

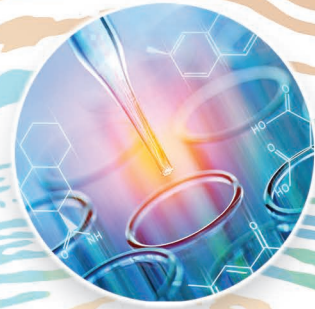


**CK Life Sciences Int'l. (Holdings) Inc.**  
長江生命科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 0775)

# Sustainability Report 2023

**ADVANCING LIFE SCIENCES SUSTAINABLY**





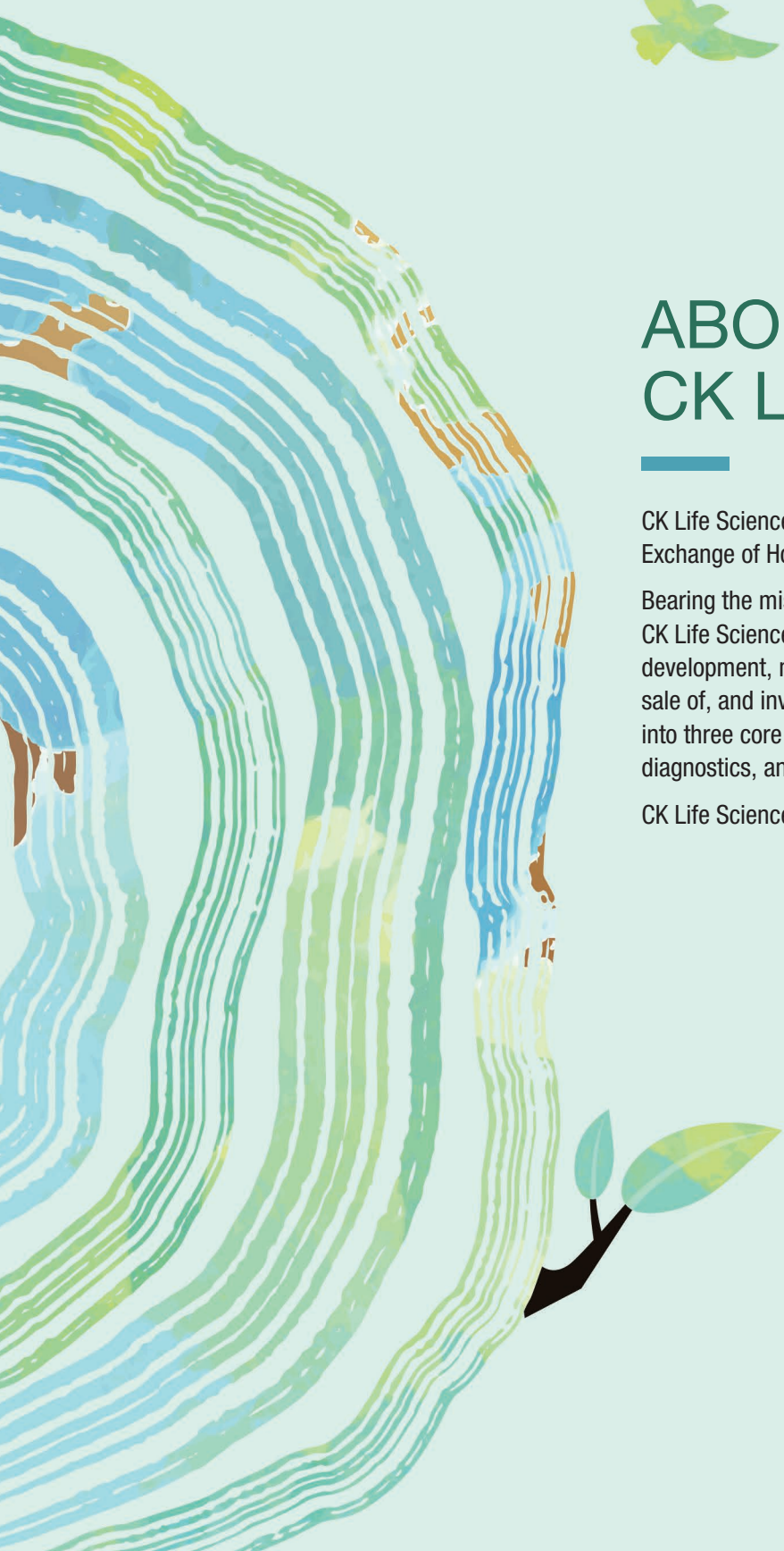
# ABOUT CK LIFE SCIENCES

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CK Life Sciences Int'l., (Holdings) Inc. is listed on the Stock Exchange of Hong Kong Limited.

Bearing the mission of improving the quality of life, CK Life Sciences is engaged in the business of research and development, manufacturing, commercialisation, marketing, sale of, and investment in products and assets which fall into three core categories: nutraceuticals, pharmaceuticals & diagnostics, and agriculture-related.

CK Life Sciences is a member of the CK Hutchison Group.



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## 1.1 ABOUT CK LIFE SCIENCES



**CK Life Sciences Int'l., (Holdings) Inc. (“CK Life Sciences” or the “Company”, together with its subsidiaries, the “Group”) is listed on the Stock Exchange of Hong Kong Limited. CK Life Sciences is a member of the CK Hutchison Group. Bearing the mission of improving the quality of life, CK Life Sciences is engaged in the business of research and development, manufacturing, commercialisation, marketing, sale of, and investment in products and assets which fall into three core categories:**



## AGRICULTURE-RELATED BUSINESS

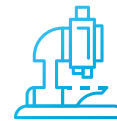
The agriculture-related businesses comprise operations in Australia and New Zealand. Australian Agribusiness (Holdings) Pty Ltd (“Australian Agribusiness”) engages in the manufacturing, wholesale and retail of plant protection and specialty nutrition products. Australian Agribusiness comprises two operating divisions: Crop Solutions (“CS”) and Consumer and Professional Solutions (“CPS”). The combined capabilities of CS and CPS include Toll Formulation and Manufacturing, Storage and Handling, Product Development, Laboratory Services, Regulatory Services, Global Procurement and Sales and Distribution.

The Group also owns an extensive vineyard portfolio in Australia and New Zealand, and the Group’s Salt business, comprising Cheetham Salt Limited (“Cheetham”) in Australia, Dominion Salt Limited (“Dominion”) in New Zealand and Cheetham Garam Indonesia, is the largest producer of value-added salt for the domestic markets in Australia and New Zealand.



## NUTRACEUTICAL BUSINESS

The nutraceutical portfolio comprises Santé Naturelle A.G. Ltée (“SNAG”) in Canada, Vitaquest International Holdings LLC (“Vitaquest”) in the United States, and Lipa Pharmaceuticals Limited (“Lipa”) in Australia.



## HEALTHCARE RESEARCH AND DEVELOPMENT

The Group’s research and development operations are engaged in the research and development of pharmaceuticals focusing primarily on cancer vaccines, novel pain management products and molecular diagnostic projects targeting the early detection of cancer. The research is conducted at in-house laboratories, as well as in conjunction with partner companies and academic institutions around the world.

