



Karin Technology
Holdings Limited

Karin Technology Holdings Limited

Sustainability Report 2023

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About The Report

[GRI 2-1]

Karin Technology Holdings Limited (the “**Company**” together with its subsidiaries, hereinafter referred to as the “**Group**” or “**Karin**” or “**we**” or “**us**”) is pleased to present the sixth sustainability report (the “**Report**”) to share with our stakeholders our management approach to sustainability, our practice and performance, as well as our plans for the coming years.

Reporting Period and Cycle

[GRI 2-2, GRI 2-3]

The Report illustrates the overall performance of Karin regarding the economic, environmental and social area from 1 July 2022 to 30 June 2023 (“**FY2023**”). It will be published annually.

Reporting Scope and Boundaries

The information disclosed in the Report covers the core and material business units of the Group in Hong Kong, which accounts for more than 77% of our total revenue in FY2023. Karin will consider expanding the scope of the Report to include other business and locations progressively. If the scope and boundaries of the specific contents vary, they are noted in the relevant section of the Report.

Reporting Framework and Principles

[GRI 1]

The Report is prepared in accordance and complies with the Singapore Exchange Securities Trading Limited (SGX-ST) Listing Rules (711A and 711B) and the Singapore Exchange Limited (SGX) Practice Note 7.6 Sustainability Reporting Guide (the “**Guide**”) and with reference to the requirements of the Global Reporting Initiative Standards (“**GRI**”) Universal Standards 2021 and the Task Force on Climate related Financial Disclosures (“**TCFD**”).

The Report is in accordance with the following GRI reporting principles, Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability context, Timeliness, Verifiability, and Stakeholder inclusiveness:

| Reporting Principle | |
|---------------------------|---|
| Accuracy | The Report includes qualitative information under accuracy, sufficient, detailed, consistent information, with available evidence and other reported information, adequately describing the methods and basis of calculations for data measurement to assess the organisation's impact. |
| Balance | The information in the Report shall reflect the positive and negative aspects of the performance of the reporting agency for the convenience of the reasonable evaluation of the overall performance. |
| Clarity | The Report should present information in an accessible and understandable manner, taking the special needs of information users including different abilities, languages, etc. Information should avoid abbreviations into account; if necessary, information need to explain through the relevant section or glossary. The Report information is presented under the concise manner by organising useful information, making information accessible and understandable and adopting graphics and combine data. |
| Comparability | The Report shall disclose the information in a consistent manner, so that stakeholders may analyse and evaluate the performance of the Group at different time. The Group shall interpret any changes in methods. |
| Completeness | The Report includes coverage of material topics and their boundaries, sufficient to reflect significant economic, environmental, and social impacts, and to enable stakeholders to assess the Group's performance in the reporting period. |
| Sustainability Context | The Report presents the Group's performance in the wider context of sustainability. |
| Timeliness | The reporting organisation shall make reports on a regular basis, so that stakeholders may promptly obtain information and make wise decisions. |
| Verifiability | The Report information should be collected, recorded, and analysed in the manner that can be verified, thus to assure the quality. It is important that reported information can be tested to determine its veracity and to determine the extent to which reporting principles are applied. |
| Stakeholder Inclusiveness | The Group identifies its stakeholders and explain how it has responded to their reasonable expectations and interests. |

The Report should also be read in conjunction with the Annual Report 2023. We have adopted a phased approach to our reporting and will seek to provide additional disclosures over time. The end section of this Report contains the detailed GRI Content Index for readers' quick reference.

Restatement

[GRI 2-4]

No restatement is made for the previous report.

Internal Review and External Assurance

[GRI 2-5]

The financial statements included in the Annual Report 2023 have been audited and assurance by independent auditors. For the Sustainability Report 2023, we have engaged our internal auditor for the internal review of this Report, as mandated by the SGX-ST, and check to ensure the accuracy of the data and information. Performance data for the corresponding material topic is reported in good faith and to the best of our knowledge.

Availability

The Report is published in English and is available on our website: www.karingroup.com. As a conservation measure, we do not publish hard copies.

Feedbacks

[GRI 2-26]

We welcome feedback on the Report and any aspect of our sustainability performance. Comments or feedback can be sent to info@karingroup.com.

Board Statement

[GR 2-14, GRI 2-22 to GRI2-25]

Dear Stakeholders,

The Board of Directors is pleased to present Karin Technology Holdings Limited's full Sustainability Report of Financial Year 2023 (FY2023).

We focus on economic, environmental and social areas to underpin our sustainability strategy. We are committed to managing the relevant sustainability risks and opportunities across the portfolio to ensure the long-term well-being of our business while contributing positively to the environment and the social. We strive to integrate sustainable development consideration in its business practices and throughout our daily operation. The Group has formalised the interdepartmental Sustainability Working Group (the “**Working Group**”) to manage and monitor our sustainability performance and review target setting. Therefore, our sustainability governance structure ensures that performance is consistent, and stakeholders' expectations can be met. We work together to achieve our sustainability development goals as a team.

Risks and business opportunities are always intertwined. We have engaged with key stakeholders through materiality assessment and to improve our sustainability efforts and practices. We are very focused on proper risk management, cashflow generation and business continuity planning, and we will continue to evolve in the digital transformation towards distributed IT with top-grade cybersecurity provisioning. In order to continue our sustainability journey, metrics and targets that are material to our business be progressively added. In FY2023, water and waste are newly added to provide more insights into our Report.

We recognise that sustainability is increasingly important for business as the world today faces challenging issues, including but not limited to climate change, shortage of natural resources and human rights. Expectations for companies to take the initiative on sustainability are higher. We are committed to embedding human rights considerations into decision-making across the Group and into our policy and governance framework. As a listed company, we recognise the responsibility and opportunity we have to raise awareness among our employees on environmental and human rights issue. To fulfilling our responsibilities to the sustainable development of the economy, environment, and society, we have continuously attributed to charity and social activities. In FY2023, we have donated to local communities,

participated in volunteering activities, held job shadowing program, and given sponsorship support to the young generation in competitions.

We have identified the climate-related risk and opportunities relevant to our business. In FY2023, our operation has recovered from the pandemic, and we have set clear short-term emission and long-term sustainable development targets to achieve ongoing emission reduction progress according to government requirements. Relevant emission reduction targets and corresponding strategies are established and sustainable development factors have been incorporated into our strategic planning, business model and other decision-making processes.

Looking ahead, we will continue to invest in new infrastructure and develop our management team with the goal of forging a long-term sustainable business, while we will also continue to strengthen our sustainability reports through more disclosures on greater sustainability context.

Board of Directors
Karin Technology Holdings Limited

About Karin

[GRI 2-1]

Introduction

Listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”) since March 2005, Karin is a prominent IT & Components Solutions and Services Group with a significant market presence spanning 46 years in Hong Kong and the People’s Republic of China (“PRC”).

From the time when it was established in 1977, our primary business focus has been on electronic components and computer distribution for various electronics industry segments including communications, computer, electrical appliances and utility. During the 1990s, our business expanded to include outsourcing services, IC application design solutions and data storage management solutions. Over the years, our growth had always been driven by our willingness to embrace new technology solutions and to adapt our business model as well as our continuing investments into new business areas. Today, Karin Technology is a diversified Group with businesses across Components Distribution, IT businesses, and Consumer Electronics Products Retail and Distribution.

Following the business growth, Karin Group and its management team proactively took steps to transform our business to meet the rapidly changing global economic landscape and the new norms that had emerged from the situation. In 2011, Karin added a retail business arm to its operations under the trade name “In-Smart” which was subsequently disposed of on 30 June 2016 and re-invested on 1 April 2018. In September 2022, In-Smart new branch opening at Tseung Kwan O, launching a branch at New-territories is a milestone. In addition, Karin has observed an increasing number of projects related to data management, smart solutions and AI, and expand operation office in Macau.

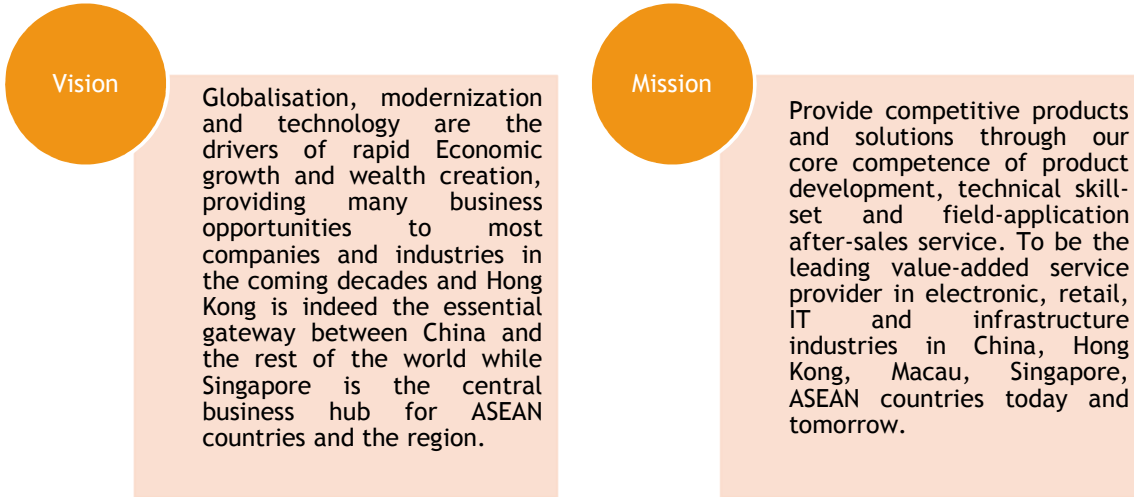
“In-Smart” new branch opening



Karin Group and its management team proactively took steps to transform its business to meet the rapidly changing global economic landscape and the new norms that had emerged from the situation. The Group’s IMI business had extended its business into power charging solutions for the EV market under the new brand “Karin Power Innovation”. From supplying components and power solutions, to direct selling and installation of charging solutions to customers. The Group eyed on the high growth in this market, and together as part of the global push to enhance efficient energy use. This business development puts Karin Group a step closer to drive and deliver sustainability strategy directly to its businesses.

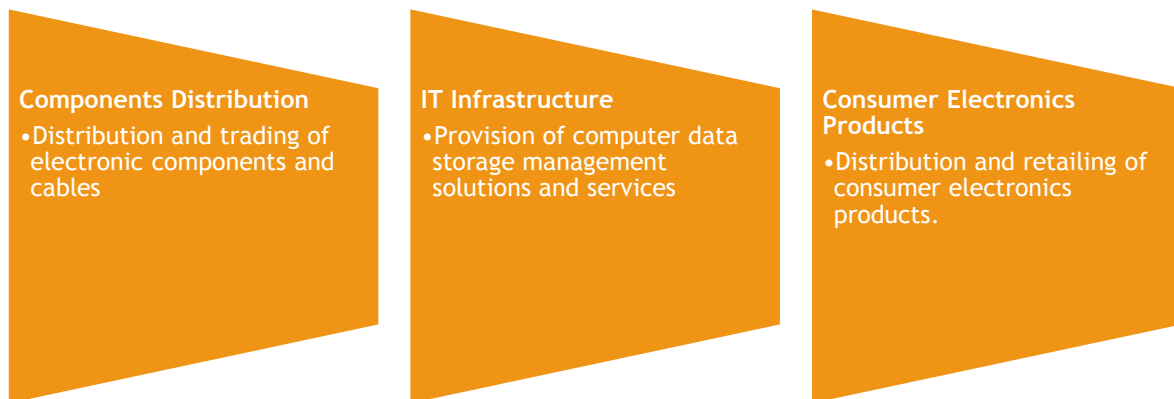
Karin is promising as economies and businesses have harnessed technology to adapt to new norms, and well positioned to leverage. The continuous expansion of Karin enables the cater to strong demand for network security products, cloud solutions services, data solutions and services. Looking ahead, Karin is cautiously optimistic that the business outlook over the discipline in healthy financing and growth at the strong platform.

Our Vision and Mission



Our Business Segment

Our principal business is broadly divided into three main segments, namely (a) Components Distribution; (b) IT Infrastructure and (c) Consumer Electronics Products.



Our Customers

[GRI 2-6]

Karin currently has a customer base of more than 1,000 customers comprising MNCs, contract manufacturers, electronic product manufacturers, traders, retailers and business corporations. Most of which are located in Hong Kong and in the PRC.

Membership of Associations

[GRI 2-28]

Karin is accredited as an authorised employer by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) to train prospective members of the HKICPA.

Corporate Governance and Risk Management

[GRI 2-9 to GRI 2-21]

The Board is the highest governance body of Karin that provides oversight of the Group’s activities and performance and is responsible for setting the corporate strategy and business direction of the Group. The Board has established committees, namely, the Audit and Risk Management Committee (“ARMC”), Nominating Committee (“NC”) and Remuneration Committee (“RC”), to assist in the execution of its responsibilities. These committees operate within clearly defined terms of reference and the effectiveness of each committee is reviewed on a regular basis.

Risk Management is an integral part of good corporate governance as well as resources management. Karin has a thorough and comprehensive risk management framework to identify and manage its risks and exposures in an integrated, systematic and consistent manner. For detailed disclosure on risk management, please refer to the Corporate Governance Report enclosed in Annual Report 2023.

