



Environmental, Social and Governance Report 2022

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CONTENTS	<i>Page</i>
ABOUT THE REPORT	1
REPORTING BOUNDARY	1
REPORTING FRAMEWORK	1
REPORTING PRINCIPLES	1
FEEDBACKS	1
OUR APPROACH TO ESG	2
BOARD STATEMENT	2
STAKEHOLDER ENGAGEMENT	2 - 3
MATERIALITY ASSESSMENT	3
ENVIRONMENTAL PROTECTION	4
EMISSIONS	4 - 5
USE OF RESOURCES	5 - 6
ENVIRONMENTAL AND NATURAL RESOURCES	6
CLIMATE CHANGE	6
ENVIRONMENTAL PERFORMANCE SUMMARY	7 - 8
EMPLOYMENT AND LABOUR PRACTICES	9
EMPLOYMENT	9 - 10
HEALTH AND SAFETY	11
DEVELOPMENT AND TRAINING	12
LABOUR STANDARDS	12
OPERATING PRACTICES	13
ANTI-CORRUPTION	13
SUPPLY CHAIN MANAGEMENT	13 - 14
PRODUCT RESPONSIBILITY	14 - 15
COMMUNITY INVESTMENT	15
INDEX OF HKEX ESG REPORTING GUIDE	16 - 18

ABOUT THE REPORT

Dickson Concepts (International) Limited (the “**Company**”) and its major subsidiary companies (the “**Group**” or “**we**”) are pleased to present the Environmental, Social and Governance (“**ESG**”) Report for the financial year from 1st April, 2021 to 31st March, 2022 (the “**Year**”) (the “**ESG Report**”). The ESG Report provides an overview on the Group’s sustainability performance and demonstrates its commitment to sustainable development.

REPORTING BOUNDARY

The ESG Report illustrates the Group’s overall performance in environmental and social dimensions and covers all principal operating activities of department stores, retail shops, warehouses and offices in Hong Kong. Compared with the reporting boundary of the ESG Report for the financial year from 1st April, 2020 to 31st March, 2021, there is no significant change in that of the ESG Report. The business in Taiwan and the People’s Republic of China (the “**PRC**”), with free standing shops accounting for merely less than one-tenth of the Group’s retail space, are not included.

REPORTING FRAMEWORK

The ESG Report is prepared on the basis of Appendix 27 “Environmental, Social and Governance Reporting Guide” (“**ESG Reporting Guide**”) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**HKEX**”). The ESG Report has complied with all mandatory disclosure requirements and “comply or explain” provisions outlined in the ESG Reporting Guide.

REPORTING PRINCIPLES

Compilation of the ESG Report is determined through a systematic stakeholder engagement and materiality assessment process. Relevant material issues are identified, reviewed and prioritised by collecting opinions of internal management and stakeholders. The ESG Report covers key issues that are related to different stakeholders. Details of the materiality assessment and major stakeholder engagement channels are disclosed in “Our Approach to ESG” section of the ESG Report.

To give a comprehensive view of the Group’s ESG performance, the ESG Report discloses quantitative environmental and social key performance indicators (“**KPIs**”). Details of the standards, methodologies, assumptions and / or calculation references, and sources of key conversion factors used on these KPIs are stated wherever appropriate. The methodologies in calculating KPIs are kept consistent and comparable as far as reasonably practicable. Any changes that affect a meaningful comparison would be stated accordingly.

FEEDBACKS

The Group welcomes stakeholders to share their feedback and opinions for the continuous improvement. Should you have any comments or suggestions to the ESG Report, please send to the Group at 4th Floor, East Ocean Centre, 98 Granville Road, Tsimshatsui East, Kowloon, Hong Kong.

OUR APPROACH TO ESG

BOARD STATEMENT

The Group believes that sound ESG governance strategies and practices are the keys to enhancing its investment value, thereby bringing long-term returns for its stakeholders. The board of directors (the “**Board**”) bears the responsibilities to oversee and review the Group’s ESG strategies and reports, determines and evaluates the ESG risks of the Group, and ensures that relevant risk management and internal control systems are in place and operated effectively. The Board has delegated the authority to an ESG working group, which comprises senior management of the Group. ESG working group meetings have been held successfully during the Year. Through meetings and discussions, the ESG working group set and reviewed policies and guidelines to address environmental and social matters. Moreover, key performance indicators are closely monitored for the purpose of ensuring continuous improvement.