## 1.2 CHAIRMAN'S MESSAGE



CK Life Sciences Int'l., (Holdings) Inc. is pleased to present this year's Sustainability Report (the "Report") covering its sustainability strategies, management approach, progress, and highlights during the year from 1 January 2023 to 31 December 2023.

At CK Life Sciences, our commitment to enhancing the quality of life through human health and the environment that we live in drives us to continuously step up efforts and integrate sustainability across the Group's business operations. We believe sustainability is essential to the Group's long-term success and key to navigating future challenges and spurring innovation for untapped opportunities. This Report will give an overview of our sustainability progress and its role in the future direction of the business.

2023 was an eventful year in which extreme weather events have increased in both frequency and severity, presenting challenges to the resilience of businesses around the globe and, at the same time, putting global climate commitments and decarbonisation at the forefront of the climate agenda. The Group believes that the planet and the Group's business operations are interconnected and codependent and has dedicated efforts to mitigating climate-related impacts and adapting to new conditions by identifying and addressing the associated challenges and opportunities. We have identified climate-related issues that may have a substantial financial or strategic impact to inform the direction of our sustainability strategy. To further foster environmental stewardship, we have implemented numerous programmes across our supply chain to appraise and select suppliers based on their sustainability performance.

Building on the kickoff of our journey to align our reporting to the Task Force on Climate-Related Financial Disclosures (“TCFD”) framework in the previous year, we have further escalated efforts this year to identify and prioritise climate-related risks and opportunities that could have a significant impact on our business operations. We will continue to review these climate-related risks and opportunities and evaluate their impact on our business, not only to align our climate-related disclosures with the international and local climate reporting framework, but also to serve as a cornerstone for our low-carbon transition in the future.

With the intention to achieve continuous improvement in environmental performance, our business units continued to closely monitor the progress of environmental targets, covering areas including the reduction of greenhouse gases (“GHG”), energy and water intensity, transition of energy sources to renewables, promotion of waste reduction and cultivation of a recycling culture. Through monitoring our progress towards targets, we identify opportunities for improvement and delineate the areas requiring innovation and transformation, which serve as a roadmap to guide our business strategy and sustainability agenda.

Aware of the delicate balance of life that we depend on, the Group has reinforced its dedication to environmental stewardship by instituting the Biodiversity Policy in February 2024, placing the safeguarding of nature and respect for all lives at the heart of its corporate strategy for sustainable, long-term growth. The Biodiversity Policy applies across the Group’s operations and serves as a directive for our collective efforts to nature biodiversity.

Our people are the backbone of our business operations and long-term success. Striving to be employers of choice, we stepped up efforts to establish a productive, inclusive and rewarding workplace. Competitive remuneration, a clear career pathway and equal development opportunities are provided to employees. Through benchmarking the roles with market standards, we continued to improve relevant policies to promote employees’ well-being and facilitate their all-round development.

Committed to embracing diversity and fostering a supportive, inclusive and discrimination-free workplace, the Group established the Anti-Harassment Policy in October 2023 to ensure a safe and respectful workplace where harassment of any kind is not tolerated. Coupled with the Workforce Diversity Policy launched in February 2024, the Group is embedding diversity and inclusion into its core practices and culture.

Our dedication to promoting sustainability also extends to the community. We employ locally as much as possible and contribute to community engagement programmes, endeavouring to create a positive impact on the local communities in which our businesses operate.

2023 has continued to present the world with profound challenges and ongoing changes worldwide. As we navigate our businesses through these challenges, sustainability has always been at the heart of our business operations. We will continue to position sustainability as our competitive advantage for continued growth.

Finally, I would like to take this opportunity to express my deepest gratitude to our people, who have demonstrated unwavering loyalty and diligence throughout the challenging year and played a massive role in our achievements. Thanks to their dedication and vision, we have managed to advance the economic, environmental and social sustainability of our operations.

Once again, I would like to take this opportunity to thank our shareholders, Board of Directors, and staff for their continued support.

**Victor T K Li**  
Chairman

19 March 2024

## 1.3 2023 HIGHLIGHTS

During the year, we have stepped up our effort in sustainable development, supported by relevant, measurable framework and targets. Below is the summary of our 2023 sustainability highlights:

# ENVIRONMENT



Continue to monitor environmental-related targets across the Group's businesses



Total GHG emissions intensity maintained at **0.011** tonne CO<sub>2</sub>e/HK\$'000 revenue



Total energy intensity maintained at **0.039** kWh/HK\$'000 revenue



Total tonnes of packaging material used

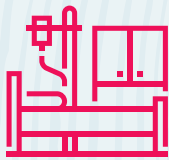
**↓ 9%**

(as compared with 2022)





# SOCIAL



Work-related  
Fatalities in the Past  
Three Years **0**



Lost Time Injury Rate  
**5.0**  
(↓58% as compared with 2022)



Number of suppliers  
engaged **4,272**

# GOVERNANCE



Moving forward in the journey to  
climate-related disclosure to identify  
and prioritise the climate-related risks  
and opportunities

## 1.4 ABOUT THIS REPORT

This Sustainability Report provides an overview of the Group's sustainability strategies, management approach, progress, and highlights during the year from 1 January 2023 to 31 December 2023, unless otherwise specified.

The information disclosed in this Sustainability Report covers major operations in nutraceutical and agriculture-related businesses located in the United States, Australia, and New Zealand. These businesses contributed over 80% of the Group's revenue in the year ended 31 December 2023.

This Report is prepared with reference to the Environmental, Social and Governance Reporting Guide ("ESG Guide") contained in Appendix C2 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The ESG Guide Content Index set out on pages 79 to 87 contains information on the extent to which the Group has applied the ESG Guide and cross-references the relevant sections in this Report.

This Report should be read in conjunction with the Group's 2023 Annual Report, which contains a comprehensive review of its financial performance and corporate governance, and also key policies published on the Group's website. The content of this Report follows the ESG Guide reporting principles:

- **Materiality**

We focus on matters that impact business growth and are of importance to our stakeholders. For more information, please refer to "Materiality Assessment" on page 14.

- **Quantitative**

Information regarding the standards, methodologies, assumptions and/or calculation references, and sources of key conversion factors used for these key performance indicators ("KPIs") is stated wherever appropriate.

- **Balance**

This report discloses information in an objective manner, aiming to provide the report reader with an unbiased picture of the Group's overall sustainability performance.

- **Consistency**

Consistent methodologies are adopted when calculating the quantitative KPIs unless otherwise specified. Reasons would be provided for any restating of information published in the Report.

**This Report is available online unless specific requests are received for a hard copy with a view to reducing paper consumption to promote environmental protection.**



## 2.1 APPROACH TO SUSTAINABILITY



As part of our commitment to sustainability, our primary focus revolves around managing our operations with the utmost responsibility and sustainability while ensuring transparency and accountability to all our stakeholders. This year signifies a significant milestone for the Group in our journey to climate-related disclosure, as the Group undertook a climate risk identification exercise to identify climate-related risks and opportunities with the most significant potential impact on the Group's operations. At the same time, the Group continues to closely monitor and review the environmental targets developed with business units for enhancing sustainability across our diverse businesses.