Sustainability Governance Structure

[GRI 2-9, GRI 2-12, GRI 2-13]

The Board supports the Group’s commitment to fulfilling its environmental and social responsibility and has overall responsibility for the Group’s sustainability strategy and reporting. The Board is responsible

for evaluating and determining the Group’s sustainability related risks and ensuring that appropriate and effective sustainability risk management and internal control systems are in place.

The Board has delegated a comprehensive sustainability governance structure by overseeing the sustainability responsibility through the implementation of the Sustainability Working Group. The Working Group comprises of the Executive Directors and senior management, and assists the Board in managing matters related to Environmental, Social and Governance (“ESG”)’s policies, initiatives, performance and reporting. The Working Group is responsible for exercising ESG plans and collecting data regularly to review performance. The Working Group reports to the Board on a timely basis.

The Board regularly reviews the Group’s ESG performance, examines and approves the Group’s Sustainability Report annually.

Stakeholder Engagement

[GRI 2-29, GRI 2-30]

Stakeholders' opinions are the solid foundation for the Group's sustainable development and success. By considering the dependence and influence on the Group by the stakeholders and the availability of the resources for the Group, management has identified key stakeholders. The stakeholder engagement helps the Group to develop a business strategy that meets the needs and expectations of stakeholders, enhances the ability to identify risk and strengthens important relationships. Stakeholders can express their opinions through various engagement channels. The relevant stakeholders of the Group, their engagement platforms and the expected concerns are as follows. Our responses to these concerns are illustrated in various sections of the Report.



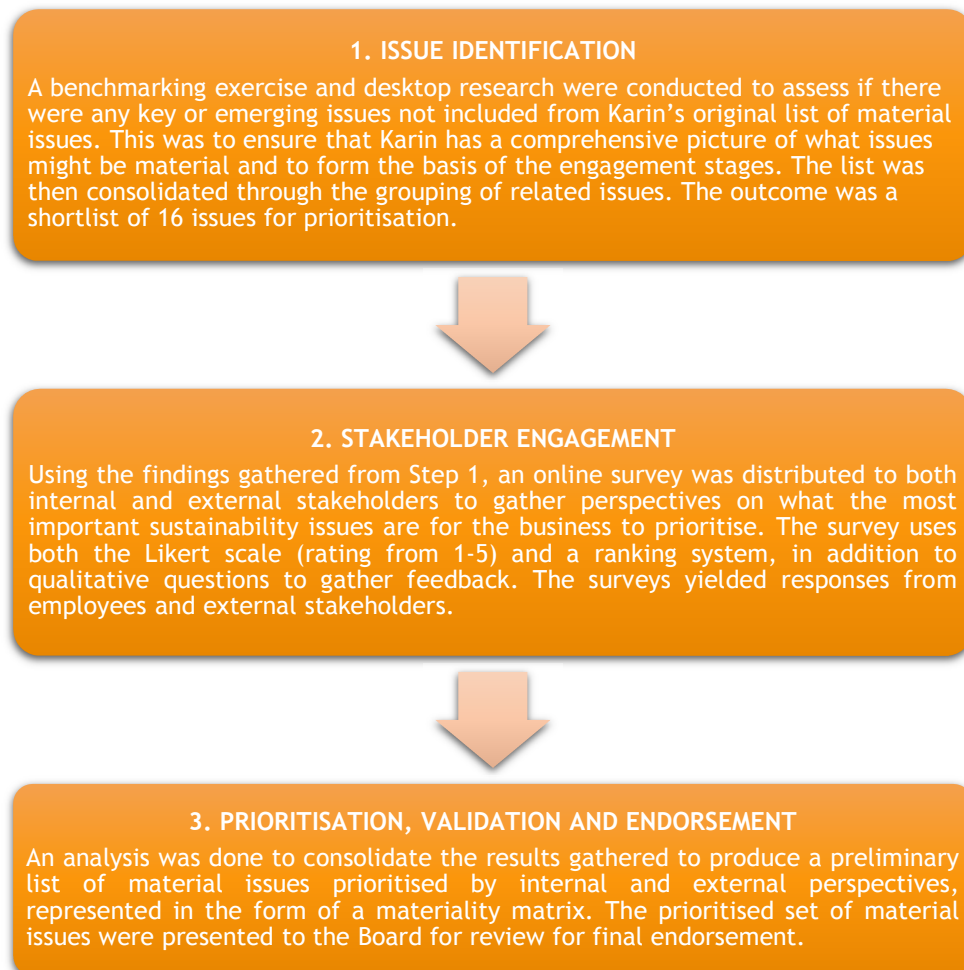
Form of engagement and key concerns of the stakeholder groups

| Stakeholder | Priority Concerns | Form of Engagement and Related Frequency |
|----------------------------------|---|---|
| Government, regulator, and Media | <ul style="list-style-type: none"> ◆ Anti-corruption ◆ Occupational Health and Safety ◆ Diversity and Equal Opportunity ◆ Regulatory Compliance ◆ Privacy Protection ◆ Quality Management | <ul style="list-style-type: none"> ◆ Annual reports, interim reports, sustainability reports and other public information |
| Shareholders and investors | <ul style="list-style-type: none"> ◆ Employment ◆ Local Communities ◆ Privacy Protection ◆ Quality Management | <ul style="list-style-type: none"> ◆ Annual general meetings and other general meetings of shareholders ◆ Company website ◆ Press releases/announcements ◆ Annual reports, interim reports, sustainability reports and other public information |
| Employees | <ul style="list-style-type: none"> ◆ Employment ◆ Occupational health and safety ◆ Training and Education ◆ Diversity and Equal Opportunities | <ul style="list-style-type: none"> ◆ Seminars and training ◆ Performance appraisal ◆ Leisure activities |
| Customers | <ul style="list-style-type: none"> ◆ Customer Privacy ◆ Quality Management | <ul style="list-style-type: none"> ◆ Fax, email and customer service hotline ◆ Product and service feedback |
| Suppliers | <ul style="list-style-type: none"> ◆ Anti-Corruption ◆ Material ◆ Waste Management ◆ Supply Chain Management ◆ Privacy Protection ◆ Quality Management | <ul style="list-style-type: none"> ◆ Annual audit ◆ Meetings ◆ On-site visits ◆ Electronic applications |
| Business Partners | <ul style="list-style-type: none"> ◆ Employment ◆ Occupational Health and Safety ◆ Training and Education ◆ Non - discrimination ◆ Privacy Protection ◆ Quality Management | <ul style="list-style-type: none"> ◆ Emails ◆ Meetings ◆ Electronic applications |
| Local Community | <ul style="list-style-type: none"> ◆ Environment ◆ Contribution to the community | <ul style="list-style-type: none"> ◆ Community services |

Materiality Assessment

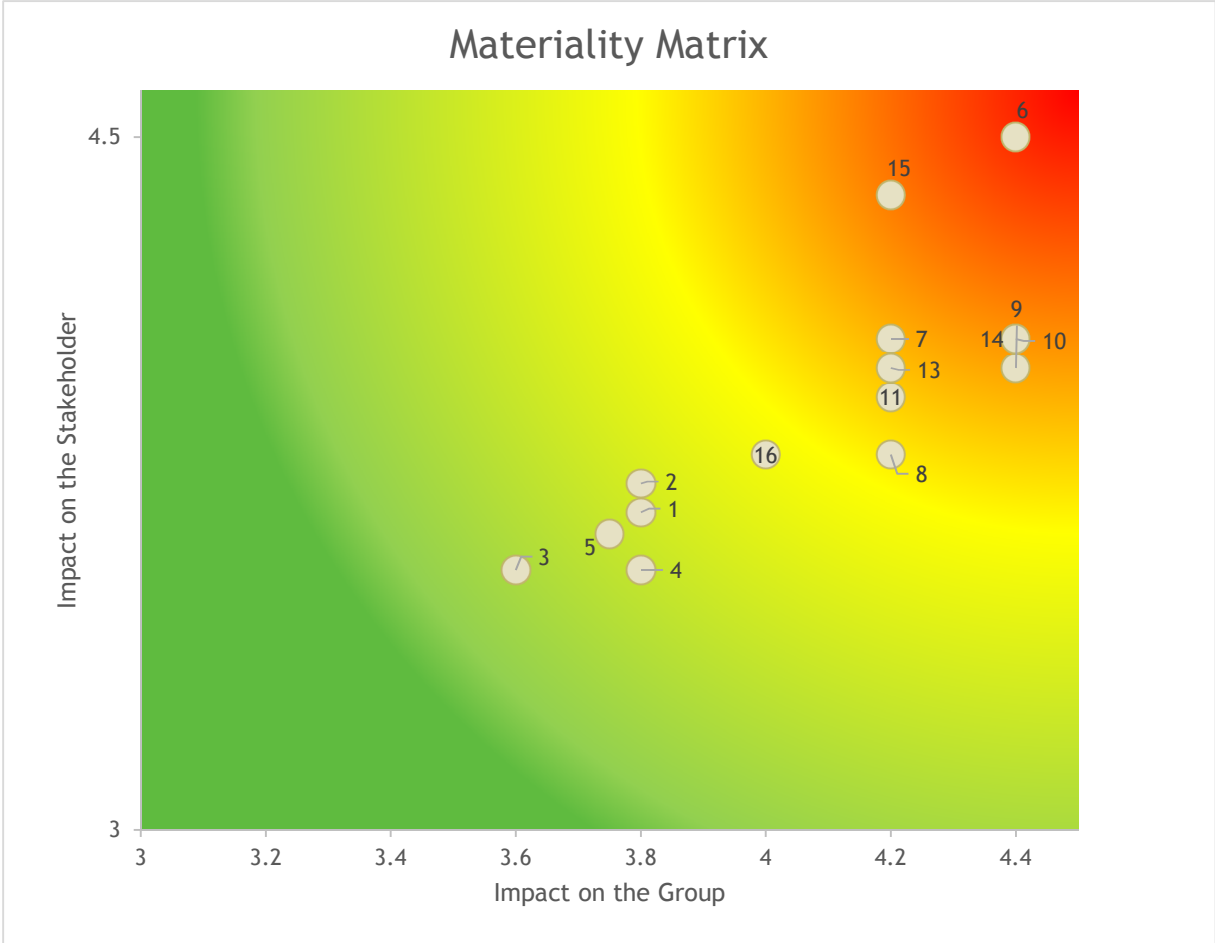
[GRI 3-1 to GRI 3-3]

Karin’s core approach to sustainability and business strategies is to identify, prioritise and manage the material aspects of our business that impact the environment, society and economy most. Our Board members and senior management team prioritise and identify the most material economic, environmental and social impacts of our business operations through reviewing our existing company policies, compliance requirements, employee surveys, risk registers and benchmarking material issues reported by peers. While assessing our sustainability impacts, risks and opportunities, we considered the expectations and concerns of our critical stakeholders. We also examined sustainability trends in the industry sector and reporting practices of peer companies. Through this exercise, we identified and prioritised material topics as shown in the following table. Material topics have been reviewed and approved by our Board.



Materiality Matrix and Boundary Mapping

The materiality matrix below shows the output from the materiality assessment. A comprehensive list of 16 material issues considered was plotted against the x-axis, which shows the importance of each issue on the business, and against the y-axis, which shows how important each issue is for Karin to manage according to external stakeholders.



| | | |
|-------------------------|-------------------------------------|-----------------------|
| 1 Energy and Emissions | 7 Employment | 13 Privacy Protection |
| 2 Waste | 8 Diversity and equal opportunities | 14 Quality Management |
| 3 Water | 9 Non-discrimination | 15 Anti-corruption |
| 4 Material | 10 Occupational health and safety | 16 Local Communities |
| 5 Climate Change | 11 Training and Education | |
| 6 Regulatory Compliance | 12 Supply chain management | |

List of Important Sustainability Issues

Based on the materiality matrix, we prioritised the material topics and we believe there are 8 material issues, which the most material sustainability issues to both internal and external stakeholders, include Regulatory Compliance, Anti-corruption, Occupational Health and Safety, Quality Management, Non-discrimination, Employment, Privacy Protection, and Training and Education. Our efforts in material areas are addressed within this Report. In general, there is no material change regarding the sustainability issues identified.

| Ranking | Issues | Impact on internal stakeholders | Impact on external stakeholder | Response/Section |
|-----------|-----------------------------------|---------------------------------|--------------------------------|--------------------------------|
| Priority | Regulatory Compliance | • | • | Regulatory Compliance |
| | Anti-corruption | • | • | Anti-corruption |
| | Occupational Health and Safety | • | • | Occupational Health and Safety |
| | Quality Management | • | • | Quality Management |
| | Supply Chain Management | • | | Our Supply Chain |
| | Non - discrimination | • | • | Non - discrimination |
| | Employment | • | • | Employment |
| | Privacy Protection | • | • | Customer Privacy |
| Important | Training and Education | • | • | Training and Education |
| | Diversity and Equal Opportunities | • | | Employment |
| | Local Communities | • | | Local Communities |
| Moderate | Waste | • | | Waste |
| | Energy and Emissions | • | | Energy and Emissions |
| | Climate Change | • | | Climate Change |
| | Material | • | | Note 1 |
| | Water | • | | Water |

Note 1: We will consider for further disclosure if the level of materiality increases in the future.