Furthermore, the Board is responsible for executing and evaluating the stakeholder engagement process. To gather the opinions of the Group’s stakeholders on ESG issues, the Board has assigned a third-party ESG professional in conducting materiality assessment to identify issues that are likely to influence the business and our stakeholders. The issues would be reviewed and prioritised, and those with high significance to the Group and stakeholders are considered as material. The Board reviews and concludes the material ESG issues of the Group. Besides, the Board has developed engagement channels to maintain adequate communication with different stakeholders and keep abreast of stakeholders’ concerns and expectations in ESG aspects.

In the aim of formulating and executing effective ESG policies and measures, the Board reviews the plans and execution of ESG-related work with respect to its targets and goals during regular meetings. The Group also shares its progress in ESG with different stakeholders, most notably through the Group’s annual ESG Report. The Board will continue to seek opportunities to pursue improvement in ESG performance.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is an essential channel to identify significant ESG issues and set a cornerstone for the Group’s long-term sustainable development. The Group has a regular dialogue with its stakeholders to ensure that it continues to meet their expectations and that its approach to sustainability remains relevant and consistent across its operations. Internal and external stakeholders which include customers, employees, shareholders and potential investors, the government and regulators, suppliers, landlords, media, contractors and banks are crucial to our business. Stakeholders’ expectations, demands and feedbacks are worth investigating via utilising diversified communication channels for ESG improvements. The Group will keep stakeholders’ concerns up-to-date through the following communication channels :-

Stakeholders	Concerns	Communication Channels
Customers	<ul style="list-style-type: none"> Product quality, price and delivery date Corporate financial performance / conditions Corporate reputation and brand image Market demand 	<ul style="list-style-type: none"> Telephone / email Customer quality evaluation form Customer visit Social media
Employees	<ul style="list-style-type: none"> Salaries and welfare; educational training; promotion opportunities Occupational safety; labour conditions; complaints 	<ul style="list-style-type: none"> Publications / notice boards in the offices Suggestion boxes / mail boxes / email
Shareholders and Potential Investors	<ul style="list-style-type: none"> Corporate financial performance / conditions Corporate dividends policy Corporate governance and integrity; risk management; laws and regulations compliance 	<ul style="list-style-type: none"> Annual and interim results announcements Annual report and interim report Corporate website Meeting with fund managers and analysts

Stakeholders	Concerns	Communication Channels
Government and Regulators	<ul style="list-style-type: none"> • Environmental pollution; product safety; energy conservation and emission reduction • Labour conditions; laws and regulations compliance • Economic contribution • Anti-corruption 	<ul style="list-style-type: none"> • Government website • Official documents / meetings • Written reports / visits • Monitoring / inspection
Suppliers	<ul style="list-style-type: none"> • Quality, price and delivery date • Corporate financial performance / conditions 	<ul style="list-style-type: none"> • Telephone / email • Site visits • Social media
Landlords	<ul style="list-style-type: none"> • Customer flow • Corporate financial performance / conditions • Tenants mix 	<ul style="list-style-type: none"> • Telephone / email • Site visits
Media	<ul style="list-style-type: none"> • Corporate governance • Corporate reputation and brand image 	<ul style="list-style-type: none"> • Press conferences / press releases • Annual and interim results announcements • Corporate website
Contractors	<ul style="list-style-type: none"> • Quality, price and delivery date • Laws and regulations compliance 	<ul style="list-style-type: none"> • Telephone / email • Site visits
Banks	<ul style="list-style-type: none"> • Corporate financial performance / conditions • Corporate dividends policy • Corporate governance and integrity; risk management; laws and regulations compliance 	<ul style="list-style-type: none"> • Telephone / email • Annual and interim results announcements • Annual report and interim report • Corporate website • Update meetings

MATERIALITY ASSESSMENT

The purpose of a materiality assessment is to identify material ESG topics for the establishment of sustainable targets and strategic plans. To facilitate an independent evaluation, we have engaged with a third-party professional to assist with conducting the assessment and quantifying the significance of each material issue to our business and stakeholders. The materiality assessment is comprised of three phases :-

1. Identify a list of potential material topics that are relevant to the Group's ESG performance.
2. Conduct a questionnaire survey to examine stakeholders' expectations and the extent of influence of material issues towards stakeholders and the Group's business.
3. Screen out the most representative material topics from a total of 38 valid questionnaires retrieved.