### 2.1.1 SUSTAINABILITY PILLARS AND POLICIES

The Group's sustainability strategy and priorities are built on four pillars, namely The Business, The People, The Environment and The Community. Each pillar is supported by Group-wide policies, leadership at the Group level and collective efforts across its businesses. These four pillars guide the Group in setting the overall direction of its sustainability strategy to integrate sustainability across all operations of the Group. The Group has policies, procedures and guidelines in place to support management in addressing material sustainability issues across the Group, as described throughout this Report.

#### The Group's Sustainability Pillars





## BUSINESS

- Enhance **long-term return** for its shareholders.
- Focus on **sustainable development** of its businesses and the communities in which it operates.
- Comply with all relevant and **applicable laws** and **regulations** within its operational frameworks.
- Conduct business with uncompromising **integrity**.
- **Safeguard** against unfair business practices.
- Achieve a **high standard of corporate governance** and emphasise a quality board, sound internal control, transparency and accountability to all stakeholders.



## PEOPLE

- Uphold a high standard of **business ethics** and the **personal conduct** of its employees.
- Adhere to **non-discriminatory** employment practices and procedures.
- Provide a **positive work environment** that values the wide-ranging perspectives inherent in its diverse workforce.
- Foster **individual growth** and achievement of business goals and offer a wide range of training and development programmes and interest courses and activities.
- Maintain proper systems to ensure **internal equity and external competitiveness** in staff remuneration and recognition.
- Provide a **safe workplace** for all its employees.



## ENVIRONMENT

- Comply with or exceed the relevant laws and regulations to **control any GHG** emissions, discharges into water and land, and waste generation.
- Set targets and review and assess the results regularly to ensure the efficiency of the **measures to control emissions**.
- Monitor and manage the **use of resources**, including energy, water and other raw and packaging materials.
- **Minimise the impact** of its business activities on the environment and natural resources.
- Develop and implement **environmentally-friendly** products and processes with potential commercial applications.
- Encourage and provide support for conservation and **environmental protection** programmes.

These principles are adopted across the Group and implemented by each business unit based on local social, economic and environmental needs. Compliance and implementation of these principles are continuously monitored through regular management reviews and reporting.

For more information on relevant policies and procedures in place, please refer to the Sustainability Policies and Corporate Governance Policies on the Group's corporate website.



Sustainability Policy

<https://www.ck-lifesciences.com/eng/content.php?page=Sustainability-Policies>



Corporate Governance Policy

<https://www.ck-lifesciences.com/eng/content.php?page=Governance>



## COMMUNITY

- Consult with **local communities** and undertake initiatives catering to the needs and benefits of the communities within which it operates, with a focus on employee volunteerism, education, medical, health and elderly care, arts and culture, sports and disaster relief.
- Implement internal guidelines and controls on **donations** and **contributions** to safeguard stakeholders' and shareholders' interests.
- Encourage employees to play a **positive** and active role in the community.

### 2.1.2 STAKEHOLDER ENGAGEMENT

Committed to transparent and open dialogue with our stakeholders, the Group continually engages with our key stakeholders to gain insight into their perspectives and expectations on pertinent matters. The Group’s businesses are diverse and involve a broad spectrum of stakeholders, such as employees, customers, business partners, suppliers, local communities, governmental authorities and non-governmental organisations. The Group gathers feedback from stakeholders regularly through diversified channels, including meetings, interviews, workshops, surveys and feedback programmes.

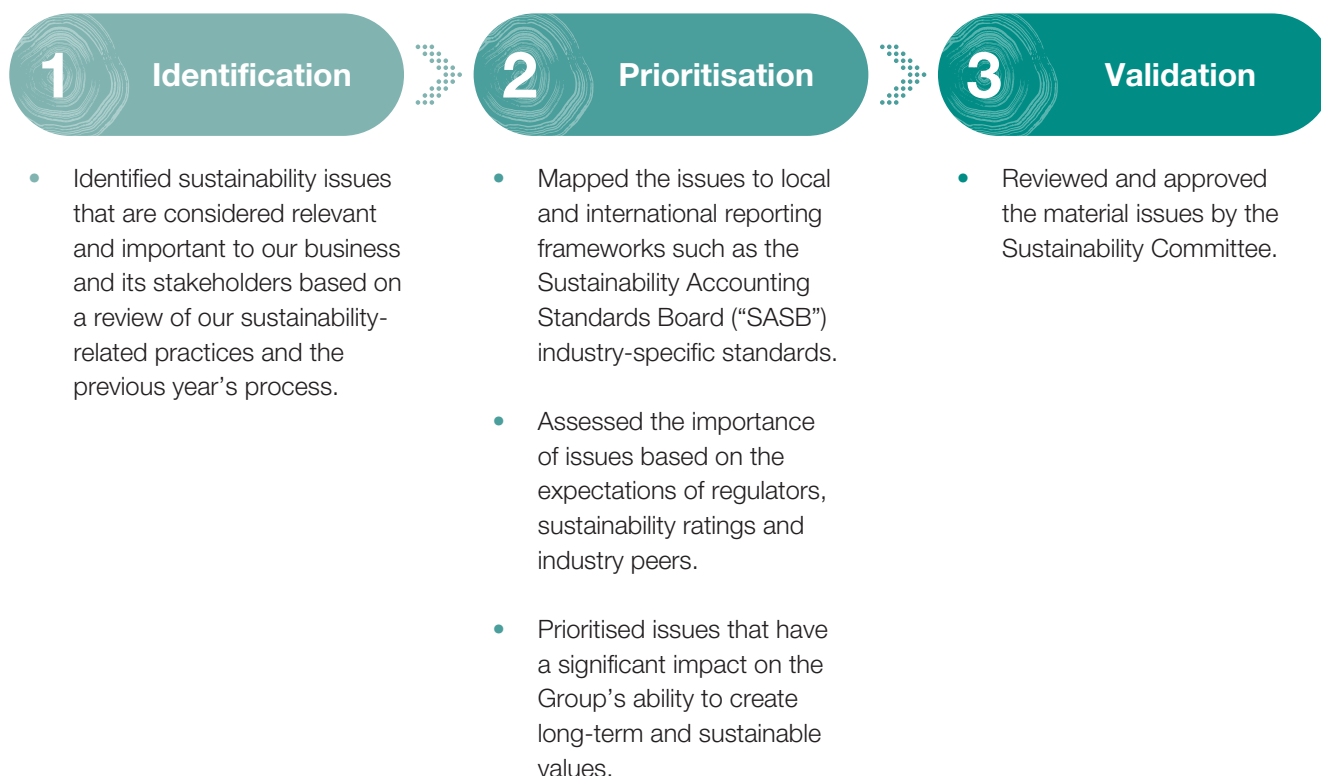
The Group takes stakeholders’ input into account to comprehend the shift in market needs and support the Group’s decision-making in relation to sustainability practices, initiatives and disclosures.