FY2023 Performance Highlights

| Area | FY2023 Target | Performance Update | FY2024 Target |
|----------------------|--|---|---|
| Anti-corruption | <ul style="list-style-type: none"> Continue with the current practices Maintain zero confirmed incidents for corruption Review the reporting system if needed | <ul style="list-style-type: none"> No confirmed incident | <ul style="list-style-type: none"> Continue with the current practices Maintain zero confirmed incidents for corruption Review the reporting system if needed |
| Energy and Emissions | <ul style="list-style-type: none"> Continue with the current practices, explore various initiatives to save energy and control GHG emissions | <ul style="list-style-type: none"> Total energy consumption increased by 109% Total GHG emissions increased by 104% | <ul style="list-style-type: none"> Continue with the current practices, explore various initiatives to save energy and control GHG emissions Encourage employees' environmental awareness in resources conversation Replace traditional fuel consumption with electric vehicle (EVs) |
| Waste | <ul style="list-style-type: none"> Continue with the current practices, explore various initiatives to minimise waste generation | <ul style="list-style-type: none"> Total waste generation increased by 7% | <ul style="list-style-type: none"> Continue with the current practices, explore various initiatives to minimise the waste generation Encourage reduce, reuse, recycle (3R) practice in operations Encourage employees' environmental awareness in resources conversation |
| Water | <ul style="list-style-type: none"> Continue with the current practices, explore various | <ul style="list-style-type: none"> Total water consumption decreased by 49% | <ul style="list-style-type: none"> Continue with the current practices, explore various |

| Area | FY2023 Target | Performance Update | FY2024 Target |
|--------------------------------|--|---|---|
| | initiatives to save water consumption | | initiatives to save water consumption ♦ Encourage employees' environmental awareness in resources conversation |
| Employment | ♦ Continue with current practices and explore various initiatives to attract and retain talents | ♦ New hire rate: 25% ♦ Turnover rate: 29% | ♦ Continue with current practices and explore various initiatives to attract and retain talents |
| Occupational Health and Safety | ♦ Maintain zero cases of work-related injury, occupational disease nor fatality | ♦ No case of work-related injury, occupational disease nor fatality | ♦ Maintain zero cases of work-related injury, occupational disease nor fatality |
| Training and Education | ♦ Continue with current practices and explore various initiatives to improve skills of employees | ♦ Provided 49 products and technical training ♦ Total training hours: 1,205.5 hours ♦ Average training hours: 6.66 hour | ♦ Continue with current practices and explore various initiatives to improve skills of employees |
| Non-discrimination | ♦ Continue with current practices ♦ Maintain zero incident of discrimination | ♦ No incident of discrimination | ♦ Continue with current practices ♦ Maintain zero incident of discrimination |
| Local Communities | ♦ Continue with current practices and explore various initiatives to contribute to the local community | ♦ HKD\$30,000 cash donation on personal hygiene and protection products ♦ A total of 53.5 volunteer hours in participating social services | ♦ Continue with current practices and explore various initiatives to contribute to the local community |
| Quality Management | ♦ Continue to meet the requirements of ISO 9001:2015 | ♦ Our quality management systems have attained ISO 9001:2015 Quality | ♦ Continue to meet the requirements of ISO 9001:2015 |

| Area | FY2023 Target | Performance Update | FY2024 Target |
|------------------------------|--|--|--|
| | <ul style="list-style-type: none"> ◆ Ensure the effective implementation of the Quality Policy ◆ Review the Quality Management system if needed | <p>Management Systems certification</p> <ul style="list-style-type: none"> ◆ Quality Policy was implemented and monitored by senior staff | <ul style="list-style-type: none"> ◆ Ensure the effective implementation of the Quality Policy ◆ Review the Quality Management system if needed |
| Customer Privacy | <ul style="list-style-type: none"> ◆ Maintain zero sustained complaints ◆ Continue with current practices and explore various initiatives to improve our internal controls in customer data protection | <ul style="list-style-type: none"> ◆ No sustained complaint | <ul style="list-style-type: none"> ◆ Maintain zero sustained complaints ◆ Continue with current practices and explore various initiatives to improve our internal controls in customer data protection |
| Regulatory Compliance | <ul style="list-style-type: none"> ◆ Maintain zero incidents of non-compliance | <ul style="list-style-type: none"> ◆ No incident of non-compliance | <ul style="list-style-type: none"> ◆ Maintain zero incidents of non-compliance |

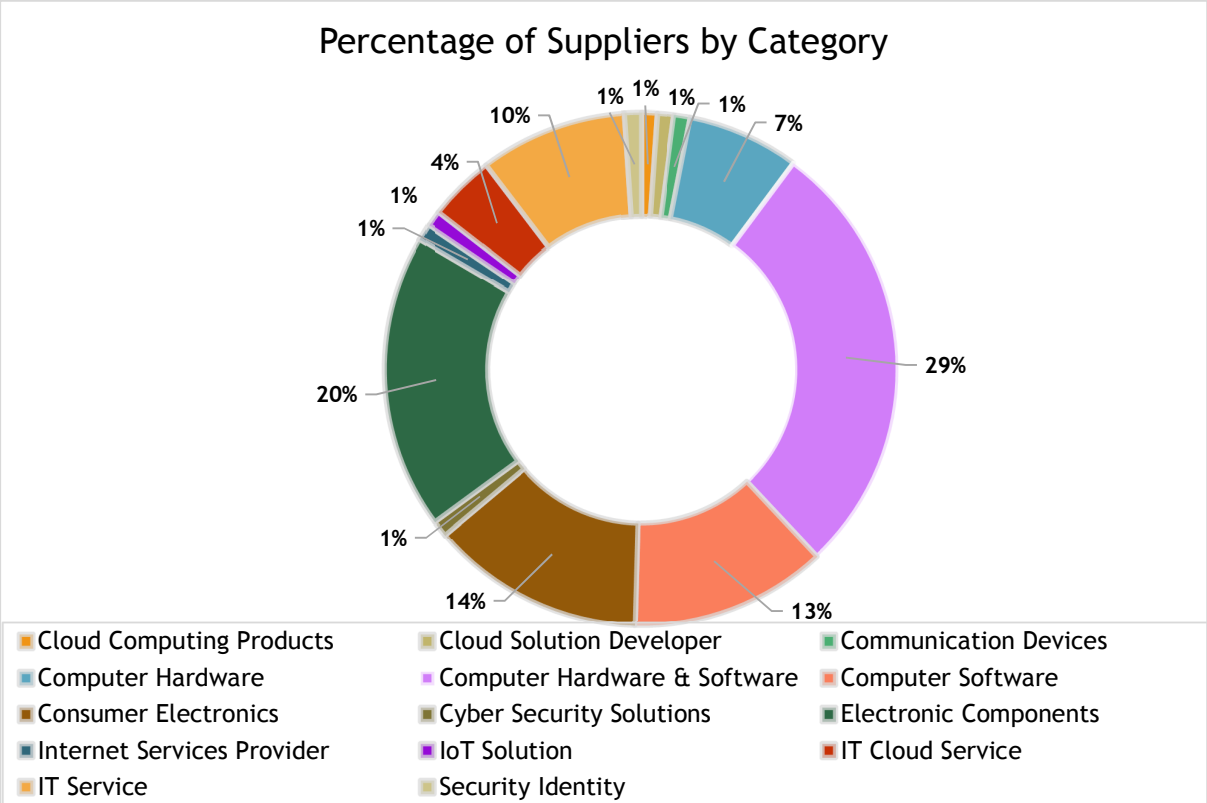
ECONOMIC

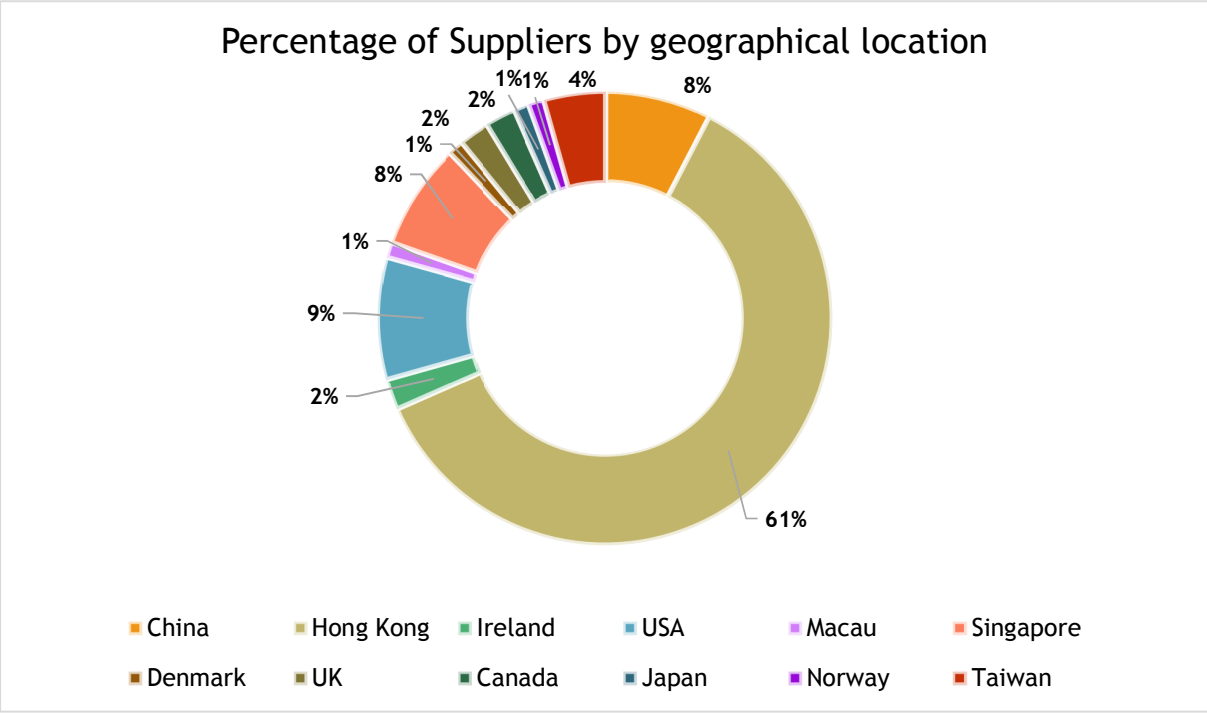
Our Supply Chain

[GRI 204-1]

Karin supplies a variety of electronic and computer products. These products are mainly sourced from traders and multinational corporation (MNC) manufacturers located in various locations. We have a Procurement Policy and ISO standard in place which provides procurement guidelines, including the selection and evaluation of suppliers. Our suppliers are selected based on, amongst others, such as past track record, experience, capability and quality. To mitigate the supplier risks, we strive to diversify our supplier bases and strengthen our controls in the assessment of new suppliers. We annually assess and review the performance of the suppliers to maintain a consistently high-quality standard of the suppliers.

In FY2023, there were a total of 92 suppliers (FY2022: 84). The suppliers by geographical location and category are illustrated in the following charts. In FY2023, we engaged with a larger variety of suppliers in categories, such as Computer Hardware & Software, and Electronic Components. We also engaged suppliers in more locations in FY2023.





Anti-corruption

[GRI 205-1, GRI 205-2, GRI 205-3, GRI 206-1]

Karin is committed to fostering a culture of corporate compliance, ethical behaviour and good corporate governance. We adopt a zero tolerance towards corruption and manage the risks through prevention and detection of frauds and irregularities.

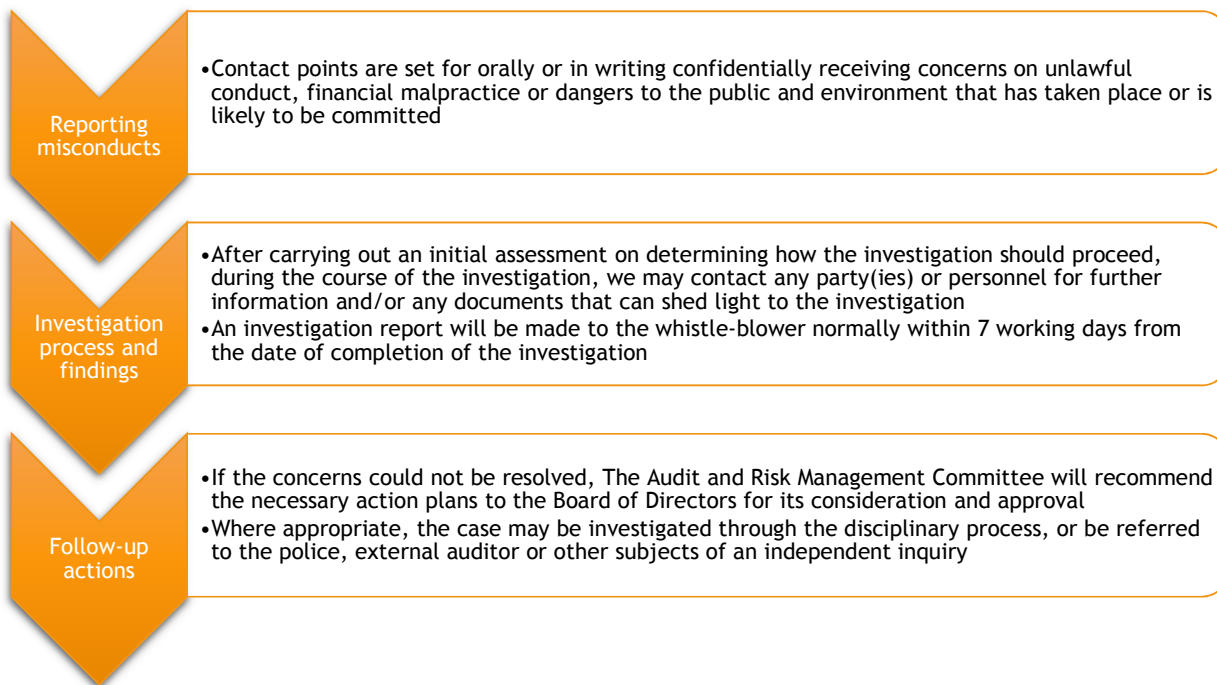
The Group strictly abides by the laws and regulations relating to bribery, extortion, fraud and money laundering in Hong Kong, including the Prevention of Bribery Ordinance and Anti-Money Laundering and Counter-Terrorist Financing Ordinance.