By analysing the results of the questionnaire survey, the Group thereupon has identified 7 material topics including Employment Compliance, Remuneration and Benefits, Working Hours and Rest Periods, Anti-corruption, Customer Service Management, Information Security, and Customer Privacy Protection, which are disclosed in detail in the ESG Report.

ENVIRONMENTAL PROTECTION

The Group supports environmental protection and endeavours to build an environmentally-friendly business. Green operation is encouraged in our business in compliance with local environmental laws and regulations. The Group has developed targets for emissions, electricity consumption, water consumption and waste generation with reference to the UN Sustainable Development Goals (“SDGs”). The Group will review its environmental practices from time to time and consider implementing further eco-friendly measures or practices to enhance environmental sustainability.

EMISSIONS

The Group is mainly engaged in the sale of luxury goods and securities investment that do not involve substantial emissions in business operation. The emissions are originated from the use of electricity in the workplace, vehicles exhaust and other possible sources contributing minimal greenhouse gas emissions (“GHG emissions”). Non-hazardous waste disposal of the Group includes used paper (e.g. office papers, posters, and marketing materials) and display items.

Pollutant Emissions

Since the Group’s business does not involve in manufacturing, the only source of pollutant emissions is originated from vehicles exhaust. The slight increase in pollutant emissions shall be foreseen due to the potential increase of business activities. The Group has taken measures to curb the amount of pollutants, such as organising events at locations which is easily accessible by public transportation.

GHG Emissions

The key sources of GHG emissions of the Group include fuel use of vehicles, the consumption of electricity, sewage processing, disposal of paper waste, and business travel. Under the circumstance of the COVID-19 pandemic, business travel which was one of the dominant sources of GHG emissions in the previous years is temporally restricted throughout the Year.

The Group endeavours to achieve GHG emissions reduction and comes up with two long-term targets conforming to SDGs :-

- To responsibly manage the environmental impact of our operations and aspire to decouple our carbon footprint from our business growth; and
- To improve education and awareness-raising on emission control and climate issues among employees.

To live up to GHG emissions targets, the Group actively adopts energy-saving and waste reduction measures. Details of measures for energy-saving will be discussed in “Use of Resources” section of the ESG Report.

Responsible departments are required to collect and analyse ESG activity data and then summarise their respective findings quarterly for formulating measures to reduce or avoid emissions. The Group will keep monitoring the efficiency of measures put in place to mitigate emissions.

Hazardous and Non-hazardous Waste

The Group recognises the burden on local landfills from the increasing amount of waste generation. To take up the obligation, we integrate SDGs into our waste management by setting and pondering over some achievable targets :-

- Maximising resources utilisation, with the goal of establishing business operation that will not cause serious damage to the environment; and
- Reducing waste paper and other waste generated during operation and from the use of our products.

The Group has properly handled all hazardous waste generated during the Year. The majority of hazardous waste is recycled or collected by licensed collectors and the rest disposed of at landfills. We have collected empty toners to a recycling company and they in return give proportionate donation to a charitable organisation, namely Friends of the Earth.

The Group has formulated ESG policy to control the generation of non-hazardous waste, of which visual merchandising items and paper are two principal wastes to the Group. During the Year, the Group has generated 417 tonnes of construction waste which were originated from the modification work in office and reinstatement work for shops. In an effort to reduce non-hazardous waste, we encourage :-

- Utilising recycling bins to collect used paper, cardboard boxes and packing materials and arranging contractors to collect them for reuse or recycling;
- Sourcing environmentally friendly printing paper;
- Creating paperless working environment by encouraging internal communications with emails;
- Duplex printing and using scrap paper for notepads; and
- Reusing items whenever possible.

During the Year, the Group did not find any non-compliance with laws and regulations related to emissions.

USE OF RESOURCES

The Group is committed to using resources wisely and efficiently and reducing waste generation within our operations. Throughout our operations, we progressively exercise various resource-saving measures addressing the saving of energy, water, paper and other office supplies.

Electricity Consumption

The Group realises the phenomenon of climate change mainly attributed by electricity overconsumption. In the light of the importance of electricity to the operation and business, the Group exerts more efforts on electricity consumption reduction and thereby setting targets to :-

- Gradually reduce electricity consumption and enhance energy efficiency across all department stores, retail shops, offices and warehouse; and
- Prioritise the use of energy-saving, high efficiency and environmentally-friendly equipment whenever possible.