### 2.1.3 MATERIALITY ASSESSMENT

The Group strives to understand the internal and external factors that affect its businesses, in order to ensure their positive impact on society. The Group identifies the sustainability issues deemed most important to our stakeholders and businesses through the materiality assessment process. The outcomes of the materiality assessment guide our approach to sustainability, inform our strategy and reporting, and empower us to concentrate our efforts on the risks, opportunities, issues and impacts that matter most to our stakeholders.

Our most recent materiality assessment was carried out in 2020. As there were no significant structural changes in the Group’s businesses, the results continue to reflect the main topics raised by stakeholders.

#### Materiality Assessment Process





The material sustainability issues identified were:

Material sustainability issues	Group-wide	Agriculture-related business	Nutraceutical business
<b>Environment</b>			
Energy consumption		✓	✓
Climate change		✓	
Waste management			✓
Water use		✓	✓
<b>Social</b>			
Human capital development		✓	✓
Occupational health & safety		✓	
Supply chain management		✓	✓
Product responsibility		✓	✓
<b>Governance</b>			
Corporate Governance	✓		
Business ethics	✓		



## 2.2 SUSTAINABILITY GOVERNANCE



The Group's commitment to sustainability is supported by a robust sustainability governance structure that stretches across all levels of the Group. The sustainability governance structure is composed of the Board, the Sustainability Committee and the Sustainability Working Group, which is made up of key individuals tasked with the responsibility of the Group's various business sectors. It guides businesses in implementing a sustainability strategy, managing goals and target setting and reporting processes, strengthening relations with internal and external stakeholders, and ensuring overall accountability. Sufficient resources have been dedicated to managing and monitoring sustainability matters, including climate-related risks and opportunities.



## THE BOARD

- Has ultimate accountability for the Group's sustainability and climate strategy, management, performance and reporting.
- Examines and approves the Group's sustainability-related objectives, strategies, priorities, initiatives and goals, targets as well as the significant policies and frameworks that support their achievement.

## SUSTAINABILITY COMMITTEE

- Chaired by Mr. IP Tak Chuen, Edmond, Senior Vice President and Chief Investment Officer and Executive Director, and comprising Mr. Paul Joseph TIGHE, Independent Non-executive Director, and the Company Secretary as members.
- Has an overarching role in supporting the Board on sustainability matters, including risks and opportunities related to climate change and oversees the implementation of the sustainability-related initiatives of the Group, including reviewing the related policies and practices, and assessing and making recommendations on matters concerning the Group's sustainability governance, strategy, planning and risks.
- Reports periodically to the Board on sustainability-related risks and opportunities, including climate-related issues, and their impact on business strategy and new investments.
- In 2023, the Sustainability Committee met twice to review the Group's sustainability plans including the progress on target setting.
- For more information, please refer to the Terms of Reference of the Sustainability Committee.

## SUSTAINABILITY WORKING GROUP

- Assists the Sustainability Committee in discharging its responsibilities and drive strategic initiatives across the Group.
- Reports to and receives feedback from the Sustainability Committee regularly.
- Maintain the awareness of the Board and the Sustainability Committee about good climate governance practices and how climate-related risks and opportunities may impact business operations.

## 2.3 PROGRESS ON CLIMATE-RELATED DISCLOSURES



Recognising that climate change presents both physical and transition risks and opportunities for our businesses, we consistently consider the impact of climate change in our strategic planning to optimise the value we deliver to our customers, investors, and the communities in which we operate. To demonstrate our progress in integrating climate-related considerations into our business operations, we have referenced the TCFD recommendations to provide updates on our progress in addressing climate change, enhancing transparency regarding our efforts in addressing climate change.

During the reporting period, the Group undertook a climate-related risk identification and prioritisation exercise to identify the risks and opportunities that could potentially impact the business operation along the value chain and across business units. Based on the identified climate-related risks and opportunities, the Group will initiate a further assessment to evaluate the climate-related impact and continuously enhance our climate-related disclosures to ensure alignment with emerging international reporting frameworks and standards, such as the TCFD recommendations and IFRS® Sustainability Disclosure Standard issued by the International Sustainability Standards Board.

### 2.3.1 GOVERNANCE

Climate considerations have been integrated into our governance structure, whereby the oversight of our climate change management and the review of our climate strategy fall under the purview of the Board. Detailed descriptions of how the Board, the Sustainability Committee and the Sustainability Working Group oversee ESG matters, including climate-related risks, are available on “Sustainability Governance” on pages 16 to 17 of this Report.

### 2.3.2 STRATEGY

Committed to mitigating and adapting to the impact of climate change, the Group has stepped up efforts in identifying and addressing the associated risks and opportunities. Physical and transition risks affect the demand, availability, quality and pricing of many of our products, as well as those of our customers, especially in the agriculture-related sector, thereby impacting our business performance.

The Group recognises the importance of ongoing assessment of potential climate-related risks to ensure proper and timely actions to mitigate the impact of climate change on the Group, and has initiated a preliminary identification and prioritisation of climate-related risks and opportunities. We have reviewed the Group’s value chain to understand the potential impact of climate-related risks and opportunities to shortlist the following climate-related risks and opportunities with the greatest potential impact.



Risks and opportunities identified				
Risk type		Timeframe	Description of risks and opportunities	Potential impact
<b>Physical risk</b>				
Acute	Flooding/ Water Damage	Short-term, Medium-term, Long-term	Flooding from heavy precipitation significantly disrupts infrastructure and operations, causing physical damage and increased costs, while adversely affecting crop health in vineyards, salt quality in salt fields, and creating supply chain disruptions.	<ul style="list-style-type: none"> <li>• Asset damage</li> <li>• Decreased revenue</li> <li>• Increased operating expense</li> <li>• Business interruption</li> </ul>
Acute	Typhoon/ extreme wind	Short-term, Medium-term, Long-term	Typhoons can cause extensive damage to infrastructure, vineyards, and salt fields, disrupt operations and supply chains, increase insurance costs, cause power outages, hinder workforce availability, and delay product delivery, leading to production loss, revenue decline, and potential reputational damage.	
Acute and chronic	Extreme heat/ rising mean temperature	Short-term, Medium-term, Long-term	Heatwaves can substantially increase energy consumption and costs, disrupt business operations and supply chains due to asset inefficiency, leading to potential health risks for employees, decrease in productivity, and negative impact on agricultural yields and salt harvesting due to heat stress, with overall effects compounded by global warming and increased demands for cooling systems.	
Acute	Wildfire	Short-term, Medium-term, Long-term	Wildfires can cause significant crop damage, yield losses, and health risks for outdoor workers, disrupt the supply chain through power outages and infrastructure damage, and negatively impact soil health, affecting future crop cycles and normal business operations.	