The Group has established “Employee’s Code of Conduct”, which is part of the Employee Handbook, setting out the employee’s conducts in dealing with problems related to acceptance of advantages and conflicts of interest so as to educate the importance of ethics and integrity. It is circulated among employees to educate the importance of ethics and integrity.

Internal Control Procedures

Other than the internal anti-bribery and corruption guidelines as stipulated in the Employee Handbook, the Group has in place a Whistle-blowing Policy (<https://karingroup.com/group-profile/whistle->

[blowing-policy/](#)), which is publicly posted on our website. This serves as a communication channel for employees to report concerns relating to the ethical business or personal conduct, accounting and financial matters, integrity and professionalism, or allegations of retaliation for having reported matters in good faith.



Employees are encouraged and welcomed to report his/her concerns via email anonymously. After completion of an investigation, the Audit and Risk Management Committee shall review the actions taken by the Company towards the whistle-blowing initiative and ensure fraudulent practices are reviewed without prejudice and executed with professional integrity in compliance with the Company's policy.

The Group has also implemented appropriate and effective internal controls at different business processes to prevent and detect fraudulent activities. The Group also provides training for employees relating to anti-corruption and ensures that departmental managers and executives are sufficiently trained and developed to implement the whistle-blowing policy. During the Reporting Period, 10% of the Group's employees have attended the total of 45 anti-corruption training hours. Fraud assessment exercise is conducted annually and reported to the Board.

In FY2023, the Group was not aware of any confirmed incidents of corruption. Looking ahead, the Group will continue to implement whistleblowing and other policies to prevent corruption and maintain zero confirmed incidents for corruption.

Regulatory Compliance

[GRI 2-27]

Karin recognises that the failure to comply with local laws and regulations may result in a significant impact on the reputation and operation costs. The Group adheres to the highest standards of corporate governance and has established clear policies and procedures to ensure compliance with all applicable laws and regulations. Designated personnel are responsible to oversee the compliance of the laws and regulations. The Group has ensured its compliance with all the relevant laws and regulation that have significant impacts on the Group.

In FY2023, the Group was not aware of any significant non-compliance with the laws and regulations in the social and economic area. Looking ahead, the Group will continue to monitor the update of the latest development relating to the laws and regulations that have a significant impact on the Group and maintain zero incidents of non-compliance.

ENVIRONMENTAL

Energy and Emissions

[GRI 302-1, GRI 302-3, GRI 302-4, GRI 305-1 to GRI 305-5]

Karin is noticed that there is a gradual concern from the community on climate changes due to the increase in energy consumption and its incurred greenhouse gas (“GHG”) emissions. Karin is committed to minimising the environmental impact of our business. In FY2023, we are committed to set clear emission reduction target. In short term, we aim to reduce GHG emissions by around 5% by 2026 and ensure the Group’s greenhouse gas emissions will comply with the local requirements on or before 2030. For the long-term goal, we are going to meet the Hong Kong government’s carbon reduction pathway and the Singapore government’s Long-Term Low-Emissions Development Strategy (LEDS), which are achieving carbon naturality by 2050 and by 2060 in PRC.

To achieve the emission reduction target, the Group focus in resources utilisation and conservation during our daily operation. We mainly consume electricity for lighting, air conditioning, office equipment and other uses in our warehouses and offices. The Group has implemented energy-saving strategies in the office to mitigate energy consumption as well as greenhouse gas emissions. Some key practices implemented are as follows:

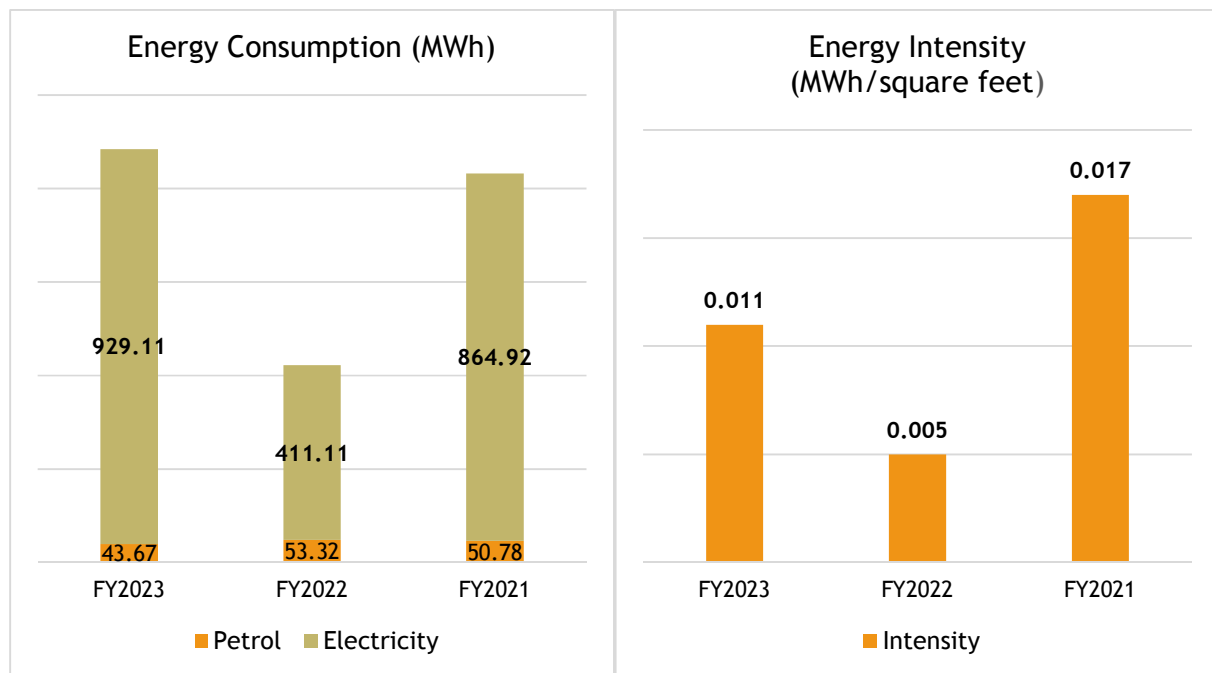
- Switch off electrical appliances when they are not in use (such as air-conditioning, computer, printer, photocopier, lighting, etc.)
- Install timer control and occupancy sensor control for office lighting
- During summertime, maintain an average indoor temperature between 24 - 26 °C to save energy
- Install thermometers in different areas of the office to monitor the temperature
- Use energy-saving light bulbs, such as compact fluorescent lamps, T5 fluorescent lamps, LED, etc.
- Set the computer in energy-saving mode
- Do not leave the computer on standby mode for too long. They should be completely shut off to save electricity

- Choose electrical appliances with “Grade 1” energy label (such as refrigerator, air conditioner, etc.) whenever possible
- Encourage staff to use stairways instead of the lift
- Reduce paper consumption through application of computer technology (such as e-fax and email)
- Keep the normal setting of the printer to the mode of printing on both sides

Energy Consumption

[GRI 302-1, GRI 302-3, GRI 302-4]

Since the issuance of the first sustainability report, Karin starts to record and disclose energy consumption for performance evaluation. The total consumption in FY2023 includes consumption of petrol of mobile vehicles and electricity. Compared with FY2022, the total energy consumption was increased by 126%, while the energy intensity is increased from 0.005 in FY2022 to 0.011 in FY2023. The increase of the usage in electricity at office is due to our operation practice has recovered and operated as normal after the post-pandemic. The normal operation has caused the significant increase in energy consumption.



| Energy Consumption | FY2023 (MWh) | FY2022 (MWh) | FY2021 (MWh) |
|-----------------------------|-----------------|-----------------|-----------------|
| Petrol | 43.67 | 53.32 | 50.78 |
| Electricity | 929.11 | 411.11 | 864.92 |
| Total Consumption | 972.78 | 464.43 | 915.70 |
| Intensity (per square feet) | 0.011 | 0.005 | 0.017 |

Greenhouse Gas (GHG) Emissions

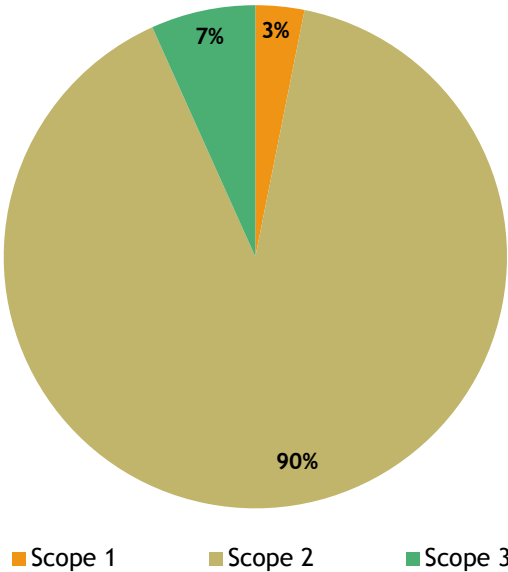
[GRI 302-1, GRI 302-3, GRI 302-4, GRI 305-1 to GRI 305-5]

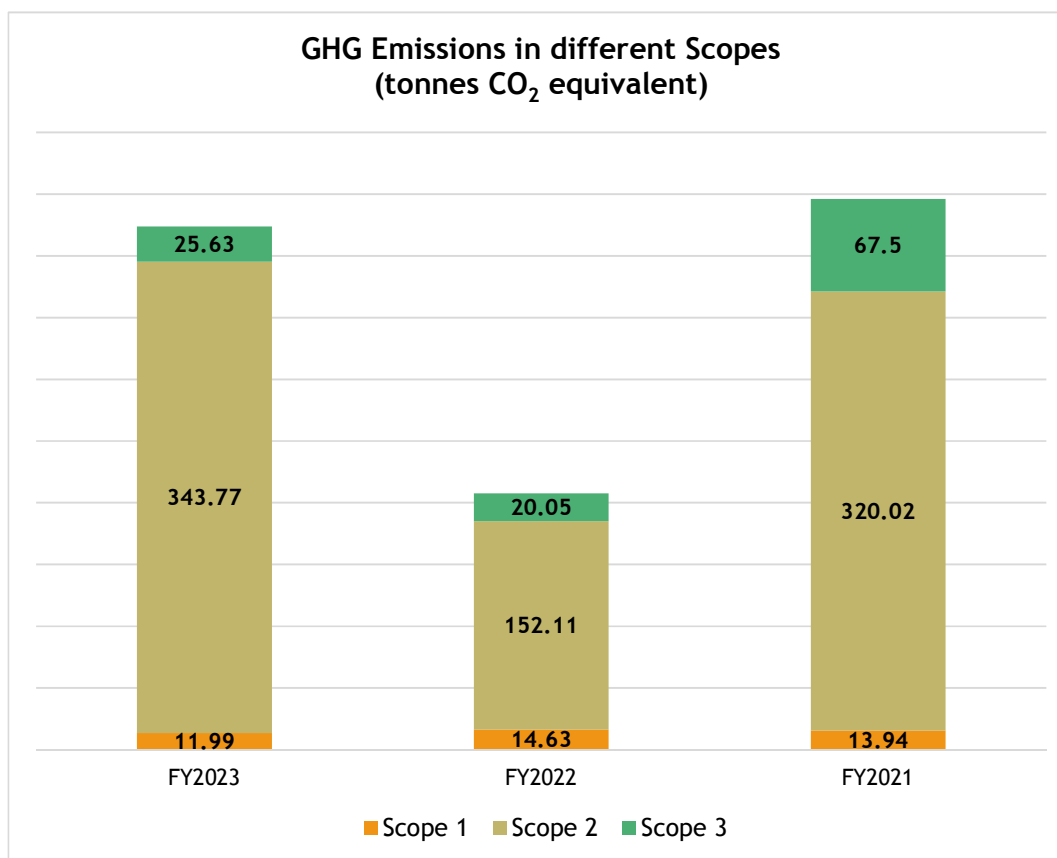
In response to the community’s gradual concern on greenhouse gas (“GHG”) emissions, climate changes and other related issues, the Group has begun to record and report the GHG emission annually through sustainability report. In order to be in line with the best practice of GHG emissions disclosure, the disclosure was divided into three scopes.