Lighting is essential no matter in offices or stores operation. Aiming at preventing overconsumption of electricity, the Group has implemented electricity-saving measures which include :-

- Maximise natural light in the workplace if practicable;
- Keep light fixtures and lamps clean to maximise their efficiency;
- Separate light switches for different light zones;
- Install dimmers where possible to adjust light intensity;
- Remind staff to switch relevant office equipment and electronic appliances to energy-saving mode, e.g. enabling the printers and computers to automatically power down after a period of inactivity; and
- Consider using appliances that meet the Grade 1 standard of the Electrical and Mechanical Services Department's energy efficiency label whenever replacing office equipment or procuring renovation materials.

Water Consumption

Focusing on retail business which does not involve any activities requiring substantial water consumption, like manufacturing or dyeing process, the Group does not regard water consumption as a material environmental issue to the Group. Nevertheless, we have taken measures to control the consumption of water in workplace. We have put up water saving reminder labels in pantries and washrooms to advise staff to close the faucet after use. We also preferably select products with Water Efficiency Labels and reduce water pressure to the lowest practical level. Whenever there is malfunction of water-related apparatus, such as dripping tap, we require building management to fix it immediately.

In the long-term, we target on the gradual increase of water-use efficiency across all department stores, retail shops, offices and warehouse to achieve sustainability.

Packaging Materials

Concerning the usage of packaging materials, the Group endeavours to monitor the packaging materials regularly to avoid overstock. Meanwhile, the Group aims to minimise packaging materials, especially when organising events, by avoiding over-packaging, luxury packaging and gift wrapping for festivals as far as possible.

ENVIRONMENTAL AND NATURAL RESOURCES

The Group's business operation does not pose significant risks to the ambient environment and natural resources. The Group considers the use of electricity, vehicles and other office supplies may possibly cause influences to the environment. Aforementioned, relevant principles and policies are developed for controlling the environmental risks from the operation of the Group.

CLIMATE CHANGE

The Group considers climate change as the most concerned environmental issue and is committed to reducing its emissions in operation. Extreme weather conditions incurred by climate change will probably cause disruption in daily operation of our department stores and retail shops, and difficulties in commuting for employees. To improve climate resilience, the Group has formulated corresponding work arrangements under typhoons and rainstorms. The Group will notify employees of the relevant special work arrangements in a timely manner to ensure the safety of employees. The Group will continue to keep track of climate-related issues and assess and monitor climate-related risks to optimise its management from time to time.

ENVIRONMENTAL PERFORMANCE SUMMARY

During the Year, the details of environmental KPIs are summarised as follows^{1,2}:-

	Unit	2022	2021
Exhaust emissions³			
Nitrogen oxides	kg	14.28	12.55
Sulphur oxides	kg	0.44	0.39
Particulate matter	kg	1.05	0.92
GHG Emissions⁴			
Total GHG Emissions	tCO ₂ e	2,075	2,752
Total GHG Emissions intensity	tCO ₂ e / HK\$ million of revenue	1.404	1.664
Scope 1 – Direct emissions ⁵	tCO ₂ e	81	71
Scope 2 – Energy indirect emissions ⁶	tCO ₂ e	1,898	2,537
Scope 3 – Other indirect emissions ⁷	tCO ₂ e	96	144
Wastes			
Hazardous waste⁸			
Total hazardous waste produced	tonnes	2	0
Total hazardous waste produced intensity	tonnes / HK\$ million of revenue	0.001	0
Non-hazardous waste⁹			
Total non-hazardous waste produced	tonnes	34	36
Total non-hazardous waste produced intensity	tonnes / HK\$ million of revenue	0.023	0.022
Energy consumption			
Total energy consumption	MWh	3,753	4,233 ¹⁰
Total energy consumption intensity	MWh / HK\$ million of revenue	2.539	2.559 ¹¹
Indirect energy consumption – Electricity consumption ¹²	MWh	3,464	3,977
Direct energy consumption – Fuel consumption ¹³	MWh	289	256 ¹⁴
Water consumption¹⁵			
Total water consumption	m ³	1,264	1,256
Total water consumption intensity	m ³ / HK\$ million of revenue	0.855	0.759
Packaging materials¹⁶			
Total packaging material used	tonnes	7	6
Intensity of packaging material used	tonnes / HK\$ million of revenue	0.005	0.004

