

ESG Report

for 2023

Legend Jewelry Co Limited



Table of Contents

Executive Summary	3
Message from the Chairperson	4
1 Introduction	5
2 Company Background	7
3 Governance	10
4 Environmental	17
5 Social	27
Appendix A - Content Index of Disclosure Items	32
Appendix B - Content Index of Disclosure Items According to TCFD (Task Force on Climate-related Financial Disclosures) Recommendations	36
Appendix C - Content Index of Disclosure Items According to United Nations Sustainability Development Goals	38
Appendix D - Content Index of Disclosure Items According to CDP Climate Disclosure Framework for Small and Medium-sized Enterprises	43

Executive Summary

ESG reporting for Legend Jewelry Co Limited is performed with the assistance of ESGBOT version on 12-09-2024 for their ESG performance from 2023-01-01 to 2023-12-31. The reporting was performed with reference to the principles under Appendix C2 Environmental, Social and Governance Reporting Guide of Main Board Listing Rules of Hong Kong Exchanges and Clearing Limited (HKEx). Four main principles, including materiality, quantitative, balance and consistency are followed.

The ESG reporting was performed to meet the market's and stakeholders' needs on the Company to meet various types of ESG requirements (e.g. clients' and vendors' supply chain requirements, HKEx's ESG requirements, Task Force on Climate-Related Financial Disclosures (TCFD), Sustainability Development Goals of United Nations).

Message from the Chairperson



Dear Stakeholders,

In this year, we see a market which pursues ideas of carbon emission reduction and sustainability, especially ones related to Environmental, Social and Governance (ESG) aspects. This gives our company more opportunities to enhance our ESG development for the sustainability of the company and to improve the sustainability of the society together.

We are delighted to show you our sustainability report that entails our commitment and journey on sustainability. For our dedication to low-carbon and environmentally friendly economy and social services, this report showcases how our whole company – from the internal governance and management to our external engagement – supports the company ESG development.

Looking forward, we will continue to strive to keep our governance, management and operation to align with our ESG goals and to continue our sustainability journey not just with our employees but also with all of our stakeholders.

Mr. Patrick Luk, Chairperson
Legend Jewelry Co Limited

1 Introduction

1.1 Objective

This ESG Reporting is a systematic annual disclosure of Environmental, Social and Governance (ESG) aspects of Legend Jewelry Co Limited (hereinafter referred to as the 'Company'). The ESG Report (hereinafter referred to as the 'Report') provides insights to the Company's ESG aspects through the reporting period from 2023-01-01 to 2023-12-31.

1.2 Approach

The ESG report was prepared following the reporting principles of Appendix C2 Environmental, Social and Governance Reporting Guide of Main Board Listing Rules of Hong Kong Exchanges and Clearing Limited:

Materiality: The threshold at which ESG issues determined by the board are sufficiently important to investors and other stakeholders that they should be reported through the use of ESGBOT.

Quantitative: Key Performance Indicators (KPIs) are quantified as much as possible with narratives to support the explanation.

Balance: The Report aims to present the Group's environmental, social and governance performance in an unbiased manner so as to provide an accurate and objective assessment to stakeholders.

Consistency: The Company uses consistent data collection and analytic methods for comparison with previous ESG data and reports. Any changes in the data collection and analytic methods are reported to facilitate fair comparison.

with a reporting boundary around the operation of the Company. The report sections are also mapped to requirements of TCFD, UN SDG items and CDP Climate Disclosure Framework for SMEs modules to reveal their relevance.

1.3 Accountability Assurance

The Company endeavors to ensure that all the information presented in this report is accurate and reliable, and the materials cited are the official documents and statistical data of the Company. This report was approved by the board of directors on 12-09-2024.

1.4 Contact And Stakeholder Engagement

If you or other stakeholders have any comments or suggestions about this Report, please contact the Company by the following means.

Contact Address: 11 Hok Yuen Street, Unit M, 4/F, Kaiser Estate Phase III, Hung
Hom Kowloon Hong Kong

Tel: 23302362

Email: mktg.mc@legend-jewelry.com

2 Company Background

The Company is found in Hong Kong on 1992-01-01 as a limited company. It is a body corporate and its current business focus is Founded in 1992, Legend Jewelry has got expertise and industrial experience in jewelry manufacturing. Headquartered in Hong Kong with production plants in Thailand, the production capacity covers more than 800 square feet, producing high-quality products with trendy designs..



Fig 2.a.Legend Jewelry Co Ltd in Hong Kong

Company Background	Legend Jewelry Co Limited
Business Nature	Founded in 1992, Legend Jewelry has got expertise and industrial experience in jewelry manufacturing. Headquartered in Hong Kong with production plants in Thailand, the production capacity covers more than 800 square feet, producing high-quality products with trendy designs.
SICS Classification	Apparel, Accessories & Footwear
Contact Address	11 Hok Yuen Street, Unit M, 4/F, Kaiser Estate Phase III, Hung Hom Kowloon Hong Kong
Chairperson of Board of Directors	Mr. Patrick Luk
CEO	Mr. Patrick Luk
No. of Employees	113

2.1 Our Business and ESG Friendliness Overview

Legend Jewelry Co Limited is experienced in Jewelry design and manufacturing. We are providing high-quality products/services and are committed to our business:

Founded in 1992, Legend Jewelry has expertise and industrial experience in Jewelry manufacturing. Headquartered in Hong Kong with a production plant in Thailand, the production capacity covers more than 800 square feet, producing high-quality products with trendy designs. The company has built a strong reputation for its exquisite craftsmanship, innovative designs, and commitment to quality. With a diverse portfolio that includes rings, necklaces, bracelets, and earrings, Legend Jewelry caters to a wide range of customers, from luxury connoisseurs to everyday buyers seeking timeless pieces.

Legend Jewelry Co. Limited is committed to integrating Environmental, Social, and Governance (ESG) principles into its business model, recognizing that responsible practices are essential for long-term success and stakeholder trust.