- ◆ Scope 1: The direct emission from the business operations owned or controlled by the Group, including the emission from the Group’s vehicle fleet
- ◆ Scope 2: The indirect emissions from the internal purchased electricity consumption by the Group
- ◆ Scope 3: All other indirect emissions that occur outside the Group, including both upstream and downstream emissions, such as the emissions due to business travel, electricity used for freshwater processing by the Water Services Department, electricity sewage processing by the Drainage Services Department, methane generation at landfill due to disposal of paper wastes and general wastes

In FY2023, the primary sources of GHG emissions are petrol consumption and electricity consumption. Scope 2 emission is the major contributor to total GHG emissions, which covered 90% of our GHG emission. Compared with FY2022, the total GHG emission was increased by 104%, while the GHG emission intensity is increased from 0.002 in FY2022 to 0.004 in FY2023. The significant increase in GHG emissions is due to our operation practice has recovered and operated as normal after the post-pandemic. The normal operation has especially caused the significant increase in electricity consumption. Compared with FY2022, the scope 2 emission was increased from 152.11 tonnes CO2 equivalent in FY2022 to 343.77 tonnes CO2 equivalent in FY2023. In addition, scope 3 emission is accounted for 7% of our overall GHG emission. Due to the relax of the Government policy on flights restrictions, the increase in needs of business travel has caused the increased in scope 3 emission in this year. Compared with FY2022, the scope 3 emission was increased from 20.05 tonnes CO2 equivalent in FY2022 to 25.63 tonnes CO2 equivalent in FY2023. On the other hand, scope 1 emission is accounted for 3% of our overall GHG emission, which has presented the reduction trend. Compared with FY2022, the scope 1 emission was decreased from 14.63 tonnes CO2 equivalent in FY2022 to 11.99 tonnes CO2 equivalent in FY2023. The reduction in petrol usage has resulted to the reduction in the scope 1 GHG emission since we encourage employees takes public transports in instead of vehicles for commuting purpose.

GHG Emissions Profile





| GHG Emissions ¹ | FY2023 (tonnes CO ₂ equivalent) | FY2022 (tonnes CO ₂ equivalent) | FY2021 (tonnes CO ₂ equivalent) |
|--|--|--|--|
| Scope 1 | 11.99 | 14.63 | 13.94 |
| Scope 2 | 343.77 | 152.11 | 320.02 |
| Scope 3 | 25.63 | 20.05 | 67.50 |
| Total | 381.39 | 186.79 | 401.46 |
| Intensity (per square feet) | 0.004 | 0.002 | 0.007 |

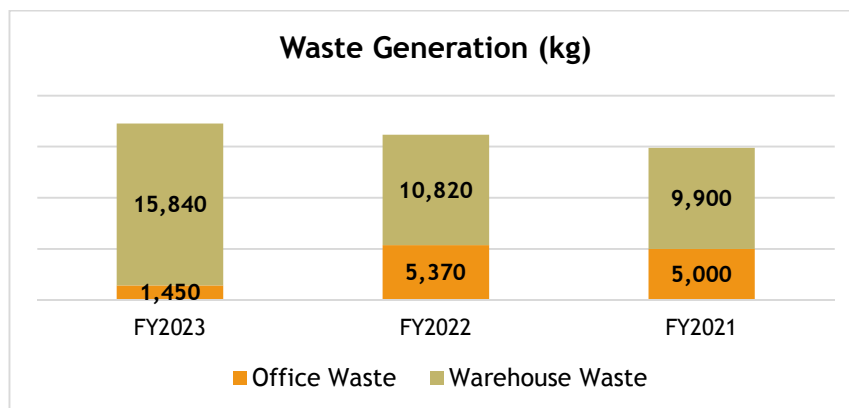
Looking ahead, the Group will continue to implement energy-saving practices, monitor the resources consumption, reduce unnecessary business travel, and encourage the use of digital means, in order to minimise our impact to the environment.

¹ The calculation of greenhouse gas emissions is made reference to the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong published by the Environmental Protection Department, and the Electrical and Mechanical Services Department, the latest sustainability reports published by the CLP Power Hong Kong Limited, Hong Kong Electric Investment and The Hong Kong and China Gas Company Limited, International Civil Aviation Organisation (ICAO) and Emissions Calculator, Water Supplies Department and Drainage Services Department.

Waste

[GRI 306-1 to GRI 306-5]

Our waste mainly generated from the Group daily operations, including office wastes and warehouse waste. Our office waste is from the domestic waste in daily operations; the warehouse waste is from the cardboard for loading and unloading in the warehouse. All waste is collected and disposed in appropriate manner, and legally treated by qualified contractor.



| Waste Generation | FY2023 (kg) | FY2022 (kg) | FY2021 (kg) |
|--------------------|----------------|----------------|----------------|
| Office Waste | 1,450 | 5,370 | 5,000 |
| Warehouse Waste | 15,840 | 10,820 | 9,900 |
| Total Waste | 17,290 | 16,190 | 14,900 |

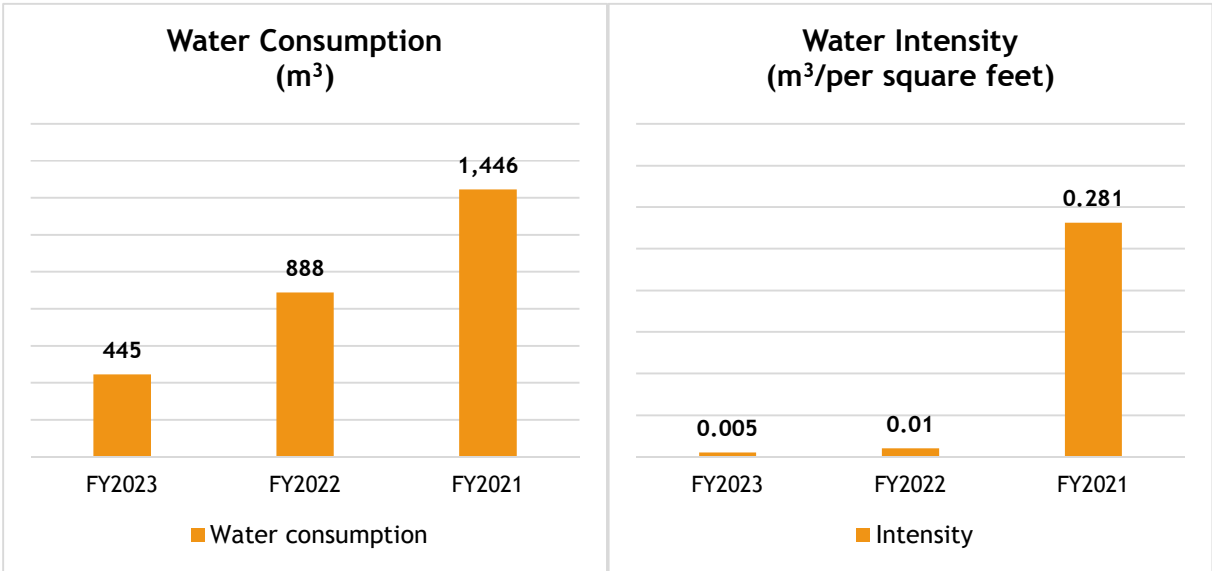
In FY2023, the primary source of waste is warehouse waste. Compared with FY2022, the total waste generation was increased by 7%. Due to the rising in inventory level, the waste of cardboard for loading and unloading in the warehouse have significantly increased. Looking ahead, the Group will continue to monitor the waste generation emissions data and encourage employees implements reduce, reuse and recycle practices in daily office and warehouse operation to minimise our impact to the environment.

Water

[GRI 303-1, GRI 303-5]

Our water consumption is mainly used in office for domestic purposes and operational needs. Our current water supply, provided by the third-party suppliers, and we do not face any issues in water supply. To save the water usage, we have taken measures to save water. The water-saving notices are posted in conspicuous places to raise employees' awareness on cherishing water resources and hence to encourage

water conservation. To prevent unnecessary leakage, we have applied regular maintenance on the water supply system. Compared with FY2022, the total water consumption was decreased by 49%, while the water intensity is decreased from 0.01 in FY2022 to 0.005 in FY2023. The decrease of the water consumption is mainly due to the encouragement on employees' awareness and the efficient of our water saving practice.



| Water Consumption | FY2023 (m³) | FY2022 (m³) | FY2021 (m³) |
|--|----------------|----------------|----------------|
| Total Water Consumption | 445 | 888 | 1,446 |
| Total Water Intensity (per square feet) | 0.005 | 0.010 | 0.281 |

Looking ahead, the Group will continue in tracing the Group's water consumption and implement relevant water conservation measures to improve the water resources efficiency.

Climate change

[GRI 305-5]

Climate change is one of the biggest global challenges faced by the society nowadays. In recent years, extreme weather, such as strong winds and heavy rainfall, as well as tides and floods, have become the focus of news. Although such incidents are beyond everyone's control, we believe that all stakeholders should work together to address climate change, which will also be regarded as one of the most significant risks to the world in the upcoming years.

We acknowledged that we must act now for our climate and our communities. As heavy rainfall, rising tides, and floods can cause serious damage to assets such as buildings, warehouses, and goods in storage, resulting in financial losses, the logistics and supply chains are particularly vulnerable. Action on climate change has embedded in the Group's business strategy and reflected in the governance and management processes of the Company. We essentially plan to respond to local government initiatives and follow local governments' emission reduction requirements by setting clear short- and long-term emission reduction target.

Climate-Related Risk and Opportunities

We have complied with SGX's recommendations in this Report and discuss the climate-related risk and opportunities according to the TCFD. Adhering to the recommendations of the TCFD, we have identified series of climate-related risk and opportunities relevant to our assets and services which are significant to us. The physical and transition risks and opportunities are discussed in the sections below.

| Time period | Risks | Opportunities |
|------------------------------------|--|--|
| Short term (0 - 1 year) | <ul style="list-style-type: none">• Physical risks - Facing risk from extreme weather events• Physical risks - Securing the skills and capability required to implement climate strategy | <ul style="list-style-type: none">• New products and service to help communities decarbonise• Technologies to enhance the performance of operations and energy efficiency |
| Medium term (5 years) | <ul style="list-style-type: none">• Transition risks - Implementation of low-carbon policies for the operation• Transition risks - Supply and demand for certain commodities, products and services may change as climate related risks and opportunities are increasingly taken into account | <ul style="list-style-type: none">• Transitioning to low carbon economy market to meet government decarbonisation targets |

Medium to long term (5+ years)

- Transition risks - Potential new regulation and policies
- Transition risks - Development and use of emerging technologies may increase the operational costs, and reduce the Groups' competitiveness
- Transition risks - The Group's reputation may be impacted due to changing customer or community perceptions of said the Group's contribution to or detraction from the transition to a lower-carbon economy
- Transitioning to low carbon economy market to meet government decarbonisation targets

Physical climate risks have the potential to damage the integrity of the Group's assets or interrupt and delay our product delivery and customers directly, which may lead the loss in Group income. The priority of the Group in considering the physical risks is flooding and followed by the increase in the frequency and severity of extreme weather. As such, the Group has already set up a range of measures in place to enhance the reliance of its operations, including contingency plan for extreme weather or emergency conditions. When there are extreme weather and emergency events, we aware on meteorological information and implement corresponding contingency plans, follow the Government announcement in a timely manner.

Considering the pace of change has expedited around the world, transition risks have the potential to increase the operational cost and market risk due to the technology development and digitalisation. This relevant risk affected to market and the demand of products, which may influence to the Group financial performance. The priority of the Group in considering the transition risks is the technology risk and followed by the market risks. As such, the Group have already identified the relevant risks and keep monitoring the market and policy updates. Nonetheless, we have been grasping different opportunities to expand our business, accelerate the transformation and create the smart, environmentally friendly, and safe for employees and users (such as utilising digital platforms for online conference to reduce carbon footprint in transportation, and expand our selections on technological and, computer, communication and consumer electronic products (3C products). Following the technology development, we decide to replace traditional fuel vehicle by EVs accordingly and planned to invest according to the market needs and take this as an opportunity for long term development.

Looking ahead, the Group will continue reviewing the impact of climate change on business and incorporate climate-related risks and opportunities into operational considerations, such as changes in environmental-related regulations, in order to increase resilience.

Climate Reduction Target

We are prepared to address the threats climate change poses both to our business and to the communities. We are determined to deliver and provide safe, reliable, and affordable services for our customers, and also fully aware of the importance of the environmental responsibility.

