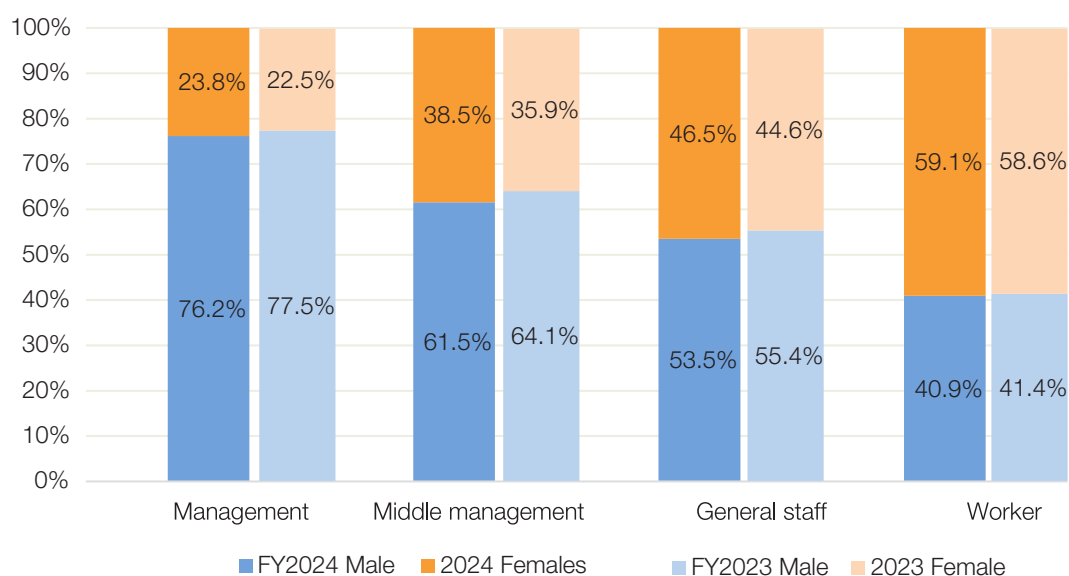
11.4 Diversity of governance bodies and employees

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.

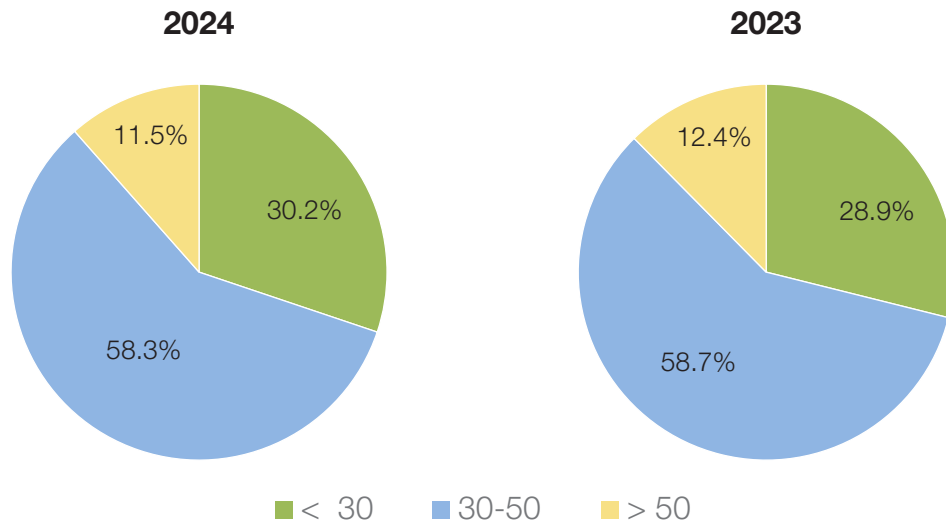
The Group also sees increasing Board diversity as an important aspect in enhancing its sustainability performance. As of the date of this report, the Board consists of one female director and 12 male directors, representing 8% & 92% of the Board, respectively. 47.1% and 52.9% of the Group's employees 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



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Further information on the Board and senior management of the Group are set out on page 8 to 16 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 emphasizes 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 core of its operations, the Group places a strong emphasis on sustainability and developing sustainable communities in the regions where it operates. To this end, the Group actively engage with local communities to understand their needs and ensure its activities are aligned with their interests. The Group's strategic roadmap has been updated to prioritize "Environmental and Sustainability" as well as "Social and Community Development" as key focus areas.

The Group's approach to achieving sustainable community development starts with cultivating a culture of social responsibility among its employees. This allows us to create long-term, meaningful impact and contribute to the overall well-being of the communities in which the Group operates.

GP Batteries has been the exclusive battery supplier and an official sponsor for the Hong Kong Standard Chartered Marathon since 2014. This strategic partnership aligns with the Group's commitment to promoting healthy lifestyles and work-life balance. Consistent with this objective, the Group has continued to encourage its employees to participate in the running event alongside their families and friends. This multifaceted initiative not only reinforces GP Batteries' brand presence, but also underscores the organization's dedication to supporting the holistic well-being of its stakeholders. The continued sponsorship and employee participation in the marathon exemplify the Group's strategic focus on corporate social responsibility and its role as a responsible corporate citizen. By fostering a culture of active engagement, the Group aims to empower its workforce and local communities to adopt a balanced approach to personal and professional development.