We are committing ourselves to fulfill our vision:

Legend Jewelry believes in offering exceptional quality to a wide range of fine Jewelry customers all over the globe. Our emphasis is on design originality coupled with the ability to identify industry trends and create products to fulfill different market needs quickly.

This serves our customers and fulfills their special needs. In particular, ESG features are built-in following our journey documented in this report to ensure that our products and services are ESG-friendly and fulfill the growing needs of the increasingly ESG-aware market.

Environmental Responsibility

- **Sustainable Sourcing:** Legend Jewelry is dedicated to sourcing materials responsibly, ensuring that diamonds, gemstones, and metals are procured from ethical and environmentally-conscious suppliers.
- **Eco-friendly Practices:** The company employs eco-friendly manufacturing processes, minimizing waste and reducing carbon emissions. Initiatives include recycling metals, planning to utilize renewable energy sources, and adopting energy-efficient technologies in the near future.
- **Product Lifecycle:** Legend Jewelry encourages customers to recycle and repurpose old jewelry, offering programs for repair trade-ins or redesigns to extend the life of each piece.

Social Responsibility

- **Fair Labor Practices:** Legend Jewelry adheres to fair labor standards, ensuring safe working conditions, fair wages, and respect for workers' rights across its supply chain.
- **Community Engagement:** The company had established plans to actively participate in community development projects, supporting education, healthcare, and social welfare initiatives in the regions where it operates in the future.
- **Diversity and Inclusion:** Legend Jewelry promotes a diverse and inclusive workplace, fostering an environment where all employees feel valued and respected.

Governance

- **Ethical Conduct:** The company maintains high standards of ethical conduct, with a robust code of ethics guiding business practices and decision-making processes.
- **Transparency:** Legend Jewelry is committed to transparency in its operations, providing clear and honest communication to stakeholders about business performance and ESG initiatives.

- **Accountability:** The company has established an ESG Compliance Committee to oversee the implementation and monitoring of ESG policies, ensuring accountability at all levels of the organization.

Legend Jewelry Co Limited exemplifies the integration of business excellence with ESG friendliness. By prioritizing sustainable practices, social responsibility, and strong governance, the company not only enhances its brand reputation but also contributes positively to the environment and society. As Legend Jewelry continues to grow and innovate, it remains dedicated to being a responsible and forward-thinking leader in the jewelry industry.

In 2023, Legend Jewelry Company Ltd proudly achieved certified membership with the Responsible Jewelry Council (RJC), a milestone that underscores our unwavering commitment to sustainability and ethical practices in the jewelry industry. This certification is a testament to our dedication to maintaining a responsible and transparent supply chain, ensuring that every aspect of our operations aligns with the highest standards of social, ethical, and environmental responsibility.

By attaining RJC certification, we have solidified our position as a leader in promoting sustainable practices within the industry, providing our stakeholders with the confidence that our products are sourced, crafted, and distributed in a manner that respects both people and the planet. This achievement reflects our ongoing efforts to enhance our business operations, drive positive change, and contribute to a more sustainable future for the global jewelry market.







Fig. 2.1.a. We produce our product with responsibly sourced materials.

3 Governance

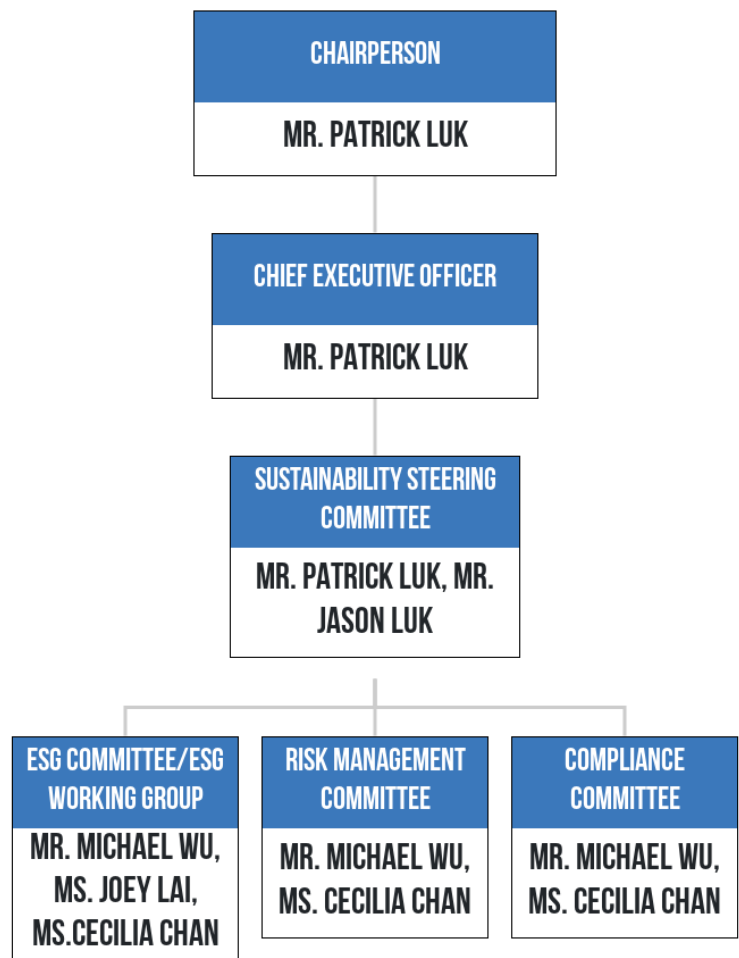
3.1 Board of Directors

The Company has the following people in the board of directors.

BOARD OF DIRECTOR	
	Mr. Patrick Luk CHAIRMAN
	Mr. Patrick Luk CEO
	Mr. Jason Luk EXECUTIVE DIRECTOR
	Mr. Michael Wu NON-EXECUTIVE DIRECTOR
COMPANY SECRETARY	
Acclime Secretaries Limited COMPANY	

Details of board meetings and other details of the board of directors can be found in the annual report of the Company.