Notes :-

- ¹ Unless otherwise specified, the environmental data covers our Hong Kong operations comprising the department stores, retail shops, warehouses and offices.
- ² The Group's revenue from Hong Kong operations was used as the denominator to calculate intensity for each indicator. The Group's revenue from Hong Kong operations for the years ended 31st March, 2022 and 31st March, 2021 was HK\$1,478 million and HK\$1,654 million respectively.
- ³ The emission factors are adopted from the "Appendix 2 : Reporting Guidance on Environmental KPIs" issued by HKEX.
- ⁴ The calculation methodology of GHG emissions takes reference from "Appendix 2 : Reporting Guidance on Environmental KPIs" issued by HKEX, and the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purpose) in Hong Kong" published by the Environmental Protection Department and the Electrical and Mechanical Services Department. The Group's GHG emissions include carbon dioxide, methane and nitrous oxide, and is presented in tonnes of carbon dioxide equivalent (tCO₂e) for better readability.
- ⁵ Scope 1 refers to direct GHG emissions, which include fuel consumption by vehicles.
- ⁶ Scope 2 refers to indirect GHG emissions, which include electricity purchased from power companies.
- ⁷ Scope 3 refers to indirect GHG emissions, which include paper consumption, emission from water usage and processing, business travel by staff, and display items waste disposal. The emission factor of general waste in Carbon Audit Toolkit for Small and Medium Enterprises in Hong Kong is adopted for that of display items waste disposed by the Group.
- ⁸ Hazardous waste includes various types of electronics devices, components and accessories, such as battery, computer monitor and server.
- ⁹ Non-hazardous waste includes display items waste and paper waste.
- ¹⁰ The Group has reviewed the total energy consumption in 2021 and accordingly restated the relevant data in the Year.
- ¹¹ The Group has reviewed the total energy consumption in 2021 and accordingly restated the total energy consumption intensity in the Year.
- ¹² Indirect energy consumption is derived from purchased electricity consumption and is calculated according to the actual amount consumed.
- ¹³ Direct energy consumption is derived from the fuel consumption of vehicles and is calculated with the conversion factors sourced from the Energy Statistics Manual issues by International Energy Agency.
- ¹⁴ The fuel consumption in 2021 is 26,398 litres and is restated in the unit of MWh in the Year.
- ¹⁵ Water consumption is calculated based on the actual amount consumed.
- ¹⁶ Packaging materials include plastic bags, paper bags and watch packaging bags.

EMPLOYMENT AND LABOUR PRACTICES

The Group recognises that human resources are its valuable asset and therefore, strives to provide employees a safe and congenial working environment. In the meantime, we promote career development and training, competitive remuneration, human rights and a healthy living style with a work-life balance to motivate all our personnel.

EMPLOYMENT

As an equal opportunity employer, the Group treats staff equally without discrimination of any kind. The Group encourages fair recruitment, employment, remuneration, training opportunity, transfer and promotion regardless of their social identities such as ethnicity, nationality, gender, religion, age, sexual orientation, political faction or marital status. The Group recruits individuals through an equitable selection process with clear job requirements. Performance of staff no matter for promotion, probation or annual adjustment of salary and benefit are evaluated through appraisal. The Group gives priority to internal promotion over external hiring. Promotion shall be based on factors that are crucial to particular teams, such as job knowledge and skills, sales performance and work attitude for staff from sales team, and control of staff retention for managerial level staff.

To attract, retain and motivate staff, the Group devises a competitive compensation and benefits package. Apart from basic leave and compensation, we entitle our employees several kinds of paid leave and allowance, for instance, maternity leave, paternity leave, examination leave, compassionate leave, education allowance and work-induced transportation allowance. We also provide employees' compensation insurance and medical, life and disability insurance which covers general practitioner, specialist care and hospitalisation to our employees.

The Group always advocates equal opportunity and anti-discrimination in workplace. Equal opportunity policies regarding vilification, victimisation, harassment, sex discrimination, disability discrimination, family status discrimination and race discrimination are also formulated to create a healthy corporate culture. The Group has no tolerance for any violation of the equal policies. Anyone breaching the equal opportunity policy will be disciplined, including termination of employment and may prosecute under Hong Kong laws in some circumstances.

The Group strictly abides by the regulations and legislation "Employment Ordinance" (Chapter 57 of the Laws of Hong Kong). No breach of any regulation and legislation is found during the Year.