Staff gatherings and sports events with the local community were organized during the year. These activities fostered a strong sense of camaraderie and belonging among employees while also making a positive contribution to the local community.

During the year, the Group also implemented a series of professional development workshops focused on holistic wellness for its employees. These classes cover topics such as time management, stress reduction techniques, and fitness training. The goal is to empower its workforce with the knowledge and skills to optimise their health, productivity, and work-life balance.

The Group has remained steadfast in its support of the Corporate and Employee Contribution Programme through ongoing partnerships with Community Chest. The Group has actively encouraged employee participation in a variety of social responsibility initiatives, including Love Teeth Day 2023, Earth Hour 2024 and the Lai See Packet Recycling Campaign. As a testament to the Group's consistent commitment to community engagement, the organization has been honored with the prestigious Caring Company Logo by the Hong Kong Council of Social Service for 22 consecutive years.

GP Marathon Team



Team building activities



Sport activities with the local community



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. To meet compliance requirements, related products must obtain appropriate certificates and reports aligned with national standards or regulations. Examples include IEC 62133-1 (NiMH cells/batteries), IEC 62133-2 (Li-ion cells/batteries), UL 1642 (Lithium batteries), UL 2054 (Household and commercial batteries), UL 217 (Batteries for smoke alarm), IEC 60086 series (Primary batteries), and UN 38.3 (Lithium cells/batteries).

The IEC (International Electrotechnical Commission) 62133 series is a widely recognised safety standard for rechargeable secondary cells and batteries in portable applications, including Nickel and Lithium systems. GP Batteries' IEC 62133-certified Lithium-ion and NiMH batteries facilitate rapid market entry in over 50 Certification Body Scheme participating countries. The UN38.3 certification ensures that all GP Lithium-ion batteries can be easily shipped by air and sea, subject to national deviations and potential additional tests.

Our 9V carbon zinc and alkaline batteries are among the few battery series with UL-recognised components based on UL 217 for smoke alarm applications. Three factories of the Group has obtained BIS ISI licenses, enabling our batteries to penetrate the Indian carbon zinc battery market. The Group has registered related battery models for BIS CRS, which is a mandatory requirement for importing secondary batteries (NiMH and Li-ion) into India.

The Group has also acquired the MC Mark for importing alkaline batteries into Malaysia, obtained the Certificate of Conformity for delivering carbon zinc batteries to Morocco, and successfully completed the product surveillance process to renew the battery certification license for importing Alkaline batteries into Colombia.

In 2020, the Group introduced new childproof packaging for coin-sized lithium batteries, featuring a tamper-proof design, child safety pictograms, and warning messages. The packaging complies with the latest IEC standards (IEC 60086-4 Edition 5) and Australian ACCC regulations.

The Group has strategically established testing facilities in mainland China, Hong Kong, and Singapore to test batteries against international standards. These laboratories have obtained relevant accreditations, signifying the Group's testing capabilities. The Group has also developed and implemented quality control systems to manage hazardous substances produced during manufacturing processes. Most of the Group's factories are ISO 9001 and/or IATF16949 accredited, demonstrating the Group's ability to consistently provide products and services that meet customer needs and adhere to applicable statutory and regulatory requirements.

ISO 9001 Accreditations



As committed in its supply chain management policy, the Group strives to uphold its operational agility and respond quickly to any changes in the global supply chain.

To improve governance over its external partnerships, the Group has implemented a rigorous supplier evaluation system within its Responsible Supplier Management System. The Responsible Supplier Management System requires suppliers to fill out a detailed questionnaire assessing their compliance with environmental, safety, and social responsibility standards. The Group's internal teams conduct supplier audits using a structured checklist, evaluate suppliers thoroughly, and grant approvals for sample validation. The regular audits help us monitor compliance and identify potential risks in the Group's supply chain. Additionally, all suppliers must adhere to the Group's Supplier Code of Conduct, which delineates the Group's expectations for maintaining the highest standards in environmental sustainability, human rights, health and safety, and ethical conduct, ensuring these standards extend throughout the supply chain.

Emphasising collaborative relationships, the Group provides targeted environmental and social responsibility training to strategic suppliers. The training sessions address vital topics such as corporate social responsibility, compliance with social norms, environmental regulations and waste management. The Group actively encourages its suppliers to engage with us on its sustainability journey by prioritising those who demonstrate alignment with the Group's sustainability vision and have active initiatives to mitigate their environmental impact. Looking ahead, the Group will deepen the integration of sustainability performance metrics with its supplier evaluation and selection processes to strengthen its commitment to sustainability and drive collective progress towards its sustainability goals.

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.



SAFETY DESIGN

Recyko Everyday Charger (USB) B421

The LED indicators tell users the charging progress and whether any single-use or bad batteries are inserted. Another safety detail is the auto power cut-off timer and full charge detection, which helps users avoid over-charging, over-voltage and short circuiting, as well as preventing damage to battery lifespan.

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 FY2024, 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.

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