3.2 Company Sustainable Development Governance Structure



1. SUSTAINABILITY STEERING COMMITTEE

- **RESPONSIBILITY:**
PROVIDE STRATEGIC LEADERSHIP AND OVERSIGHT FOR THE COMPANY'S SUSTAINABILITY AND ESG PRIORITIES.
- **OBJECTIVES:**
SET THE STRATEGIC VISION AND LONG-TERM ESG GOALS FOR THE COMPANY.

2. ESG COMMITTEE/ESG WORKING GROUP

▪ **RESPONSIBILITY:**

OVERSEE THE FINANCIAL REPORTING PROCESS, INTERNAL CONTROLS, AND RISK MANAGEMENT WITHIN AN ORGANIZATION.

▪ **OBJECTIVES:**

PROVIDE INDEPENDENT OVERSIGHT OF FINANCIAL REPORTING AND ENSURE TRANSPARENCY, ACCURACY, AND RELIABILITY OF FINANCIAL INFORMATION.

3. RISK MANAGEMENT COMMITTEE

▪ **RESPONSIBILITY:**

IDENTIFY, ASSESS, AND MANAGE RISK ACROSS THE ORGANIZATION, ESTABLISH RISK MANAGEMENT POLICIES AND PROCEDURES, AND PROVIDE OVERSIGHT OF RISK MITIGATION ACTIVITIES.

▪ **OBJECTIVES:**

ENHANCE RISK AWARENESS, ENSURE EFFECTIVE RISK MITIGATION, PROTECT ORGANIZATIONAL ASSETS, AND SUPPORT THE ACHIEVEMENT OF STRATEGIC OBJECTIVES WHILE MAINTAINING A ROBUST RISK MANAGEMENT FRAMEWORK.

4. COMPLIANCE COMMITTEE

▪ **RESPONSIBILITY:**

POLICY DEVELOPMENT AND OVERSIGHT-DEVELOP AND PERIODICALLY UPDATE THE COMPANY'S ESG POLICIES AND PROCEDURES. MONITORING AND REPORTING-MONITOR ESG PERFORMANCE AND COMPLIANCE WITH ESTABLISHED POLICIES., PREPARE AND REVIEW ESG-RELATED REPORTS, INCLUDING SUSTAINABILITY REPORTS AND DISCLOSURES.

▪ **OBJECTIVES:**

- ENSURE THE COMPANY COMPLIES WITH ALL APPLICABLE ESG-RELATED LAWS, REGULATIONS, AND INDUSTRY STANDARDS.
- INTEGRATE SUSTAINABILITY INTO THE COMPANY'S OPERATIONS, PRODUCTS, AND SERVICES.
- IMPROVE ESG PERFORMANCE- CONTINUOUSLY IMPROVE THE COMPANY'S PERFORMANCE IN KEY ESG AREAS.

Fig. 3.2.a. Company ESG Governance Structure



3.3 Risk Management and Internal Control

The Company has policies and procedures to perform quality management in-house.

In particular, the board reviews climate-related risks and opportunities annually to ensure the climate-related risks and opportunities to the company asset, operation and welfare are addressed. The review is performed with the ESG report delivered by the management to assess the risks and the opportunities due to climate change. The metrics and targets in the ESG report are also compared by the board for monitor if the annual targets are met. If the annual targets are found to be unmet without proper explanations, executive remuneration would be affected.

The management supports the review by using ESGBOT and delegate external consultancies for risks and opportunities of climate change to company's operation. The assessment also involves general ESG performance evaluation to ensure the baseline ESG performance in well maintained under the current climate change impact. ESG reporting of the Company is also performed for ESG risk management.

The following risk matrix is used to select and rank risks for reporting.

Probability\Impact	Insignificant	Minor	Marginal	Major	Catastrophic
Certain 90~ 100%	Low	Moderate	High	Very high	
Likely 70~ 89%					
Possible 46~ 69%					
Unlikely 24~ 45%					
Rare 0~ 23%					

Fig.3.3.a. Risk Management Matrix

Definition of risk impact level:

- 1 - Insignificant: The risk has little impact on company operations.
- 2 - Minor: The consequences of the risk can be easily managed.
- 3 - Marginal: Mitigating the consequences of the risk requires some time and efforts.
- 4 - Major: The risk results long-term effects that are difficult to recover from.
- 5 - Catastrophic: The risk can lead to disruption of the company's operations.

This gives a comprehensive review of the execution of all ESG-related matters at the management level.

3.4 Auditor's Remuneration and Auditor Related Matters

Please refer to the annual report of the Company for the related financial matters.



3.5 People Diversity

Our company is committed to creating a diverse, fair and inclusive work environment that fully respects the uniqueness of individuals.

We firmly believe that diversity is a strategic imperative that drives innovation, enhances decision-making, and strengthens our organization. Diversity includes but is not limited to race, ethnicity, gender, age, sexual orientation, disability and cultural background. We believe that it brings unique experiences, perspectives and talents that can make a positive impact.

We are committed to creating an inclusive environment that respects and appreciates the differences of our employees and provides everyone with equal opportunities and fair treatment, training and development opportunities.

We believe that by working together, we can achieve a more just, equitable and resilient future.

3.6 Corporate Governance Practices

These are items highly related to the environment and social aspects in our corporate governance practices disclosed following the Principles of Good Corporate Governance under Appendix C1 Corporate Governance Code of Main Board Listing Rules of Hong Kong Exchanges and Clearing Limited.

Corporate Governance Code Provision	Item	Statement/Explanation
A.1.1	Company Vision	Legend Jewelry believes in offering exceptional quality to a wide range of fine jewelry customers all over the globe. Our emphasis is on design originality coupled with the ability to identify industry trends and to quickly create product to fulfill different market needs.
A.2.1	Policy review	The policies in the Report are reviewed by the Board of Directors
D.1	Financial reporting	Financial reports of the Company are audited annually
D.2.2	ESG Reporting	ESG reporting is performed to identify Company's ESG risk

3.7 Stakeholder Engagement and Materiality Matrix

Through engagement with our stakeholders (i.e. customers, shareholders and employees), the Company has come up with the following materiality matrix to prioritize the importance of reported topics.