As at 31st March, 2022, the distribution of our permanent staff are categorised as follows :-

Employment	2022
Total Number of Staff	476
Permanent Staff	
Total Number of Permanent Staff	448
By Gender	
Male	174
Female	274
By Age Group	
Below 31 years old	53
31-40 years old	94
41-50 years old	125
51-60 years old	122
Above 60 years old	54
By Type of Employment	
Permanent	448
Temporary / Part-time	28
By Geographical Location	
Hong Kong	448
Staff Turnover Rate	
Total Staff Turnover Rate	29%
By Gender	
Male	29%
Female	30%
By Age Group	
Below 31 years old	77%
31-40 years old	39%
41-50 years old	22%
51-60 years old	14%
Above 60 years old	19%
By Geographical Location	
Hong Kong	29%

HEALTH AND SAFETY

The Group always emphasises on staff's well-being and safety in workplace and strives to provide a comfortable and safe environment to our staff.

We are well-prepared for the unexpected emergency that could possibly threaten our safety. We follow government's guidelines relating to severe weather warnings such as typhoons and rainstorm. For fire hazards, smoking either in office or sales floors are prohibited.

For promoting occupational safety and health ("OSH"), we provide occupational safety briefings to our new hire and inculcate proper manual handling concepts in our staff through various means, including video clips. We conduct assessment of manual handling operations and risk assessment in workplace regularly and keep observing and further assessing the cases of improper manual handling operations. In addition to internal OSH briefing, we annually nominate our employees to attend OSH courses organised by Occupational Safety and Health Council and first aid courses organised by professional organisation, such as Hong Kong St. John Ambulance. For one thing, creating a safe working environment to our staff is our prime corporate responsibility. For another, spreading OSH awareness within the Group could potentially reduce our operation risks.

During the Year, the outbreak of COVID-19 pandemic sweeping the globe is yet to be contained. The Group does not slacken but continuing to take necessary preventive steps and anti-epidemic measures for safeguarding staff's health, maintaining seamless service to customers and minimising disruption to our business, albeit the sign of turning corner for Hong Kong COVID-19 situation. The relevant measures implemented include :-

- Providing antibacterial hand sanitizers and surgical masks to staff;
- Avoiding social and meal gatherings while lunch takeaway is highly recommended;
- Allowing for flexible working and lunch hours to avoid commuting crowds;
- Temperature checking for staff and visitors before entering into office;
- Self-tests for COVID-19 before back to work;
- Work from home arrangement for staff;
- Encouraging to take advantages of telephone conferences instead of face to face meetings; and
- Promoting workplace hygiene.

The Group strictly abides by the regulations and legislation "Employees' Compensation Ordinance" (Chapter 282 of the Laws of Hong Kong) and "Occupational Safety and Health Ordinance" (Chapter 509 of the Laws of Hong Kong). No breach of any regulation and legislation is found during the Year. Occupational safety and health statistics in the past three years are summarised :-

Health and Safety	Unit	2022	2021	2020
Number of Work Related Fatalities	case	0	0	0
Number of Work Injuries	case	4	4	6
Lost Days Due to Work Injury	day	565 ¹	17	67

Note :-

¹ An upsurge in lost days was due to two prolonged injury cases during the Year.

DEVELOPMENT AND TRAINING

The Group believes skilled and professionally trained staff are key to the long-term business growth and future success. On this ground, we are willing to support our staff to enhance their competitiveness through different means. We organise regular training courses to strengthen their flexibility in the growing complexity of the marketplace. We encourage and support our staff to participate in various training and activities to enrich their knowledge and experience in multifarious aspects.

We have organised tailor-made courses for staff from different departments. For new joiners, we organise an orientation programme for them to get familiar with the Group's culture, policies and procedures. Regular training courses we provided to frontline sales staff are mainly related to new fashion trends and consultative selling skills. Contents of fashion courses are adjusted according to the market and seasonal trends so that staff are able to keep abreast of the fashion industry. To further elevate customer experience, we even provide our cashiers with a training course for improving the service quality. Besides frontline staff, we offer training to manager-level staff.

Apart from the above, the Group subsidises staff at all levels to pursue relevant external educational or training opportunities that achieve personal growth and professional development. Full pay examination and study leave are granted to staff for sitting relevant professional qualification examinations.