We have selected the applicable indicators that suit our management and regularly tracking these indicators. We aim to continuously improve on its management measures and its performance related to climate change. The Group has set clear emission reduction targets. In the short term, our goal is to reduce the intensity of greenhouse gas emissions, air pollutant, waste and sewage discharge, energy consumption and resource consumption by 5% in 2026, we have adopted FY2023 as the base year. These emission reduction and energy saving targets will be reviewed by the Board in every five years. The long-term goal of the Group is to meet the Hong Kong government's carbon reduction pathway and the Singapore government's Long-Term Low-Emissions Development Strategy (LEDS), which are achieving carbon neutrality by 2050 and by 2060 in PRC.

Looking ahead, the Group will regularly track the effectiveness of its targets and establish further climate-related strategies and action plans.

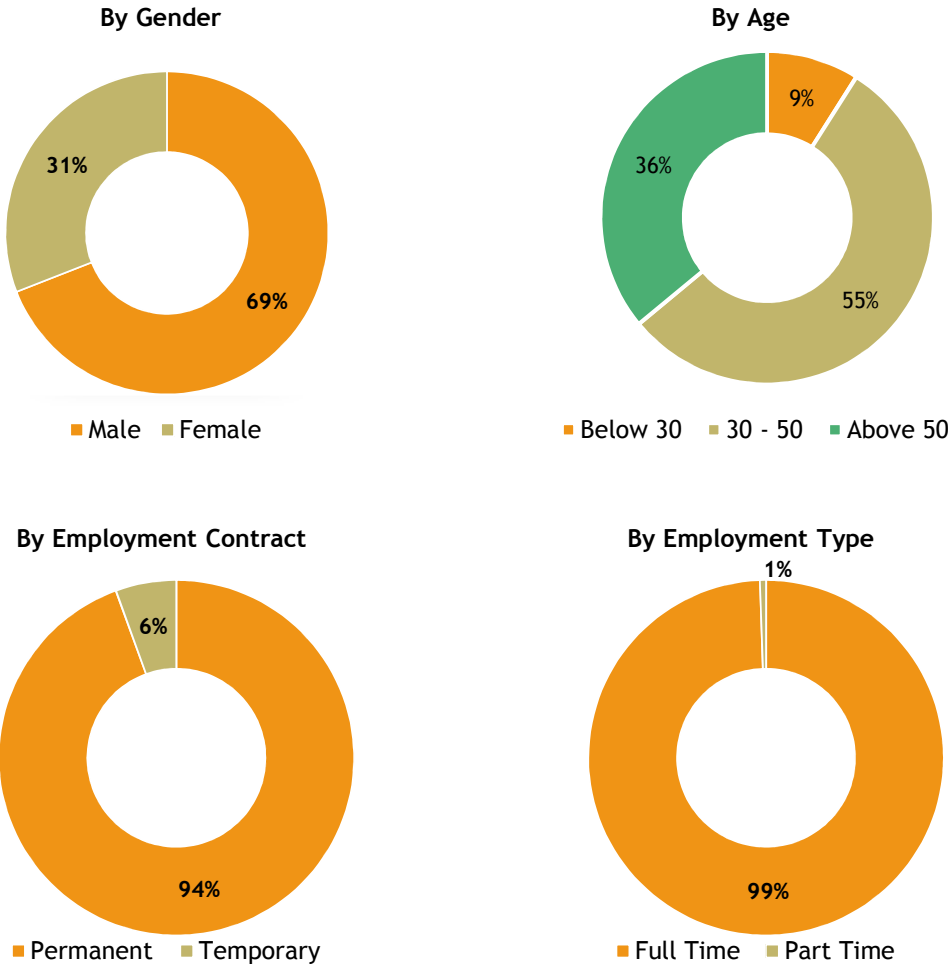
SOCIAL

Our People

[GRI 2-7, GRI 2-8, GRI 401-1, GRI 405-1]

Our people are the key and the most important assets to drive our business. As at the end of FY2023, there were 181 (FY2022: 219) employees in Hong Kong. The details² of the employee profile by employment contract (permanent and temporary), employment type (full-time and part-time), age and gender are presented in the following figure.

Employee Profile



² The data is based on the internal database.

| Employee Profile | FY2023 | | FY2022 | | FY2021 | |
|-------------------------------|-----------|------------|-----------|------------|-----------|------------|
| | Female | Male | Female | Male | Female | Male |
| By Age Group | | | | | | |
| <i>Below 30</i> | 4 | 12 | 15 | 15 | 11 | 19 |
| <i>30 - 50</i> | 36 | 63 | 37 | 75 | 46 | 77 |
| <i>Above 50</i> | 16 | 50 | 19 | 58 | 12 | 47 |
| By Employment Contract | | | | | | |
| <i>Permanent</i> | 53 | 118 | 65 | 134 | 63 | 131 |
| <i>Temporary</i> | 3 | 7 | 6 | 14 | 6 | 12 |
| By Employment Type | | | | | | |
| <i>Full-time</i> | 55 | 125 | 70 | 146 | 68 | 142 |
| <i>Part-time</i> | 1 | 0 | 1 | 2 | 1 | 1 |
| Total | 56 | 125 | 71 | 148 | 69 | 143 |

New Employee Hires

[GRI 401-1]

In FY2023, the overall employee new hire rate is 25%. The details² of the new employee hires and employee turnover by gender and age group are presented in the following table.

| New Employee Hires | FY2023 | | FY2022 | | FY2021 | |
|---------------------|-----------|-------------------|-----------|------------|-----------|------------|
| | Number | Rate ³ | Number | Rate | Number | Rate |
| By Gender | | | | | | |
| <i>Male</i> | 34 | 27% | 33 | 22% | 25 | 17% |
| <i>Female</i> | 12 | 21% | 21 | 30% | 10 | 14% |
| By Age Group | | | | | | |
| <i>Below 30</i> | 18 | 113% | 19 | 63% | 16 | 53% |
| <i>30 - 50</i> | 23 | 23% | 26 | 23% | 16 | 13% |
| <i>Above 50</i> | 5 | 8% | 9 | 12% | 3 | 5% |
| Overall | 46 | 25% | 54 | 25% | 35 | 17% |

³ The new employee hire rate equals to the number of new hires divided by the number to the employee at the end of the Reporting Period.

Employee Turnover

In FY2023, the overall turnover rate is 29%. The details² of the employee turnover by gender and age group are presented in the following table.

| Employee Turnover | FY2023 | | FY2022 | | FY2021 | |
|---------------------|--------|-------------------|--------|------|--------|------|
| | Number | Rate ⁴ | Number | Rate | Number | Rate |
| By Gender | | | | | | |
| <i>Male</i> | 29 | 23% | 30 | 20% | 18 | 13% |
| <i>Female</i> | 23 | 41% | 17 | 24% | 8 | 12% |
| By Age Group | | | | | | |
| <i>Below 30</i> | 21 | 131% | 19 | 63% | 7 | 23% |
| <i>30 - 50</i> | 23 | 23% | 21 | 19% | 16 | 13% |
| <i>Above 50</i> | 8 | 12% | 7 | 9% | 3 | 5% |
| Overall | 52 | 29% | 47 | 21% | 26 | 12% |

Employment

[GRI 401-2, GRI 401-3, GRI 406-1]

Karin believes that the continued service of our management team and skilled employees is one of our key success factors. Having a team of experienced management staff and skilled personnel is critical in maintaining the quality of our services and our relationship with our customers. A high turnover of such personnel without suitable and timely replacements will adversely affect our operations and competitiveness. The Group strictly abides by the laws and regulations relating to employment in Hong Kong, including the Employment Ordinance, Minimum Wage Ordinance, the Employees' Compensation Ordinance and the Sex Discrimination Ordinance.

As the business grows, Karin must establish sustainable human capital to attract and retain talents. The Group has formulated policies and initiatives with respect to discrimination, compensations, promotion, privacy and other relating matters. The Group is committed to providing equal opportunities to all its employees. The Group's recruitments of employees and their subsequent annual appraisal are based on merit, work attitude, cooperation with other staff & workers, and their efficiency and effectiveness of

⁴ The employee turnover rate equals to the number of employee turnover divided by the number to the employee at the end of the Reporting Period.

work. Furthermore, the Group does not discriminate according to race, age, gender, religion, ethnicity, facial attractiveness, physical impairments, sexual preference, political viewpoints or nationality.

Remuneration, promotion, and dismissal

The Group determines employees' remunerations based on factors such as qualifications, duties, contributions, and experience. We have a robust system to assess the performance of the employees, which forms the basis of determination on salary increments, bonus, and promotion.

For employee termination, employment might be terminated for non-performance, breach of policies, gross misconduct. For voluntary resignation, an exit interview is conducted with the resigned employee so the Group would identify employee concern or dissatisfaction.

Working hours and rest periods

[GRI 401-3]

The Group committed to offering reasonable working hours and rest period to employees. Employees usually work on average 40 hours per week. Employee's working hours may be re-scheduled by his supervisor to suit operational needs. All employees shall be entitled to General Holidays as announced in the Hong Kong SAR Government Gazette each year. In addition to general holidays, employees are entitled to annual leave, birthday leave, marriage leave, maternity leave, sick leave and bereavement leave.

Employee benefits and welfare

[GRI 401-2]

According to the applicable laws and regulations in Hong Kong, the Group provides various benefits and welfare to the employees. The Group participates in the defined contribution scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance which is available to its employees in Hong Kong. Contributions to the MPF Scheme by the Group and employees are made based on a percentage of employees' basic salaries. The Group's employer contributions vest fully with the employees when contributed to the MPF Scheme. The Group also provides transportation allowance,

medical insurance, and compensation insurance for full-time employees. The Group also provides monetary awards, such as discretionary bonus and year end performance bonus. In FY2023, we continue to create a cohesive workplace and promote team bonding. All staff enjoyed outgoing events and group activities, for example, they have participated in the FIFA gaming competitions and spent time on watching FIFA TV live show together. Besides, the Group held a spring dinner for over 190 staff, which aims to take the chance for gathering and rewarding staff efforts. During Christmas, the Group held the Christmas Party, invited over 200 workers and their family members enjoyed buffet dinner at hotel. During the celebration, children were also treated with Christmas gifts.

Looking ahead, the Group will continue to commit to fair and employment practices by ensuring the recruitment procedures are in place and providing a harmonious working environment to the employees through organising various engagement events.

Non-discrimination

[406-1]

Karin is committed to ensuring that the work environment it provides is free from harassment, discrimination and any behaviour that can harm productivity. The management of each department is responsible for formulating and implementing the Group's working environment policy, which contains the standards in this regard. The Group strictly abides by the related laws and regulations in Hong Kong, including the Employment Ordinance and the Sex Discrimination Ordinance.

Sexual harassment is strictly forbidden in the workplace. Behaviour that regards as sexual harassment is clearly defined in our Employee Handbook. A grievance mechanism is established that employees can complain to the Company. Human Resource and Administration Manager are responsible to coordinate both informal as well as formal complaints and handle them confidentially.

In FY2023, the Group was not aware of any incident of discrimination. Looking Ahead, the Group will continue to maintain zero incident of discrimination.

Occupational Health and Safety

[GRI 403-1, GRI403-5, GRI403-6, GRI403-8 to GRI403-10]

Karin attaches great importance to the health of its employees and is committed to providing a safe and healthy working environment for them. The Group maintains medical insurance for its employees and adopts practices regarding work safety and occupational health issues. Safety arrangements in cases of emergency such as during typhoons and rainstorm warnings are stated in the Employee Handbook to ensure that all employees are aware of emergency procedures. The guidance for manual handling operation is specifically introduced to employees who work in the warehouse in the orientation training. Apart from training, we equipped warehouse forklifts and fork trucks, workers utilise them to do the heavy lifting during operations. These measures have enhanced the warehouse safety and avoid occupational injuries. Especially for logistics employees, to ensure staff's occupational health and safety, the Labour Department has arranged the Manual Handling Operations and Prevention of Back Injuries seminars and trainings for workers. In the context of hygiene protection, the Group responded with a combination of measures for infection prevention and control.

In FY2023, the Group was not aware of any case of work-related injury, occupational disease nor fatality. Looking ahead, the Group will continue to educate new employees about the manual handling operations and review if any material risks are identified in this area.

Training and Education

[GRI 404-1, GRI 404-2, GRI 404-3]

Karin places a great deal of importance on the career development and training of our employees. Due to the technical nature of our business, staff training is important in ensuring that we keep ourselves abreast of product knowledge and the changing needs of our customers.

The Group has in place procedures to provide a system and instruction for determining training and competence development needs, providing training, and maintaining training records. It also sets out organisational knowledge and how it is available to the extent necessary.