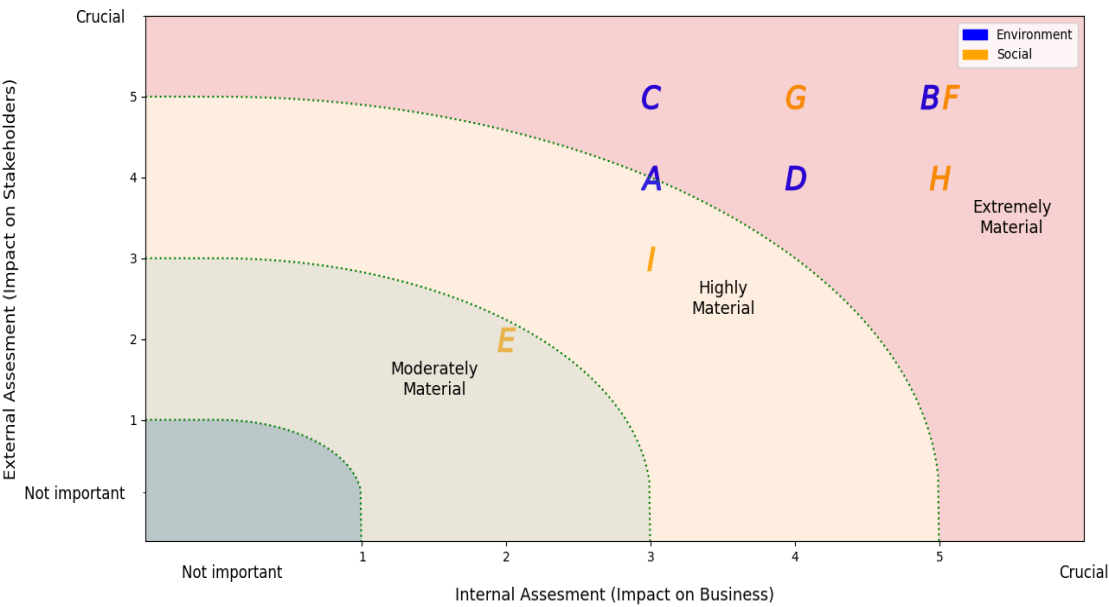


Fig.3.7.a. Materiality Matrix

Legends:

- | | |
|---------------------------|--|
| A. Carbon Emission, Waste | B. Water Use, Energy Use |
| C. Environmental Impact | D. Climate Change |
| E. Diversity | F. Employee Health, Safety & Labour Standards, Supply Chain Management, Product & Service Responsibility |
| G. Development & Training | H. Anti-Corruption |
| I. Community Investment | |

3.8 Exclusions

Please review the following financial/investment-material governance details in our annual report:

1. Board committees
2. Director's securities transactions
3. Shareholders' rights
4. Investors relations

4. Environmental

4.1 Emissions

The Company had environmental policies to implement

a) Annual carbon accounting of its operation throughout the reporting period following 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 Government of the Hong Kong Special Administrative Region in 2010.

b) Waste disposal following Waste Disposal Ordinance (Cap. 354) and Hazardous Chemicals Control Ordinance (Cap. 595)

c) Effluent discharge following Water Pollution Control Ordinance (Cap. 358)

to account for the carbon emission and to dispose/ recycle waste generated by the Company's operation. In the process, the following data, if any, were used for emission calculation:

- Vehicle types, mileage and fuel used
- Electricity consumption bills
- Water consumption bills
- Business travel mileage records
- Non-hazardous waste monthly records
- Hazardous waste monthly records, handled following Cap. 595

During the Year, the Company was not aware of any material non-compliance relevant to environmental laws and regulations.



Below shows the list of emissions of the Company in the reporting period and the previous reporting period:

Annual emission	Previous year (tonne(s) CO ₂ e)	Current year (tonne(s) CO ₂ e)	Change (%)	Current intensity (tonne(s) CO ₂ e per m ² of building floor area)
Scope 1 emission	N/A	8.6	N/A	0.01
Scope 2 emission	N/A	126.3	N/A	0.08
Scope 3 emission	N/A	13.7	N/A	0.01
Scope 1+2 emission	N/A	134.9	N/A	0.09
Scope 1+2+3 emission	N/A	148.6	N/A	0.10
Carbon credit retired*	N/A	0.0	N/A	0.00
Net carbon emission	N/A	148.6	N/A	0.10

* Carbon credit retired shows the equivalent tonne(s) CO₂e of carbon credit retired. The actual carbon credit retired can be in other units such as VCU, CERs etc. depending on the type of carbon credit.

The detailed Scope 3 emission calculation in tonnes CO₂e is shown as follows:

Scope 3 emission	Current year (tonne(s) CO ₂ e)
Energy-related activities (i.e. water consumption)	1.3
Waste generated in operations	0.1
Business air travel	12.2

The reporting is performed by operational control approach following the EPD Guideline, including Scope 3 emission related to fuel- and energy-related activities, waste generated in operations, business travel and employee commuting. All other scope 3 categories are under evaluation on their significance to the total emission due to the lack of emission data from upstream suppliers and downstream customers and thus are not disclosed in the report of the current year.

Other emissions including NOx emission, SOx emission and PM emission are recorded to be 3.74 kg (equivalent to 0.00 kg per m2 of building floor area), 0.05 kg (equivalent to 0.00 kg per m2 of building floor area) and 0.28 kg (equivalent to 0.00 kg per m2 of building floor area) respectively. Non-hazardous waste disposal, hazardous waste disposal and effluent discharge are recorded as 0.20 tonne(s) (equivalent to 0.00 tonne(s) per m2 of building floor area), 0.59 tonne(s) (0.00 tonne(s) per m2 of building floor area) and 2076.00 m³ (equivalent to 1.33 m3 per m2 of building floor area) respectively.