Risks and opportunities				
Risk type	Risks and opportunities identified	Timeframe	Description of risks and opportunities	Potential impact
<b>Transition risk</b>				
Policy & Legal	Enhanced reporting obligations	Short-term, Medium-term, Long-term	Enhanced reporting obligations increase transparency and accountability but can also raise costs due to data collection and reporting needs, with non-compliance risking reputational damage and potential loss of customers, investors, and stakeholders.	<ul style="list-style-type: none"> <li>Increased compliance expenses</li> </ul>
Technology	Transitioning to lower emissions technology	Short-term, Medium-term, Long-term	Transitioning to lower emissions technology can involve risk, require significant R&D investment, and potentially cause temporary supply chain disruptions, cost increases, or changes in supplied materials as suppliers undergo similar transitions.	<ul style="list-style-type: none"> <li>Increased capital expenses</li> <li>Increased operating expenses</li> <li>Increased procurement expenses</li> </ul>
Market	Changing customer behaviour	Medium-term, Long-term	Changing customer behaviour can reduce demand for a company's products or services, especially if customers switch to competitors with lower-carbon offerings or adjust their purchases due to evolving preferences.	<ul style="list-style-type: none"> <li>Decreased revenue</li> </ul>
Reputation	Increased stakeholder concern or negative stakeholder feedback	Medium-term, Long-term	Failure to transition to a low-carbon business model can damage the reputation, potentially affecting a company's brand value and customer loyalty as customers, investors, and stakeholders may perceive it as environmentally irresponsible.	

Risks and opportunities identified				
Risk type		Timeframe	Description of risks and opportunities	Potential impact
<b>Climate-related opportunities</b>				
Markets	Access to new markets	Long-term	The transition to a low-carbon economy can open new markets and customer segments for sustainable products and services, providing growth opportunities for companies to expand into related industries or niche product areas and collaborate with partners to develop innovative solutions.	<ul style="list-style-type: none"> <li>Increased revenue</li> </ul>
Resource Efficiency	Use of new technologies/ lower-emission sources of energy	Medium-term, Long-term	In addition to cost savings from reducing energy consumption and operating costs, using new technologies/lower-emission energy sources can enhance the company's sustainability performance as it demonstrates a commitment to reducing GHG emissions and mitigating climate change.	<ul style="list-style-type: none"> <li>Reduced operating expenses</li> </ul>
Products and Services	Development of new products or services	Medium-term, Long-term	Rapid and simultaneous implementation of lower-emission products and climate-resilient solutions are critical to achieving long-term climate goals, and early adopters can potentially gain increased revenues and market share, ensuring business competitiveness and relevance.	<ul style="list-style-type: none"> <li>Increased revenue</li> </ul>
Resilience	Enhanced supply chain management	Medium-term, Long-term	Enhance the resilience and sustainability of the supply chain to increase its reliability and ability to operate under various conditions.	<ul style="list-style-type: none"> <li>Reduced procurement expenses</li> </ul>

In response to climate-related risks and opportunities, the Group has considered their impact on our business strategy and objectives through policies, procedures, products, and services. For instance, contingency plans have been developed at business units in case of potential disruptions due to climate-related weather events. Facility design and equipment enhancement have also been carried out to mitigate the potential impact of physical risks, such as flood plane and sloping rear access with elevation relative to the perimeter at Lipa to ensure no drain blockage from flooding, and heat stress management procedures in place at Accensi in case of extreme heat. In addition, the Group has delineated its stance and principles regarding the management of climate-related impacts in its Environmental Policy. For more detailed information, kindly refer to the “Climate Change” section on pages 46 to 47.



### 2.3.3 RISK MANAGEMENT

The Group places great significance on understanding the location, nature and scale of the potential climate-related risks in order to effectively mitigate their impact. Climate-related matters have been considered in our enterprise risk management framework. Risk registers are maintained to ensure key risks and material emerging risks are identified and continuously monitored at both the corporate and business unit levels.

A preliminary identification and prioritisation of climate-related risks and opportunities was conducted during the reporting period. The identification process of climate-related risks includes a review of the climate-related reporting framework, the Group's existing risk register, the operating locations and supplier distribution of the business units, as well as the existing climate-related mitigation measures. For physical risks, the Group considered the likely risk profile of the operating locations for the key natural hazards to which the Group is likely to be exposed. The list of identified climate-related risks has also been reviewed and confirmed by the Group and business units to ensure alignment with the actual situation of business operations. The Group adopted the same approach as enterprise risk management to evaluate and rate the identified climate-related risks based on their level of impact and likelihood across business units in order to shortlist the climate-related risks with the most significant impact across business units.

### 2.3.4 METRICS AND TARGETS

The Group has established targets related to GHG emissions, energy, water and waste to minimise the environmental footprint of our operations. Detailed descriptions of the targets and the corresponding work plans and progress are available on "Our Environmental Progress Across Operations" on pages 38 to 40 of this Report.

In addition, the GHG emissions by our businesses are tracked and monitored to allow a comprehensive understanding of the Group's climate mitigation performance. Please refer to "Appendix – Environmental and Social Performance Indicators" on pages 74 to 78 for more information.

### 2.3.5 NEXT STEPS IN OUR JOURNEY TO CLIMATE-RELATED DISCLOSURES

Moving forward to our journey of low carbon transition, the Group will continue to review and evaluate climate-related risks and opportunities to ensure that they are up-to-date with the fast-changing landscape and the Group's business operations. Additionally, the Group will review the climate scenario to be adopted for future climate risk assessment that aligns with the TCFD recommendations, including the high emissions/business-as-usual pathway (4°C scenario) and the stringent pathway striving to achieve a lower-carbon economy (1.5°C scenario), in order to assess the resiliency of our business strategy and analyse the factors that could influence the Group's enterprise value and its ability to achieve the sustainability strategies. The Group will continue prioritising climate risk assessment to further enhance its understanding of potential challenges and opportunities in this context.

# CORPORATE GOVERNANCE

The Group is dedicated to upholding a high level of corporate governance that best caters to the needs and interests of the Group. A robust corporate governance framework is in place to advocate and protect the interests of shareholders and other stakeholders while enhancing shareholder value.



## 3.1 THE BOARD

The Group adopts corporate governance principles and practices that emphasise a quality Board, sound internal controls, transparency and accountability, in order to ensure constant advancement in its corporate governance practices and the cultivation of an ethical corporate culture.

The Board is responsible for directing and guiding the strategic objectives of the Company as well as overseeing and monitoring managerial performance.

### 3.1.1 ROLES OF THE BOARD

Directors are charged with the task of promoting the long-term success of the Company and making decisions in the best interests of the Company with due regard to sustainability considerations.

The Board is led by the Chairman, Mr. Victor T K Li, who determines the broad strategic direction of the Group in consultation with the Board and is responsible for the high-level oversight of management. Under the leadership of the Chief Executive Officer, the Company's management is responsible for the day-to-day operations of the Group.

The Board is supported by five Board Committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee, the Sustainability Committee and the Executive Committee, with specific terms of reference.