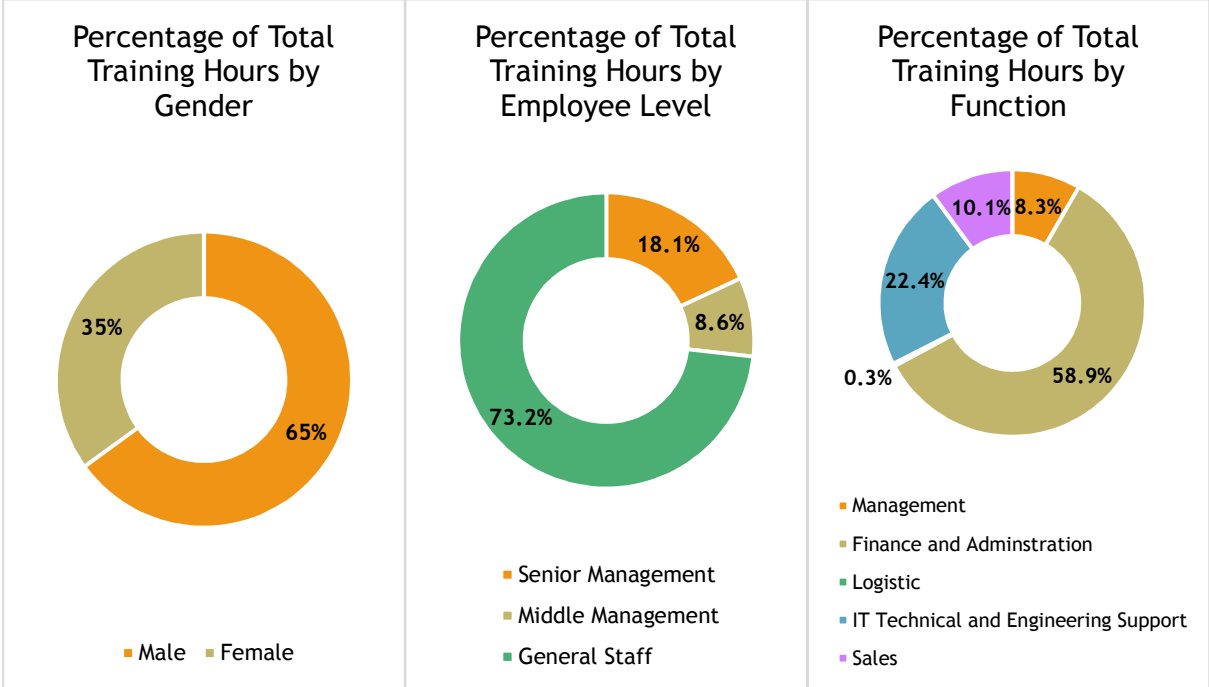
Our staff regularly attends scheduled training courses, workshops and seminars, including those conducted and sponsored by our MNC suppliers and component manufacturers, to enable our technical staff to become more familiar with existing and new IT infrastructure, computer data storage

management products and new component applications. These courses serve to enhance our awareness of the latest products or upgrades available. These courses also offer in-depth knowledge in some of the latest technologies and insight into the current market trends and other economic factors affecting the electronics industry. Our staff who attends such training courses will disseminate the knowledge gained to the rest of the team through internal meetings and training seminars. In addition, technical knowledge is also acquired through on-the-job training where guidance and supervision are provided by the more experienced staff.

We also place a strong emphasis on developing our management staff through courses which focus on developing management and analytical skills. Our management staff also attends regular industry seminars and conferences which address general technological trends, developments in the electronics industry and economic factors and policies that affect our business. Our logistics staff also attends occupation safety and health training which provide safety concepts and ensure safe operation processes are undertaken in the workplace.

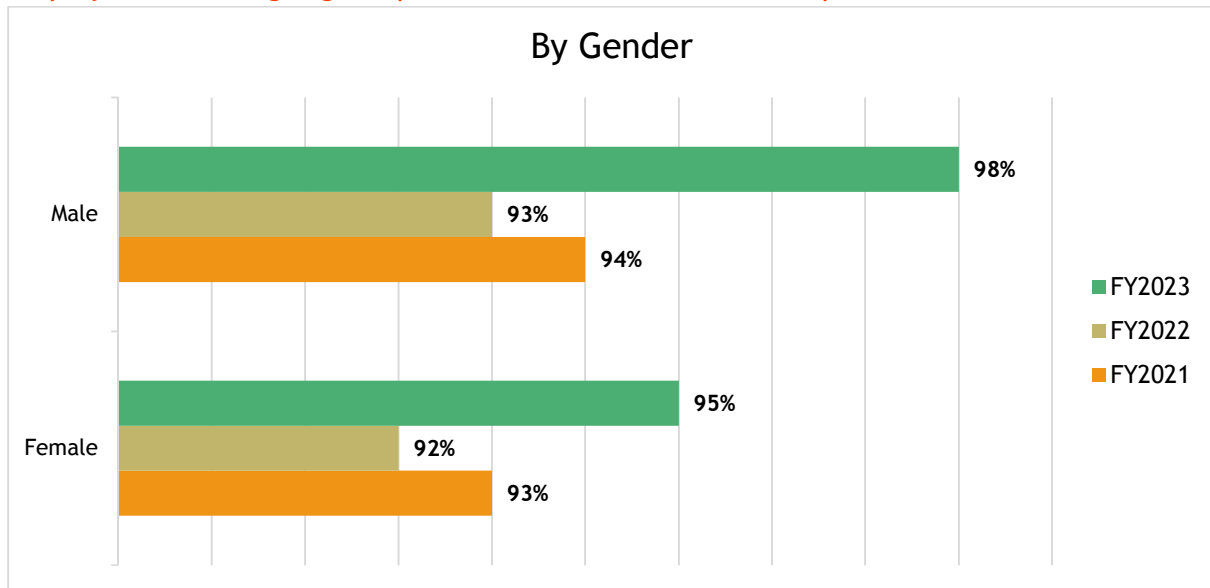
In FY2023, the Group provided 49 internal and external products and technical training to our employees and the total training hour received by our employees were 1,205.5 hour. Looking ahead, the Group will continue to identify the training needs for employee and encourage employees to attend training by providing incentives.

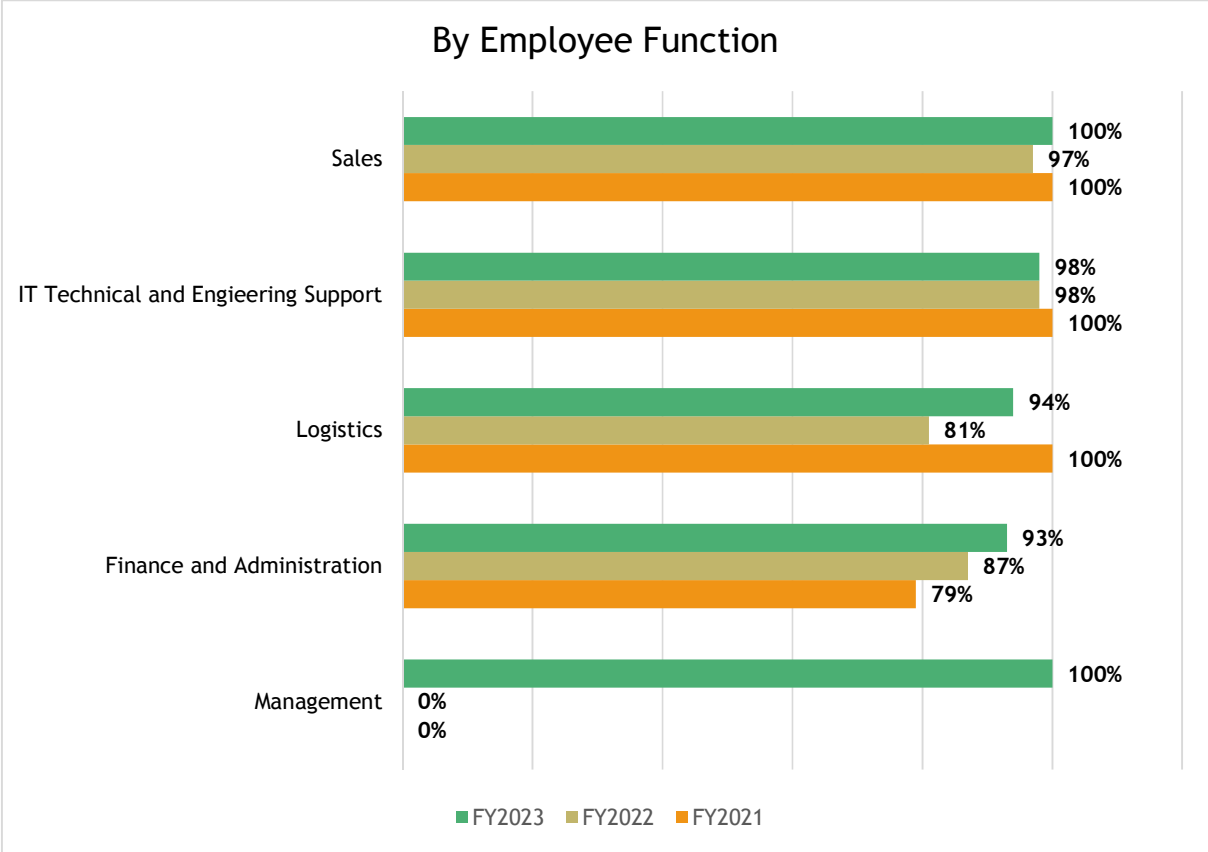
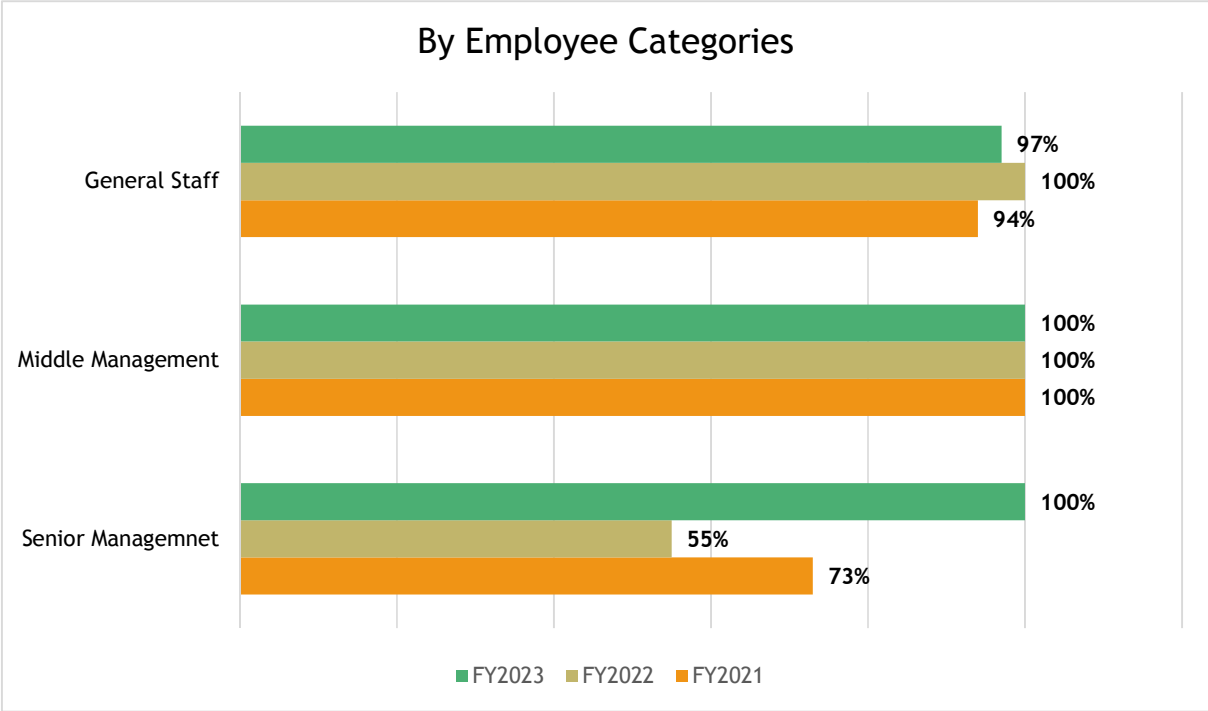
Average hours of training



| Average Training Hours | FY2023 | FY2022 | FY2021 |
|---|-------------|-------------|-------------|
| By Gender | | | |
| <i>Male</i> | 6.27 | 0.8 | 3.16 |
| <i>Female</i> | 7.53 | 1.42 | 0.64 |
| By Level | | | |
| <i>Senior Management</i> | 19.86 | 5.23 | 4.09 |
| <i>Middle Management</i> | 8.67 | 1.85 | 0.49 |
| <i>General Staff</i> | 5.59 | 0.60 | 2.64 |
| By Function | | | |
| <i>Management</i> | 33.33 | 10 | 5.00 |
| <i>Finance and Administration</i> | 15.43 | 0.80 | 0.80 |
| <i>Logistic</i> | 0.24 | 0.65 | 1.75 |
| <i>IT Technical and Engineering Support</i> | 4.49 | 0.61 | 4.91 |
| <i>Sales</i> | 2.22 | 1.21 | 1.07 |
| Average hours per employee | 6.66 | 1.00 | 2.34 |

Employees receiving regular performance and career development reviews





Local Communities

[GRI 413-1]

Karin is committed to maintaining the sustainability of its business and its communities. We aim to develop long-term relations with our stakeholders based on mutual trust, respect and integrity. We also seek to make contributions to programs which have a positive impact on community development. We encourage our employees to volunteer and work through collaboration with strategic giving as well as capacity-building initiatives to try and create a positive impact in the community.

In FY2023, we have contributed a total of 53.5 volunteer hours in participating environmental protection activities and social service. To contribute to society and the local community, we are happy to participate in the Oxfam Trailwalker, one of the largest fundraising sporting events for poverty alleviation and emergency relief projects. In addition, we volunteered in a flag-selling day organised by the Kwun Tong Methodist Social Service to support underprivileged groups.