Non-hazardous waste was sent to the landfill or recycled.

The Company had the following policies to reduce emission and waste.

Item	Targets
Carbon Neutrality	Reducing 50% of carbon emission intensity by 2035 (i.e. 3.4% carbon emission reduction per year)* * Following Hong Kong Climate Action Plan 2050
Waste	Reducing 50% of carbon emission intensity by 2035 (i.e. 3.4% carbon emission reduction per year)* * Following Waste Blueprint for Hong Kong 2035

Steps listed in the guidelines such as enhanced recycling awareness in the Company and energy saving awareness to reduce carbon emission were performed to reduce carbon emission and waste.



4.2 Use of Resources

The Company had energy, water and other resources saving policies by posting energy-saving, water-saving and recycling awareness notices around the Company's Premises.

In addition, we had the following measures.

Resources	Measures
Energy	Use of Grade 1 equipment following Mandatory Energy Efficiency Labelling Scheme
Water	Use of Graded equipment following Voluntary Water Efficiency Labelling Scheme
Paper	<ul style="list-style-type: none"> - Use of papers with certified forest management - Minimizing office waste by recycling - Use of electronic systems to replace paper use

The following data, if any, were used to quantify the use of resources:

- Vehicle types, mileage and fuel used
- Electricity consumption bills
- Water consumption bills
- Receipts on packaging materials purchased

Below lists the use of resources of the Company in the reporting period:

Annual emission/ waste	Total	Intensity (per m2 of building floor area)
Energy	282,523.90 kWh	180.64 kWh
Water	2,076.00 m ³	1.33 m ³
Packaging materials used	0.00 tonne(s)	0.00 tonne(s)

Overall use of resources have been reduced gradually following the targets in the guideline mentioned in Section 4.1 for emission reduction. Other specific targets are shown in the following table:

The Company had the following policies to reduce emission and waste.

Resources	Measures
Energy	<p>To reduce 1.1% per year to achieve 20% reduction by 2035*</p> <p>* Following Hong Kong Climate Action Plan 2050</p>
Water	<p>To reduce 0.8% water use reduction per year to achieve 10% reduction by 2030*</p> <p>* Following Policy Address 2017</p>

Company's water use is mainly supplied by the municipal pipe network, and there is no specific issue on water risk due to the extra consumption or hazardous effluent discharge by the Company.



4.3 The Environment and Natural Resources

The Company had no significant impact on the environment or natural resources. Nevertheless, the Company would keep its policies as described in Sections 4.1 and 4.2 to minimize its impact on the environment.



4.4 Climate Change

The Company aligned its policies with Hong Kong's Climate Action Plan 2050 to mitigate the risk of climate change to its operation.

The Company has also identified climate-related risks and opportunities as follows:

	Short-term (Less than a year)	Medium term (1 to 5 years)	Long term (more than 5 years)
Physical Risk	<p>Acute risk: More frequent extreme weather events may cancel business days, resulting in catch-up work and lowering of revenue.</p> <p>Chronic risk: They may also affect the logistics of the supply chain, causing delays in market access and lowering of revenue.</p>	<p>Chronic risk: Temperature rise increases electricity cost and other operating utility cost. Enhanced temperature may also reduce demand on winter products.</p>	<p>Acute risk: Intensified cyclones and rainstorms may cause frequent damages to business operation in addition to interruptions</p>

	Short-term (Less than a year)	Medium term (1 to 5 years)	Long term (more than 5 years)
Transition Risk	Incident disclosure on social media about company's poor carbon management may lead to backlashes and reputation damages	Carbon tariffs in Europe may enhance costs in supply chains and operation for compliance. Intensified weather events worldwide cause a further fluctuation of raw materials and goods. Demand on low-carbon goods and embedded technologies may enhance cost of goods	Carbon pricing may further increase operating expense
Opportunities	Emergence of environmental friendly ideas for operating expense reduction (i.e. energy saving campaigns)	Emergence of environmental friendly ideas for operating expense reduction (i.e. energy saving campaigns)	Government target setting in climate change actions guide the development of the business to be resilient to climate change

	Short-term (Less than a year)	Medium term (1 to 5 years)	Long term (more than 5 years)
Climate resilience	Anti-flooding measures and better stocking practices have to be done to avoid damages due to weather and disruptions in the stores and supply chain	<p>Diversify suppliers and customers to avoid fluctuation of price and demand due to extreme weather events</p> <p>Diversify to low-carbon products to anticipate rise of expense in high-carbon products upon carbon pricing schemes</p> <p>Design new pricing models to absorb price fluctuation</p>	Use suppliers proved to have low-carbon operation to reduce charges related to carbon pricing
Capital deployment plan	Find green finance plans (e.g. green loan, sustainability-linked loan) to search and diversify with more climate resilient suppliers and to develop business models to absorb these pricing fluctuation	Use green finance plans to execute the plans	Sustain to use climate resilient suppliers and to retire carbon offset through operation earnings

	Short-term (Less than a year)	Medium term (1 to 5 years)	Long term (more than 5 years)
Impact on strategy	<p>Resources allocation: Use overheads and business development budget to find suppliers or to certify in-house products with a better ESG reputation</p> <p>Target of strategy: To be completed in 2 years</p>	<p>Resources allocation: Use green finance to diversify procurement from more climate resilient suppliers or to enhance inventory capability to absorb potential price fluctuation</p> <p>Use business development/ marketing budget for better pricing models to absorb the price fluctuation risk</p> <p>Target of strategy: To be completed in 3 years</p> <p>Carbon credit purchase: To offset some carbon emission following carbon neutrality milestones every year</p>	<p>Resources allocation: Use government funding if available to catch up with any new compliance measures of the government</p> <p>Target of strategy: To be completed following the government's milestones</p> <p>Carbon credit purchase: To retire enough carbon credits to offset carbon emission every year</p>
Impact on financial planning	<p>Revenue forecast should be reduced due to increase in business day cancellation and supply chain delay by extreme weather events.</p>	<p>May need to find alternative supplies to stabilize raw material prices. May need to reserve for higher expense for maintenance, utility and insurance</p>	<p>Involve carbon pricing into the financial planning of the company</p>