### 3.1.2 BOARD COMPOSITION

As at 31 December 2023 and up to the date of this Report, the Board consists of a total of ten Directors, including five Executive Directors, one Non-executive Director and four Independent Non-executive Directors. More than one-third of the Board is made up of Independent Non-executive Directors and more than one of them has appropriate professional qualifications, or accounting or related financial management expertise as required by the Listing Rules. All Directors (including Non-executive Directors) are subject to retirement by rotation once every three years and are subject to re-election in accordance with the Company's Articles of Association and the Corporate Governance Code.

Biographical details of the Directors and Key Personnel are set out in the Directors and Key Personnel on pages 36 to 43 of the Group's 2023 Annual Report. A list setting out the names of the Directors and their roles and functions is also posted on the websites of Hong Kong Exchanges and Clearing Limited and the Company.

The Board, through and by the Nomination Committee, reviews the Board's structure, size and composition at least annually to ensure that the Board has a balance of expertise, skills, experience and diversity of perspectives appropriate to the requirements of the business of the Group and a balanced composition of Executive and Non-executive Directors.



List of Directors and their Roles and Functions  
[https://www.ck-lifesciences.com/uploaded\\_files/images/page/15/List%20of%20Directors%20and%20their%20Roles%20and%20Functions.pdf](https://www.ck-lifesciences.com/uploaded_files/images/page/15/List%20of%20Directors%20and%20their%20Roles%20and%20Functions.pdf)

### 3.1.3 CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The positions of the Chairman and the Chief Executive Officer are currently held by separate individuals with a view to maintaining effective segregation of duties respecting the management of the Board and the day-to-day management of the Group's business.

The Chairman is responsible for providing leadership to, and overseeing the functioning of, the Board to ensure that it acts in the best interests of the Group.

The Chief Executive Officer, with the support of Executive Directors, is responsible for the strategic planning of different business functions and the day-to-day management and operation of the Group.

### 3.1.4 BOARD EFFECTIVENESS

Each newly appointed Directors will receive an induction package, which has been compiled and reviewed by the Company's external legal advisers, setting out the duties and responsibilities as a director and board committee member under the Listing Rules and relevant regulatory requirements, as well as the internal governance policies of the Group. Further information package comprising the latest developments in laws, rules and regulations relating to the duties and responsibilities of directors will be forwarded to Directors from time to time for their information and ready reference. Guidelines for directors have also been forwarded to each Director for his/her information and ready reference.

To ensure an appropriate balance of knowledge and experience that allows the Board to fulfill its duty, the Company arranges at the cost of the Company and provides Continuous Professional Development training such as seminar sessions and relevant reading materials to Directors to help them keep abreast of current trends and issues facing the Group, including the latest changes in the commercial (including industry-specific and innovative changes), legal and regulatory environment in which the Group conducts its businesses and to refresh their knowledge and skills on the roles, functions and duties of a listed company director.

### 3.1.5 BOARD INDEPENDENCE

The Company maintains the following mechanisms which are reviewed annually to ensure independent views and input are available to the Board:

#### Board and Board Committees' Composition

The current composition of the Board (comprising 40% of Independent Non-executive Directors) and the Audit Committee (comprising three members, all of whom are Independent Non-executive Directors) exceeds the independent threshold under the Listing Rules.

Separation of the roles of the Chairman and the Chief Executive Officer ensures that there is a balance of power and authority.

The Audit Committee, the Nomination Committee and the Remuneration Committee, are chaired by Independent Non-executive Directors. The Audit Committee comprises three members, all of whom are Independent Non-executive Directors. Independent Non-executive Directors comprise a majority of each of the Nomination Committee and the Remuneration Committee. The Sustainability Committee is composed of three members including an Independent Non-executive Director. During the year, the Audit Committee held two private sessions with the external auditor and internal auditor respectively without the presence of management.

The Company's Director Nomination Policy sets out the approach and procedures for the nomination, selection, and appointment/re-appointment of Directors (including Independent Non-executive Directors). The composition of the Board and Board Committees is regularly reviewed by the Nomination Committee to ensure that they have a balance of skill set, experience and diversity of perspective appropriate for the strategies of the Company.

The Board has conducted an evaluation of its performance for the year 2023, including the aspects contributing to the effective implementation of the mechanism discussed hereto.

#### Assessment of the Independence of Independent Non-executive Directors

Independence of each Independent Non-executive Directors is assessed by the Nomination Committee upon appointment and annually according to the relevant requirements under the Listing Rules. Each Independent Non-executive Director is reminded to inform the Company and the Stock Exchange as soon as practicable if there is any change that may affect his/her independence. Each Independent Non-executive Director has provided the Company with an annual confirmation of independence taking into account the factors referred to in Rule 3.13 of the Listing Rules.

#### Remuneration of Independent Non-executive Directors

The Remuneration Committee reviews the remuneration of Independent Non-executive Directors and makes recommendations to the Board. No Director or any of his/her associates was involved in deciding his/her own remuneration at the meeting of the Remuneration Committee. Independent Non-executive Directors received fixed fee(s) for their role as members of the Board and Board Committee(s), such fee(s) are not based on the performance of the Group.

### Meeting between the Chairman and Independent Non-executive Directors

The Chairman meets with Independent Non-executive Directors twice a year (without the presence of other Directors) which provides an effective channel for Independent Non-executive Directors to raise concerns and issues with respect to the Company or its business, such as corporate governance enhancement, the effectiveness of the Board and any other matters they may wish to discuss.

### Provision of Information and Professional Advice

All Directors (including Independent Non-executive Directors) and Board Committees may seek any information they require from key personnel of the Company and have access to advice from the Company Secretary and/or independent professional advice at the expense of the Company if the Director considers such advice necessary for the discharge of their duties.

### Directors' Training and Commitment

Newly appointed Directors receive an induction package explaining the duties and responsibilities of Directors. The Company provides, at the cost of the Company, Directors' training sessions on topics relating to Directors' roles, functions and duties.

The Board reviews the above mechanisms from time to time (at least annually) and monitors their implementation to ensure their continued effectiveness and compliance with regulatory requirements.

The Company maintains the view that a Director's independence is a question of fact and this is formally recognised in the Board Diversity Policy. The Board is committed to assessing this on an ongoing basis with regard to all relevant factors include: the ability to continually provide constructive challenge for management and other Directors and to express one's own views independent of management or other fellow Directors. These attributes and desired behaviour have been demonstrated by our Independent Non-executive Directors.

### 3.1.6 BOARD PROCESS

The Board meets regularly at least four times a year with meeting dates scheduled towards the end of the immediately preceding year. Between scheduled meetings, monthly updates and other information with respect to the performance and business activities of the Group and have been provided to Directors on a regular basis. Whenever warranted, additional Board meetings are held. Further, Directors have full access to information on the Group and independent professional advice at all times whenever deemed necessary and they are at liberty to propose appropriate matters for inclusion in Board agendas.

In 2023, the Company held four Board meetings with 100% attendance. All Directors attended the Annual General Meeting ("AGM") of the Company held on 18 May 2023 and the Board meeting held on the same day. The AGM was held as a hybrid meeting. In addition to the traditional physical attendance at the AGM, shareholders have the option of attending, participating, raising questions and voting by means of electronic facilities.