Starting ceremony of Oxfam Trailwalker 2022



Working for the betterment of society, we have volunteered in the virtual sports program organised by Kowloon Lok Sin Tong, the "Love, Smoke-free V-SPORT Smoke-free Mountain Walk". During these volunteering events, we have cleaned up the abandoned waterfront and cleared up cigarette butts from the countryside.

Volunteered in "Love, Smoke-free V-SPORT Smoke-free"



We value our future generation as we believe that support to aspirational youngsters is a great investment for the future in the development of technology. We sponsored the 2023 Robocon Hong Kong Contest, organised by Hong Kong Science and Technology Parks Corporation (HKSTP). Through this sponsorship, we are propelled to unite strong alliances to drive Hong Kong's young talents to developing new technologies.

Bronze Sponsor of the 2023 Robocon Hong Kong



We cooperate with the "Hong Kong Christian Service" for the Job Shadowing Program. The aim of this program is to allow youngsters to understand the job role and responsibilities in workplace. During this

program, we encourage youngsters to get in touch with the actual work environment, prepare themselves for society, and plan ahead their future.

Job Shadowing Program



In addition, to promote the importance of personal hygiene protection, we contributed a cash donation of HKD \$30,000 for them to purchase masks and daily necessities.

Donation on masks and hygiene necessities



Quality Management

[GRI 416-1, GRI 416-2]

Karin adopts the highest industry quality standards to provide exceptional customer service. In order to display our commitment on providing satisfying products and services, we have established Quality Policy and ensure the policy is understood, implemented and maintained at all levels of employees. Quality management is essential for us to meet customer requirements and increase customer satisfaction. We have attained ISO 9001:2015 Quality Management Systems certification.

We conduct visual quality checks on products distributed by our Components Distribution segment for damages made during transit. For our IC Application Design segment, our field application design engineers check to ensure that the product prototype we designed meets our clients' specification and will be approved by them. Products that we assembled for our customers under the IT Infrastructure segment are tested by our engineers, certified by our vendors, before delivery. Products that do not pass our quality checks are returned to the relevant suppliers.

For our IT Infrastructure segment, our Group's IT storage and service management team provides technical support, maintenance and consultation services to our customers.

Our Quality Assurance Manager is responsible to monitor the compliance of ISO requirements on a timely basis and provides training to employees in order to raise their awareness of the requirements, ensuring the quality of services and support to the customers and stakeholders. The quality objectives were monitored with data analysis and support. Annual audit is carried out by the external ISO auditor to assess our overall performance.

In FY2023, the overall performance of the quality management system was considered satisfactory by the external ISO auditor. Looking ahead, the Group will continue to review and update our Quality Policy and update to meet the requirement of ISO 9001:2015.

Customer Privacy

[GRI 410-1, GRI 418-1]

Karin is committed to ensuring the privacy of our customers. All personal information collected will only be used for the business purposes. Given a high security of customer privacy, our intranet is protected

by the proper authentication process. In our Employee Handbook, sets of employee's conduct in information protection has covered, and some of the precautionary measures are as follows:

- A non-disclosure agreement is required to be signed by an external party if there is an exchange of sensitive information.
- Firewall and anti-virus solution are installed to protect the internal network and prevent the computers from virus infection.
- Confidential information should be communicated through formal Company's email instead of mobile applications.

In FY2023, the Group was not aware of any substantiated complaints concerning breaches of customer privacy and losses of customer data. Looking ahead, the Group will continue to maintain zero substantiated complaints concerning breaches of customer privacy and losses of customer data and improve our internal controls in customer data protection.

GRI Content Index

| | |
|-------------------------|---|
| Statement of use | Karin Technology Holdings Limited has reported with reference to GRI Standards for the period starting 1 July 2022 to 30 June 2023. |
| GRI 1 used | GRI 1: Foundation 2021 |

| | | GRI Disclosure | Location/Notes |
|---|------|---|--|
| GRI 2: General Disclosures 2021 | | | |
| The Organisation and its reporting practices | 2-1 | Organisational details | About Karin |
| | 2-2 | Entities included in the organisation's sustainability reporting | About This Report |
| | 2-3 | Reporting period, frequency and contact point | About This Report |
| | 2-4 | Restatements of information | Restatement |
| | 2-5 | External assurance | External assurance |
| Activities and workers | 2-6 | Activities, value chain and other business relationships | Our Customer |
| | 2-7 | Employees | Our People |
| | 2-8 | Workers who are not employees | Our People |
| Governance | 2-9 | Governance structure and composition | Corporate Governance and Risk Management Sustainability Governance Structure P. 25-48 Annual Report 2023 |
| | 2-10 | Nomination and selection of the highest governance body | Corporate Governance and Risk Management P. 25-48 Annual Report 2023 |
| | 2-11 | Chair of the highest governance body | Corporate Governance and Risk Management P. 25-48 Annual Report 2023 |
| | 2-12 | Role of the highest governance body in overseeing the management of impacts | Corporate Governance and Risk Management Sustainability Governance Structure P. 25-48 Annual Report 2023 |
| | 2-13 | Delegation of responsibility for managing impacts | Corporate Governance and Risk Management Sustainability Governance Structure P. 25-48 Annual Report 2023 |
| | 2-14 | Statement from senior decision-maker | Board Statement P. 25-48 Annual Report 2023 |
| | 2-15 | Conflict of interest | Not applicable |
| | 2-16 | Communication of critical concerns | Corporate Governance and Risk Management P. 25-48 Annual Report 2023 |

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| Statement of use | | | |
| Karin Technology Holdings Limited has reported with reference to GRI Standards for the period starting 1 July 2022 to 30 June 2023. | | | |
| | 2-17 | Collective knowledge of the highest governance body | Corporate Governance and Risk Management P. 25-48 Annual Report 2023 |
| | 2-18 | Evaluation of the performance of the highest governance body | Corporate Governance and Risk Management P. 25-48 Annual Report 2023 |
| | 2-19 | Remuneration policies | Corporate Governance and Risk Management P. 25-48 Annual Report 2023 |
| | 2-20 | Process to determine remuneration | Corporate Governance and Risk Management P. 25-48 Annual Report 2023 |
| | 2-21 | Annual total compensation ratio | Corporate Governance and Risk Management P. 25-48 Annual Report 2023 |
| Strategy, policies and practices | 2-22 | Statement on sustainable development strategy | Board Statement |
| | 2-23 | Policy commitments | Board Statement |
| | 2-24 | Embedding policy commitments | Board Statement |
| | 2-25 | Processes to remediate negative impacts | Board Statement |
| | 2-26 | Mechanisms for seeking advice and raising concerns | Feedbacks |
| | 2-27 | Compliance with laws and regulations | Regulatory Compliance, Covered throughout the Report |
| | 2-28 | Membership associations | Membership of Associations |
| Stakeholder engagement | 2-29 | Approach to stakeholder engagement | Stakeholder Engagement |
| | 2-30 | Collective bargaining agreements | Stakeholder Engagement |
| Material Topics | | | |
| Materiality Assessment | 3-1 | Process to determine material topics | Materiality Assessment |
| | 3-2 | List of material topics | Materiality Assessment |
| | 3-3 | Management of material topics | Materiality Assessment |
| GRI 200 Economic topics | | | |
| Procurement Practices | | | |
| GRI 204: Procurement Practices 2016 | 204-1 | Proportion of spending on local suppliers | Our Supply Chain |
| Anti-corruption | | | |
| GRI 205: Anti-corruption 2016 | 205-1 | Operations assessed for risks related to corruption | Anti-corruption |

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| | 205-2 | Communication and training about anti-corruption policies and procedures | Anti-corruption |
| | 205-3 | Confirmed incidents of corruption and actions taken | Anti-corruption |
| Anti-competitive Behaviour | | | |
| GRI 206: Anti-competitive Behaviour 2016 | 206-1 | Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices | Anti-corruption |
| GRI 300 Environmental topics | | | |
| Energy | | | |
| GRI 302: Energy 2016 | 302-1 | Energy consumption within the organisation | Energy and Emissions |
| | 302-3 | Energy intensity | Energy and Emissions |
| | 302-4 | Reduction of energy consumption | Energy and Emissions |
| Water and Effluents | | | |
| GRI 303: Water and Effluents 2018 | 303-1 | Interactions with water as a shared resource | Water |
| | 303-5 | Water consumption | Water |
| Emissions | | | |
| GRI 305: Emissions 2016 | 305-1 | Direct (Scope 1) GHG emissions | Energy and Emissions |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | Energy and Emissions |
| | 305-3 | Other indirect (Scope 3) GHG emissions | Energy and Emissions |
| | 305-4 | GHG emissions intensity | Energy and Emissions |
| | 305-5 | Reduction of GHG emissions | Energy and Emissions, Climate Change |
| Waste | | | |
| GRI 306: Waste 2020 | 306-1 | Waste generation and significant waste-related impacts | Waste |
| | 306-2 | Management of significant waste-related impacts | Waste |
| | 306-3 | Waste generated | Waste |
| | 306-4 | Waste diverted from disposal | Waste |
| | 306-5 | Waste directed to disposal | Waste |
| GRI 400 Social topics | | | |
| Employment | | | |
| | 401-1 | New employee hires and employee turnover | Our People - New Employee Hire |

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| Statement of use | | Karin Technology Holdings Limited has reported with reference to GRI Standards for the period starting 1 July 2022 to 30 June 2023. | |
| GRI 401: Employment 2016 | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | Employment - Employee benefits and welfare |
| | 401-3 | Parental leave | Employment - Working hours and rest periods |
| Occupational Health and Safety | | | |
| GRI 403: Occupational Health and Safety 2018 | 403-1 | Occupational health and safety management system | Occupational Health and Safety |
| | 403-2 | Hazard identification, risk assessment and incident investigation | Not applicable |
| | 403-3 | Occupational health services | Not applicable |
| | 403-4 | Worker participation, consultation, and communication on occupational health and safety | Not applicable |
| | 403-5 | Worker training on occupational health and safety | Occupational Health and Safety |
| | 403-6 | Promotion of worker health | Occupational Health and Safety |
| | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Not applicable |
| | 403-8 | Workers covered by an occupational health and safety management system | Occupational Health and Safety |
| | 403-9 | Work-related injuries | Occupational Health and Safety |
| | 403-10 | Work-related ill health | Occupational Health and Safety |
| Training and Education | | | |
| GRI 404: Training and Education 2016 | 404-1 | Average hours of training per year per employee | Training and Education |
| | 404-2 | Programs for upgrading employee skills and transition assistance programs | Training and Education |
| | 404-3 | Percentage of employees receiving regular performance and career development reviews | Training and Education |
| Diversity and Equal Opportunity | | | |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 | Diversity of governance bodies and employees | Annual Report, Our People |
| Non-discrimination | | | |
| GRI 406: Non-discrimination 2016 | 406-1 | Incidents of discrimination and corrective actions taken | Employment - Non-discrimination |
| Security Practices | | | |
| GRI 410: Security Practices 2016 | 410-1 | Security personnel trained in human rights policies or procedures | Customer Privacy |
| Local Communities | | | |
| GRI 413: Local Communities 2016 | 413-1 | Operations with local community engagement, impact assessments, and development programs | Local Communities |
| | 413-2 | Operations with significant actual and potential negative impacts on local communities | Not applicable - the Group does not have related local community engagement, impact assessments, |

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| | | | and/or development programs as mentioned in GRI 413-2. |
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| Customer Health and Safety | | | |
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| GRI 416: Customer Health and Safety 2016 | 416-1 | Assessment of the health and safety impacts of product and service categories | Quality Management |
| | 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | Quality Management |

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| Customer Privacy | | | |
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| GRI 418: Customer Privacy 2016 | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | Customer Privacy |
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TCFD Content Index

| TCFD Recommendations | Details/Notes | Section of the Report |
|----------------------------|---|--|
| Governance | a) Describe the board’s oversight of climate-related risks and opportunities | Sustainability Governance Structure |
| | b) Describe management’s role in assessing and managing climate-related risks and opportunities | Sustainability Governance Structure |
| Strategy | a) Describe the impact of climate-related risks and opportunities identified by organisations in short, medium and long term | Climate Change, Climate-Related Risk and Opportunities |
| | b) Describe the impact of climate-related risks and opportunities on the organisations’ businesses, strategy, and financial planning | Climate Change, Climate-Related Risk and Opportunities |
| Risk Management | a) Describe the organisations’ processes for identifying and assessing climate-related risks | Materiality Assessment, Climate Change |
| | b) Describe the organisations’ processes for managing climate-related risks | Climate-Related Risk and Opportunities |
| | c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisations’ overall risk management | Materiality Assessment, Climate-Related Risk and Opportunities |
| Metrics and Targets | a) Describe the metrics used by the organisations to assess climate-related risks and opportunities in line with its strategy and risk management process | Climate-Related Risk and Opportunities |
| | b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks | Energy and Emissions, Climate Change |
| | c) Describe the targets used by the organisations to manage climate-related risks and opportunities and performance against targets | Climate Reduction Target |