	Short-term (Less than a year)	Medium term (1 to 5 years)	Long term (more than 5 years)
Impact on financial positioning	Increase in expense by transition risks and physical risk and for procurement of low-carbon products, and increase of liability through green financing schemes	Increase in expense by risks and interest on green finance and by procurement cost from climate resilient suppliers	Increase in expense by risks, interest on green finance and carbon pricing

In general, the company operating expense will become higher in the 4°C scenario than the 2°C scenario (e.g. considering physical risks and long-term transition risks only without value chain analysis) due to extreme weather in the short term, higher temperature in the medium term and carbon pricing in the long term. Annual revenue may be lower in the 4°C scenario than the 2°C scenario in general due to more delays in the supply chain, but potential revenue increase is achievable depending on summer product and low-carbon product provision.

5 Social



5.1 Employment

The Company had employment policies that followed

- a) Employment Ordinance (Cap. 57)
- b) Employment Compensation Ordinance (Cap. 282)
- c) Mandatory Provident Fund Schemes Ordinance (Cap. 485)

This protects employees' rights, including gender and aged equality.

During the Year, the Company was not aware of any material non-compliance relevant to employment laws and regulations.

Below show the statistics of relevant key performance indicators based on direct employees in Hong Kong.

Employee type	Number of employees	Turnover rate
Total	113	19.9%
Female	71	15.5%
Male	42	26.3%
Under 30 years old	8	11.1%
Between 30 and 50 years old	96	20.7%
More than 50 years old	9	18.2%
Full-time	113	19.9%
Part-time	0	N/A



5.2 Health and Safety

The Company had health and safety policies that followed Occupational Safety and Health Ordinance (Cap. 509) in Hong Kong to maintain a healthy and safe working environment. Below show the statistics of relevant key performance indicators based on direct employees in Hong Kong.

Item	Quantity
Number of fatalities due to work-related injury in the past three years	0
Lost days due to work injury	0

Our company considers the safety and well-being of our staffs to be the cornerstone of our success. We are proud to report that in the past year, we have achieved the remarkable milestone of zero sick leaves or fatalities due to work injuries. This exemplary safety record is a testament to our unwavering commitment to maintain safety. By prioritizing the health and safety of our workforce, we have created an environment where our staffs can thrive, and our business can continue to grow and prosper.

When there was a work-related injury, the employee work injury treatment process would be initiated to ensure that the employee was well treated with the company insurance accordingly.

During the Year, the Company was not aware of any material non-compliance relevant to staff health and safety laws.



5.3 Development and Training

The Company had policies to encourage employees to undergo training and professional development. Examples include occupational safety training, professional development training, etc. Below show the detailed statistics of the training performed among employees:

Training Record	Average Training Hour per Person	Percentage of People Trained
Total	10.6	100%
By gender	11.0 (female), 11.0 (male)	100% (female), 100% (male)

Our company is recognizing the importance of staff training and development for individual and organizational success. We are committed to fostering a culture of continuous learning and growth, and will be implementing training programs, mentorship opportunities, and a supportive work environment to empower our team and drive shared goals.



5.4 Labour Standards

The Company had policies to review all employees' identity during employment and would reject any applications of non-adults or people without permission to work in Hong Kong to eliminate potentials of any child or forced labour.



5.5 Supply Chain Management

The Company had policies and procedures to record all direct suppliers and the types of goods they were capable to supply. The Company mainly focuses on selecting suppliers based on principles of nearby pickups, cost savings, taking goods as directly as possible and references from the past. Suppliers' ESG reports are also collected and inspected to ensure their compliance to common ESG standards.

The geographical distribution of suppliers is shown below:

Region	Number of suppliers
Hong Kong	7
Italy	1
United States of America	1



5.6 Product and Service Responsibility

The Company had policies to ensure all products and service description to be compliant with Trade Descriptions Ordinance (Cap. 362) and other relevant ordinances to ensure proper disclosure of product information to our customers.

During the Year, the Company was not aware of any material non-compliance relevant to product responsibility and data privacy laws and regulations.

The Company had no design of products or services that intellectual property right observation and protection practices were not applicable to the Company's operation. The Company also ensured the advertising materials would be free from copyright infringement.

All private data were protected following the Company's compliance with Personal Data (Privacy) Ordinance (Cap. 486).

Below shows the statistics related to product responsibility:

Percentage of product recalls	0
Number of product complaints received	0



5.7 Anti-corruption

The Company had policies to strictly follow Prevention of Bribery Ordinance (Cap. 201) and to maintain whistle-blowing mechanisms to eliminate possibilities of corruption activities in the Company's operation.

Training package at Corruption Prevention Advisory Service of Independent Commission against Corruption of the Hong Kong Special Administrative Region was used annually to provide anti-corruption training to Directors and employees.

During the Year, the Company was not aware of any material non-compliance relevant to bribery laws and regulations.



5.8 Community Investment

Legend Jewelry Company Ltd. cares about the health and well-being of its staff and the surrounding community. As part of this commitment, the company has encouraged the staff to participate in various health or sports-related programs actively.

Our company is an active member of the Rotary Club of Kowloon West. Rotary is a global network of 1.4 million neighbors, friends, leaders, and problem-solvers who see a world where people unite and take action to create lasting change – across the globe, in our communities, and in ourselves. Our Director, Mr. Luk Wing Tong, Patrick, actively contributed to various charity events organized by the Rotary Club of Kowloon West, including the donation made to the Gifted Education Foundation Ltd

In the future, Legend Jewelry Company Ltd. also plans to organize other social activities to engage its staff and give back to the community. Some of these may include:

- Regular volunteering events at local charities or non-profit organizations
- Charity donations
- Educational workshops of Tai Chi for non-Chinese speaking minorities to improve their physical health or help new immigrants build social connections and a sense of community. By engaging in a shared cultural activity it can foster a sense of belonging and help newcomers feel more integrated into their new society.