Directors	Attendance at Board Meetings	Attendance at 2023 AGM
<b>Chairman</b>		
Victor T K LI	4/4	1/1
<b>Executive Directors</b>		
KAM Hing Lam (President)	4/4	1/1
IP Tak Chuen, Edmond (Senior Vice President and Chief Investment Officer)	4/4	1/1
YU Ying Choi, Alan Abel (Vice President and Chief Executive Officer)	4/4	1/1
TOH Kean Meng, Melvin (Vice President and Chief Scientific Officer)	4/4	1/1
<b>Non-executive Directors</b>		
Peter Peace TULLOCH	4/4	1/1
<b>Independent Non-executive Directors</b>		
KWOK Eva Lee	4/4	1/1
KWAN Kai Cheong	4/4	1/1
Paul Joseph TIGHE	4/4	1/1
Donald Jeffrey ROBERTS	4/4	1/1

In addition to regular Board meetings, the Chairman met with Independent Non-executive Directors without the presence of other Directors twice in 2023. The Independent Non-executive Directors are encouraged to provide their independent views to the Board.

### Board meetings attendance



### 3.1.7 BOARD COMMITTEES

The Board has established five Board Committees, namely: Audit Committee, Remuneration Committee, Nomination Committee, Sustainability Committee and Executive Committee. Each Committee is delegated with authority to deal with specific matters with a view to operating effectively, and giving appropriate attention and consideration to these matters.

The table below provides membership information of these Committees on which Board members serve:

Directors	Audit Committee	Remuneration Committee	Nomination Committee	Sustainability Committee	Executive Committee
LI Tzar Kuoi, Victor		M	M		C
KAM Hing Lam					M
IP Tak Chuen, Edmond				C	M
YU Ying Choi, Alan Abel					M
TOH Kean Meng, Melvin					M
Peter Peace TULLOCH					
KWOK Eva Lee		C			
KWAN Kai Cheong	C				
Paul Joseph TIGHE	M		C	M	
Donald Jeffrey ROBERTS	M	M	M		

Notes:

C: Chairman/Chairperson of the relevant Board committee

M: Member of the relevant Board committee

#### Audit Committee

The role of the Audit Committee is to assist the Board in fulfilling its audit duties through the review and supervision of the Company's financial reporting system, the effectiveness of risk management and internal control systems. It regularly reviews the scope, extent and effectiveness of the activities of the Group's internal audit function, the risk management framework and internal control systems, as well as develops and reviews the Company's policies and practices on corporate governance including compliance with statutory and Listing Rules requirements.

The Audit Committee, which comprises three members, all of whom are Independent Non-executive Directors, with more than one of whom possesses as the relevant financial and business management experience and skills to

understand financial statements and monitor the corporate governance, risk management and internal control of the Company. At the Audit Committee's meeting held in March 2024, members of the Audit Committee had examined the Company's policies and practices on corporate governance and compliance with legal and regulatory requirements including: Corporate Governance Policies, Anti-Money Laundering Policy, Competition Compliance Policy, Model Code for Securities Transactions by Directors, Privacy Policy and Personal Information Collection Statement and Sanctions Compliance Policy.

For more information, please refer to the Terms of Reference of the Audit Committee and Corporate Governance Report included in Annual Report 2023 of the Company.





### Remuneration Committee

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for the remuneration of Directors and the senior management, determining the remuneration packages of all Executive Directors and the senior management, and making recommendations on the remuneration of Non-executive Directors with reference to the corporate goals and objectives of the Board resolved from time to time.

The Remuneration Committee, with a majority of the members thereof being Independent Non-executive Directors, is chaired by an Independent Non-executive Director and is comprised of one Executive Director and one other Independent Non-executive Director as members.

For more information, please refer to the Terms of Reference of the Remuneration Committee and Corporate Governance Report included in Annual Report 2023 of the Company.

### Nomination Committee

The Nomination Committee is responsible for reviewing the structure, size, diversity profile and skills matrix of the Board and the independence of Independent Non-executive Directors and making recommendations on the appointment or re-appointment of Directors and succession planning for Directors.

The Nomination Committee, which comprises a majority of Independent Non-executive Directors, is chaired by an Independent Non-executive Director and is composed of one Executive Director and one other Independent Non-executive Director as members.

The nomination process is conducted in accordance with the Director Nomination Policy and Board Diversity Policy, which are available on the website of the Company.

For more information, please refer to the Terms of Reference of the Nomination Committee and Corporate Governance Report included in Annual Report 2023 of the Company.

### Sustainability Committee

The Sustainability Committee, which is chaired by an Executive Director, with one Independent Non-executive Director and the Company Secretary as members, was set up by the Board to oversee management and advise the Board on the development and implementation of the sustainability initiatives of the Group, including reviewing the related ESG policies and practices, and assessing and making recommendations on matters concerning the Group's sustainable development and ESG risks.

For more information, please refer to "Sustainability Governance" on pages 16 to 17 and the terms of reference of the Sustainability Committee of the Company.

### Executive Committee

The Executive Committee is responsible for overseeing the operation of the Group. It meets regularly to discuss and make decisions on matters relating to the management and operations of the Company, and to assess and make recommendations to the Board on acquisitions of or investments in business or projects.

The Executive Committee is chaired by the Chairman of the Board and comprises four Executive Directors and two key personnel of the Company as the members. The Executive Committee may invite other persons to attend all or part of any meetings as considered appropriate.

For more information, please refer to the terms of reference of the Executive Committee.

## 3.2 BUSINESS ETHICS

### 3.2.1 WHY IT MATTERS

Business ethics is the bedrock of ensuring integrity and ethical conduct throughout the Group. With increasingly stringent guidelines, regulations, policies or measures related to business ethics being implemented by the government and regulatory bodies, coupled with escalating expectations from investors and the public to operate the business in an ethical manner and responsibly address social and environmental issues, the Group views the efforts to promote and cultivate business ethics mindset at all levels as of paramount importance.

The Group upholds high standards of integrity to earn the trust of our stakeholders. This also aids talent attraction, retention and engagement and empowers the Group to select suppliers and business partners who align with our values.

### 3.2.2 OUR COMMITMENT

The Group understands the substantial role that ethical business conduct plays in fostering a safe, trusting and cooperative work environment. The Employee Code of Conduct underpins the Group's commitment and serves as a guideline to promote honest and moral conduct and compliance with applicable laws, rules and regulations within the Group. All employees, including directors and officers, whether full-time or part-time, contract or temporary staff, must become familiar with and fully comply with that Code. The Group expects and encourages prompt internal reporting of any violation or suspected violation of the Employee Code of Conduct.