Development and Training	2022	
	Percentage of Staff Trained (%)	Average Training Hours (hour)
Total	51	3.10
By Gender		
Male	39	2.43
Female	58	3.52
By Employee Category		
Management	64	5.80
Other Permanent Staff	46	2.20

LABOUR STANDARDS

Employment of child labour and forced labour is forbidden across the Group. No child and forced labour is employed during the Year. Human Resources Department ("HR") is obligated to regularly review the recruitment process to prevent child and forced labour. The recruitment process follows the Group's procedures and policies as well as local regulations. HR will check applicants' documents such as identity cards, academic certificates, and previous jobs reference to confirm if their identities, educational background and working experiences match their supporting documents.

Moreover, staff are not encouraged to work beyond working hours. Temporary staff will be recruited to meet our seasonal demands. If overtime work is required, the relevant staff and superiors will agree mutually in advance.

During the Year, the Group did not find any non-compliance with laws and regulations related to preventing children or forced labour.

OPERATING PRACTICES

ANTI-CORRUPTION

The Group holds zero tolerance for any corruption, fraud or other conducts and is committed to maintaining openness, uprightness and accountability. The Group has developed a Code of Conduct together with a whistle-blowing policy and an anti-corruption policy to strictly prohibit any unethical behaviour, including bribery and soliciting advantages from persons having business relations with the Group. Staff are encouraged to utilise the corruption reporting systems and whistle-blowing channels to report any illegal activities within the Group.

For the sake of creation of a healthy corporate culture, the Group has organised several anti-corruption trainings to directors and our staff. The training enhances their understanding of anti-corruption and coping capacity towards conflict of interest.

During the Year, there are no legal cases regarding corrupt practices brought against the Group or our staff. Total number of concluded legal cases and training records in pertinent to anti-corruption is summarised :-

Anti-corruption	2022	2021
Total number of concluded legal cases regarding corrupt practices brought against the Group or its staff	0	0
Anti-corruption Training		2022
Total Number of Staff Trained		89
Total Training Hours (hour)		143

SUPPLY CHAIN MANAGEMENT

As product safety and quality are primary selection criteria for customers, a careful supplier selection is critical to our business. Having developed a written procurement policy with standardised criteria for selection, we ensure an honest, competitive, unbiased and transparent selection process. On-site visits are carried out when necessary to have the best suppliers selected. We evaluate suppliers' performance annually to eliminate the unsatisfied from the list of qualified suppliers.

We screen the qualified suppliers based on several factors, like brand reputation, financial stability, product quality and safety, delivery, production capacity, comprehensive policies and regulatory requirement compliance. We give priority to those companies complying with local laws and internationally recognised standards, regarding social responsibility, quality assurance, occupational health and safety, supply chain management, anti-bribery, anti-corruption and other unethical business practices. This procedure is able to review social risks of suppliers.

Green procurement is one of our main strategies in supply chain management. We look for suppliers with outstanding environmental performance. Besides, we realise the geographical location is closely related to carbon footprint. The more accessible the origin of a supplier is, the more carbon footprint reduction we can achieve throughout the journey.

Not only do we take account of green suppliers for our business but we procure eco-friendly products to support our daily operation in office. We encourage our staff to use eco-friendly stationeries and purchase products that utilise clean technology or clean fuels.

The following table summarises the geographical distribution of our suppliers :-

Suppliers	2022
Total Number of Suppliers	643
By Geographical region	
Hong Kong	178
Taiwan	2
PRC	2
Japan	18
Korea	22
North America	156
Europe	239
Others	26

PRODUCT RESPONSIBILITY

Customer Services

The Group has earned trusted relationships with its customers through providing dedicated customer services. In order to provide a pleasant customer experience to customers, the Group adopts a mystery shopping strategy to seek improvement in service quality. The Group has engaged a marketing research company as our mystery shopper for independent and objective feedback. The evaluation criteria include staff's attitude, professional image, shop cleanliness and merchandise displays, extent of customer satisfaction and sale process. The Group will listen to diverse views and make refinements on business strategy to cater for customer needs.

The Group is willing to listen to all disputes and complaints lodged by customers. Every complaint is investigated and resolved in a prompt and fair manner. All complaints received are referred to and handled by the Customer Relation team.