Fig. 5.8.a. Our Director, Mr. Luk Wing Tong, Patrick, actively contributed to various charity events organized by the Rotary Club of Kowloon West, including the donation made to the Gifted Education Foundation Ltd

Appendix A - Content Index of Disclosure Items

Key Items	General Disclosure/ Indicators			Page
A. Environmental				
A1. Emission	General Disclosure	Policies		17
		Compliance with relevant laws and regulations that have a significant impact on the issuer		17
	Indicators	A1.1	The types of emissions and respective emissions data.	17
		A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	17
		A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	17
		A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	17
		A1.5	Description of emission target(s) set and steps taken to achieve them.	17
		A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	17
A2. Use of Resources	General Disclosure	Policies		19
	Indicators	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	19
		A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	19
		A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	19
		A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	19
		A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	19

Key Items	General Disclosure/ Indicators			Page
A. Environmental				
A3: The Environment and Natural Resources	General Disclosure	Policies		21
	Indicators	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	21
A4: Climate Change	General Disclosure	Policies		22
	Indicators	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	22
B. Social				
B1: Employment	General Disclosure	Policies		27
		Compliance with relevant laws and regulations that have a significant impact on the issuer		27
	Indicators	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	27
		B1.2	Employee turnover rate by gender, age group and geographical region.	27
B2: Health and Safety	General Disclosure	Policies		27
		Compliance with relevant laws and regulations that have a significant impact on the issuer		27
	Indicators	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	27
		B2.2	Lost days due to work injury.	27
		B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	27
B3: Development and Training	General Disclosure	Policies		28
	Indicators	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	28
		B4.1	The average training hours completed per employee by gender and employee category.	28

Key Items	General Disclosure/ Indicators			Page
B. Social				
B4: Labour Standards	General Disclosure	Policies		29
		Compliance with relevant laws and regulations that have a significant impact on the issuer		29
	Indicators	B4.1	Description of measures to review employment practices to avoid child and forced labour.	29
		B4.2	Description of steps taken to eliminate such practices when discovered.	29
B5: Supply Chain Management	General Disclosure	Policies		29
	Indicators	B5.1	Number of suppliers by geographical region.	29
		B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	29
		B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	29
		B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	29
B6: Product Responsibility	General Disclosure	Policies		29
		Compliance with relevant laws and regulations that have a significant impact on the issuer		29
	Indicators	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	29
		B6.2	Number of products and service related complaints received and how they are dealt with.	29
		B6.3	Description of practices relating to observing and protecting intellectual property rights.	29
		B6.4	Description of quality assurance process and recall procedures.	29
		B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	29

Key Items	General Disclosure/ Indicators			Page
B. Social				
B7: Anti-corruption	General Disclosure	Policies		30
		Compliance with relevant laws and regulations that have a significant impact on the issuer		30
	Indicators	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	30
		B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	30
		B7.3	Description of anti-corruption training provided to directors and staff.	30
B8: Community Investment	General Disclosure	Policies		31
	Indicators	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	31
		B8.2	Resources contributed (e.g. money or time) to the focus area.	31

Appendix B - Content Index of Disclosure Items According to TCFD (Task Force on Climate-related Financial Disclosures) Recommendations

ABSTRACT

The Company has governance system over climate-related risks, opportunities and strategy through annual review and managerial use of ESG Reporting SaaS ESGBOT to identify short-, medium- and long-term climate-related risks and opportunities of the general environment.

Their impacts on strategy and financial planning are also assessed. The main risks and impacts are related to cyclones, temperature rise and carbon rising on the operating expenses, and the main opportunities arise from the public and government's recognition of climate-related goals and awareness. The climate-related risks are properly integrated into company operation through quality control, and climate-related metrics and targets on carbon emission, waste reduction, energy use and water use are identified through alignment with government practices.




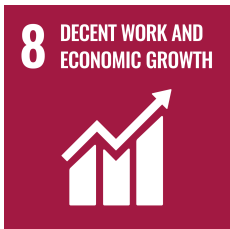
Recommendations	Recommended Disclosure	Page
Governance	a. Describe the board's oversight of climate-related risks and opportunities.	22 to 26
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	12
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	22 to 26
	b. Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.	22 to 26
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	25
Risk Management	a. Describe the organization's processes for identifying and assessing climate-related risks.	22 to 26
	b. Describe the organization's processes for managing climate-related risks.	13
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	13

Recommendations	Recommended Disclosure	Page
Metrics and Targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	17 to 19
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	17
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	19





Appendix C - Content Index of Disclosure Items According to United Nations Sustainability Development Goals


Key sections in the report are mapped to different United Nations Sustainability Development Goals (UN SDGs) as follows:

UN SDGs	Description/Target	Key Sections
 <p>1 NO POVERTY</p>	End poverty in all its forms everywhere	5.8 Community Investment
 <p>2 ZERO HUNGER</p>	End hunger, achieve food security and improved nutrition, and promote sustainable agriculture	5.8 Community Investment
 <p>3 GOOD HEALTH AND WELL-BEING</p>	Ensure healthy lives and promote well-being for all at all ages	4.1 Emission 5.2. Health and Safety
 <p>4 QUALITY EDUCATION</p>	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	5.3 Development and Training

UN SDGs	Description/Target	Key Sections
 <p>5 GENDER EQUALITY</p>	Achieve gender equality and empower all women and girls	5.1 Employment
 <p>6 CLEAN WATER AND SANITATION</p>	Ensure availability and sustainable management of water and sanitation for all	4.2 Use of Resources
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	Ensure access to affordable, reliable, sustainable, and modern energy for all	4.2 Use of Resources
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all	3.5 People Diversity 5.1 Employment 5.2. Health and Safety 5.3 Development and Training

UN SDGs	Description/Target	Key Sections
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation	5.6 Product and Service Responsibility
 <p>10 REDUCED INEQUALITIES</p>	Reduce inequality within and among countries	3.5 People Diversity 5.1 Employment
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	Make cities and human settlements inclusive, safe, resilient, and sustainable	5.8 Community Investment
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	Ensure sustainable consumption and production patterns	4.1 Emission 4.2 Use of Resources 5.5 Supply Chain Management

UN SDGs	Description/Target	Key Sections
 <p>13 CLIMATE ACTION</p>	Take urgent action to combat climate change and its impacts	<p>4.1 Emission</p> <p>4.2 Use of Resources</p> <p>4.4 Climate Change</p>
 <p>14 LIFE BELOW WATER</p>	Conserve and sustainably use the oceans, seas, and marine resources for sustainable development	<p>4.3 The Environment and Natural Resources</p>
 <p>15 LIFE ON LAND</p>	Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss	<p>4.3 The Environment and Natural Resources</p>
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	<p>3.2 Company Sustainability Governance Structure</p> <p>3.3 Risk Management and Internal Control</p> <p>5.4 Labour Standards</p> <p>5.7 Anti-corruption</p>

UN SDGs	Description/Target	Key Sections
	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	5.8 Community Investment

Appendix D - Content Index of Disclosure Items According to CDP Climate Disclosure Framework for Small and Medium-sized Enterprises

Measure	Disclosure	Page
Measure	a. What are your gross global operational emissions (Scope 1 and 2)?	17
	b. Are there any emissions that are in the reporting boundary but are excluded from the inventory?	17
	c. Describe your emissions in the context of an appropriate business metric (Emissions intensity)	17
Commit	Provide details of your targets and progress made against them	17
Action and Impact	a. Have you, or do you plan to, take action to reduce your GHG emissions?	17
	b. How have your emissions changed over time?	17
Energy	a. Report your total energy consumption	19 to 21
	b. Disclose your renewable energy purchase and generation	19 to 21
Value Chain Emissions	Disclose your gross global value chain emissions (Scope 3)	17
Management and Resilience	a. Is there any member(s) of your organization responsible for overseeing climate change matters?	12
	b. Is your company aligned with a net-zero future?	17
	c. Do you assess your climate risks?	22 to 26
	d. What are your major climate risks and how do you manage them?	22 to 26
Climate Solutions	Do you classify any of your existing goods and/or services as low carbon products or products that enable a third party to reduce GHG emissions in their value chain?	9

ESG Report of Legend Jewelry Co Limited 2023	
Document No.	LJ-20240910.000EN

Revision	Issued Date	Submission for	Prepared by	Reviewed by	Approved by
0	2024-09-12	Final Issue	Cecilia Chan	Cecilia Chan	Mr. Patrick Luk

Confirmed and Accepted by:

Mr. Patrick Luk, Chairperson
Legend Jewelry Co Limited

Disclaimer:

This report is prepared based on the best knowledge of understanding of the information of the Company based on ESGBOT. We understand that ESG reporting and disclosure is performed based on the principle of Appendix C2 Environmental, Social and Governance Reporting Guide of Main Board Listing Rules of Hong Kong Exchanges and Clearing Limited. The requirements as stipulated in them have been complied in the preparation of this report as far as possible in principle while company operation and impacts are dynamic and probabilistic phenomena and historical data obtained for the company in analyzing such performance would inevitably not explicitly reflect the current situation of the company.



APPENDIX A:

SGS Document Reference: 04/09/2024 LJ-20240910.000EN

Company Name: Legend Jewelry Co Limited

Company Address: 11 Hok Yuen Street, Unit M, 4/F, Kaiser Estate Phase III, Hung Hom, Kowloon, Hong Kong

Chairperson of the Board: Mr. Patrick Luk

Date: 24th September 2024

The Quantitative Data Validation of Material Topics

This completion statement, issued by SGS Hong Kong Limited, confirms that **Legend Jewelry Co Limited** has submitted its ESG report, **with a reporting period covering 1st January 2023 – 31st December 2023**, for limited level data validation. The following shows the scope of validation:

- **ESG Report Data Source:** HiESD¹ - ESG x SDP Report Generation Platform
- **ESG Report Reference Number:** LJ-20240910.000EN
- **ESG Reporting Period: 1st January 2023 – 31st December 2023**
- **Quantitative Data Validated of Material Topics:**
 - 1) Staff health & safety and labour standard
 - 2) Diversity, development & training, supplier management as well as product and service responsibility
 - 3) Carbon emission & water use
 - 4) Energy use
 - 5) Anti-corruption

We therefore conclude that after performing the validation based on the work scope as mentioned above, nothing has come to our attention that causes us to believe that the aggregated quantitative data of the material topics are not prepared in accordance with the **HKEX ESG Reporting Guide** at the limited level[#] under a random sampling process.

Miranda Kwan

Director, Business Assurance

SGS Hong Kong Limited

Units 303 & 305, 3/F., Building 22E, Phase 3, Hong Kong Science Park, N.T., Hong Kong

Limited level refers to reviewing the aggregated quantitative data of the above listed material topics within the delegated ESG reporting period under a random sampling process. The review is neither replacing, nor equivalent to ESG report assurance. This completion statement is not an investment advice and shall not constitute an offer, solicitation to offer, or recommendation of any investment product or opportunity.

Remark: HiESD¹ – Hong Kong Institute of Education for Sustainable Development



United Nations
Educational, Scientific and
Cultural Organization
聯合國教育科學及文化組織



Hong Kong Institute of
Education for Sustainable Development
香港可持續發展教育學院
The Movement of Centres of UNESCO

CERTIFICATE OF APPRECIATION

嘉許狀

presented to 茲頒予

LEGEND JEWELRY CO LIMITED

in recognition of its achievement in the
“ESG x SDP Report Generation Platform Corporates
Selection Scheme”

以表彰完成「ESG X SDP 報告生成平台企業甄選計劃」

Prof. Karen Cheung

張沁教授

Director of Hong Kong Institute of
Education for Sustainable Development
香港可持續發展教育學院 院長

15 October 2024

2024年10月15日