During the Year, the number of written complaints received and the corresponding resolving rate are as follows :-

Product Responsibility	2022	2021
Total Number of Complaints Received	7	11
Complaints resolving rate (%)	100	100
Total products sold subject to recalls for safety and health reasons	0	0

Customer Data Protection and Privacy Policy

The Group places utmost importance on consumer privacy and is dedicated to preventing personal information divulgence of our consumers. We guarantee customers' personal information is securely kept and processed whenever we are authorised. We strictly adhere to the applicable personal protection regulations that prohibit any unauthorised access to our consumers' personal data. Added to the above, internet security is indispensable for preventing information divulgence. We have developed a set of information technology security policies, such as password policy and anti-virus policy, to promote proper use of information system.

Protection of Intellectual Property

The Group builds up its intellectual property rights which are crucial to business operations, customer recognition and reputation. The Group protects these rights by registration of domain names and trademarks in various classes in Hong Kong and other relevant jurisdictions. In addition, the Group's trademarks and domain names are constantly monitored and renewed upon their expiration. The Group shows the respect for intellectual property in workplace by requiring staff to apply for software installation to avoid infringement.

Furthermore, a confidentiality and non-disclosure agreement related to intellectual property of the Group will be signed between us and contractors, design architects and franchisees where applicable. All intellectual property rights in the documents, drawings and specifications provided by the Group shall be vested in the Group. Our confidential information shall be protected by the agreement that is governed by local law.

During the Year, the Group was not aware of any material non-compliance with the relevant laws and regulations related to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

COMMUNITY INVESTMENT

As part of the community, the Group is committed to support and make contribution to the community. The Group encourages our staff to contribute to the local communities through participating in volunteering and fund raising events. Apart from making cash donations, the Group also donates merchandises to approved charities to share the fruits of our success.

Meanwhile, we have placed sustainable deposits aligning to the SDGs in several financial institutions for the purpose of addressing global and local long-term risks, such as climate change, health, financial inclusion and education, and supporting sustainable finance.

INDEX OF HKEX ESG REPORTING GUIDE

Aspects		Page
A. Environmental		
Aspect Emissions	A1 : General Disclosure	4
	A1.1 The types of emissions and respective emissions data.	7
	A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	7
	A1.3 Total hazardous waste produced and intensity.	7
	A1.4 Total non-hazardous waste produced and intensity.	7
	A1.5 Description of emissions targets set and steps taken to achieve them.	4
	A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction targets set and steps taken to achieve them.	5
Aspect Use of Resources	A2 : General Disclosure	5
	A2.1 Direct and / or indirect energy consumption by type in total and intensity.	7
	A2.2 Water consumption in total and intensity.	7
	A2.3 Description of energy use efficiency targets set and steps taken to achieve them.	5
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency targets set and steps taken to achieve them.	6
	A2.5 Total packaging material used for finished products.	7
Aspect The Environment and Natural Resources	A3 : General Disclosure	6
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6
Aspect Climate Change	A4 : General Disclosure	6
	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.	6

INDEX OF HKEX ESG REPORTING GUIDE (cont'd)

Aspects		Page
B. Social		
Aspect Employment	B1 : General Disclosure	9
	B1.1 Total workforce by gender, employment type, age group and geographical region.	10
	B1.2 Employee turnover rate by gender, age group and geographical region.	10
Aspect Health and Safety	B2 : General Disclosure	11
	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	11
	B2.2 Lost days due to work injury.	11
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	11
Aspect Development and Training	B3 : General Disclosure	12
	B3.1 The percentage of employees trained by gender and employee category.	12
	B3.2 The average training hours completed per employee by gender and employee category.	12
Aspect Labour Standards	B4 : General Disclosure	12
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	12
	B4.2 Description of steps taken to eliminate such practices when discovered.	12
Aspect Supply Chain Management	B5 : General Disclosure	13
	B5.1 Number of suppliers by geographical region.	14
	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.	13
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	13
	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	13

INDEX OF HKEX ESG REPORTING GUIDE (cont'd)

Aspects		Page
B. Social (cont'd)		
Aspect Product Responsibility	B6 : General Disclosure	14
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	14
	B6.2 Number of products and service related complaints received and how they are dealt with.	14
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	15
	B6.4 Description of quality assurance process and recall procedures.	14
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	15
Aspect Anti- corruption	B7 : General Disclosure	13
	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.	13
	B7.2 Description of preventive measures and whistle-blowing procedures and how they are implemented and monitored.	13
	B7.3 Description of anti-corruption training provided to directors and staff.	13
Aspect Community Investment	B8 : General Disclosure	15
	B8.1 Focus areas or contribution.	15
	B8.2 Resources contributed to the focus area.	15