Several other Group policies also support the commitment to promoting business ethics in the Group, including:

Corporate Policy and Guideline	Expectations and Requirements	Applicable to
Anti-Fraud and Anti-Bribery Policy	<ul style="list-style-type: none"> <li>Prohibits of Improper Payments, Kickbacks and Other Forms of Bribery</li> </ul>	All employees
Information Security Policy	<ul style="list-style-type: none"> <li>Defines the Group's information confidentiality, integrity and availability</li> </ul>	All employees
Media, Public Engagement and Donation Policy	<ul style="list-style-type: none"> <li>Provides clear, consistent and congruent messages for our businesses through the media in a speedy, professional and well-coordinated manner;</li> <li>Establishes a framework for handling incoming requests for corporate donation and sponsorship activities</li> </ul>	All employees
Policy on Appointment of Third-Party Representatives	<ul style="list-style-type: none"> <li>Provides guidelines on exercising proper controls in hiring Third Party Representatives</li> </ul>	All employees
Policy on Handling of Confidential Information, Information Disclosure, and Securities Dealing	<ul style="list-style-type: none"> <li>Provides guidelines on the handling of confidential information, information disclosure and securities and dealing</li> </ul>	All employees
Whistleblowing Policy – Procedures for Reporting Possible Improprieties	<ul style="list-style-type: none"> <li>Provides reporting channels and guidance on reporting possible improprieties in matters relating to the Group, and reassurance to the reporting person or entity of the protection that the Group will extend to them</li> </ul>	All employees as well as independent third parties who deal with the Group
Supplier Code of Conduct	<ul style="list-style-type: none"> <li>Provides guidelines to encourage compliance with items in the Code and bring broader improvements in sustainability practices and performance</li> </ul>	All suppliers

### 3.2.3 HOW WE WORK

Adopted by all business units of the Group, the Employee Code of Conduct outlines all principles of business conduct and ethics, reporting of illegal or unethical behaviour, and possible disciplinary action for any non-compliances.

The Group adopts a zero-tolerance approach towards any form of bribery, corruption and fraud. A monitoring and management control system is in place to detect bribery, fraud or other malpractice. A whistleblowing mechanism is also established, allowing employees and other third parties to anonymously report suspected misconduct, irregularities and malpractices in confidence. All reported cases will be followed up promptly; confirmed cases will be reported to the Audit Committee and executive management. Biannual anti-bribery and anti-corruption control assessments are conducted to evaluate the effectiveness of controls for managing bribery risks and develop actions to improve the control environment.

Striving to ensure employees are aware and trained on applying the Employee Code of Conduct in their work, the Group provided anti-corruption training to ensure the Company's expectations are effectively communicated to all levels of staff.

Business ethics-related training programmes are also provided to employees at each business unit. Lipa offers annual training to employees on the whistleblowing policy and anti-corruption, including the processes available to work through the whistleblowing policy, as well as recognising bribery or corruption practices. At Vitaquest, the Finance staff attended training on application of ethical standards and values in the workplace. Induction training for new joiners and bi-annual refresher training are arranged at Accensi to ensure their understanding of anti-corruption and the expected behaviour. Cheetham continues to organise ongoing training across the business to raise awareness about bribery, covering definitions, examples and ways to help detect and prevent bribery in the workplace.

The Directors are also, from time to time, provided with training and materials regarding sustainability and corporate governance (including board diversity); and legal and regulatory requirement updates to furnish the Board with the latest governance- and sustainability-related information. During the Reporting Period, the Group has provided all Directors with updated anti-corruption training materials in relation to (i) anti-corruption policies and ethics training disclosure in environmental, social and governance report; and (ii) whistleblowing.

## 3.3 REGULATORY COMPLIANCE

As explained in previous sections, the Group recognises the significance of regulatory compliance and has established respective detection, preventive measures and monitoring actions to ensure compliance with relevant laws and regulations relating to the bribery, extortion, fraud and money laundering. The Group is not aware of (i) any breach of laws and regulations relating to bribery, extortion, fraud and money laundering that have a significant impact on the Group; or (ii) concluded legal cases regarding corrupt practices brought against the Group or its employees during the reporting period.

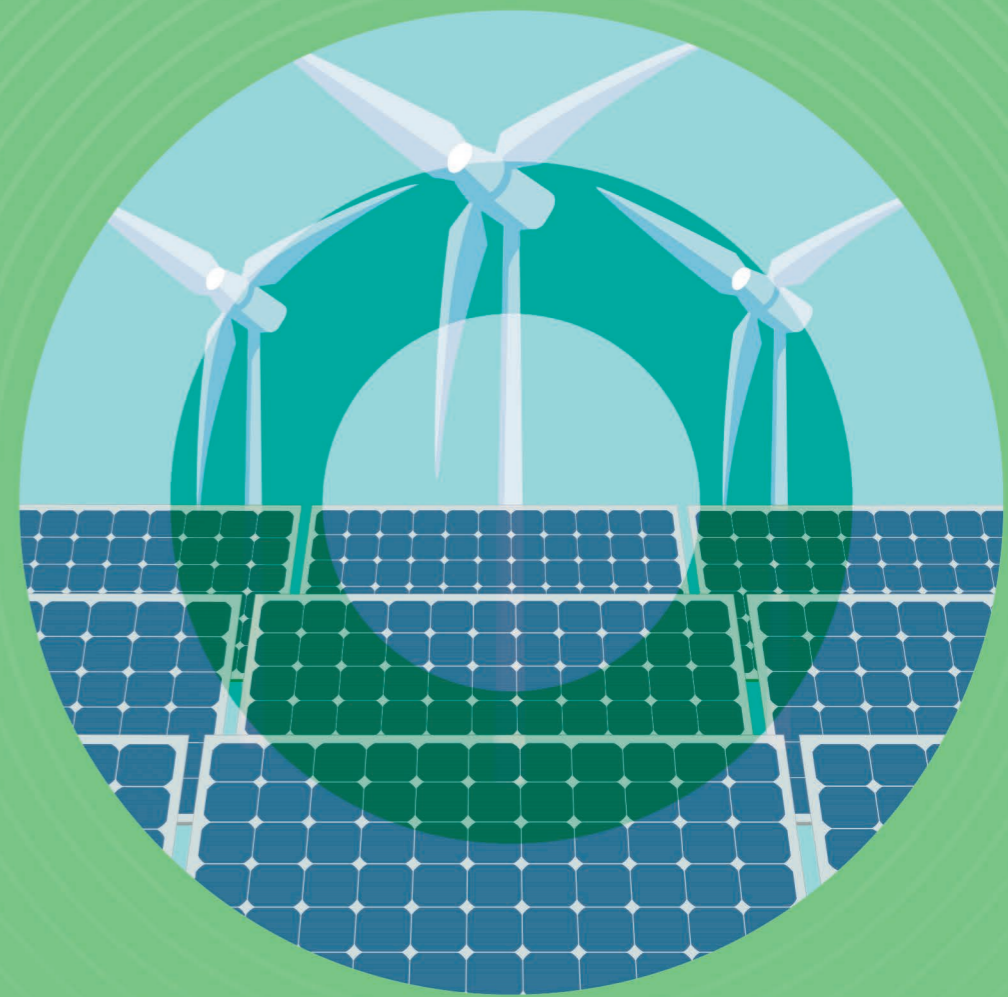




# ENVIRONMENT

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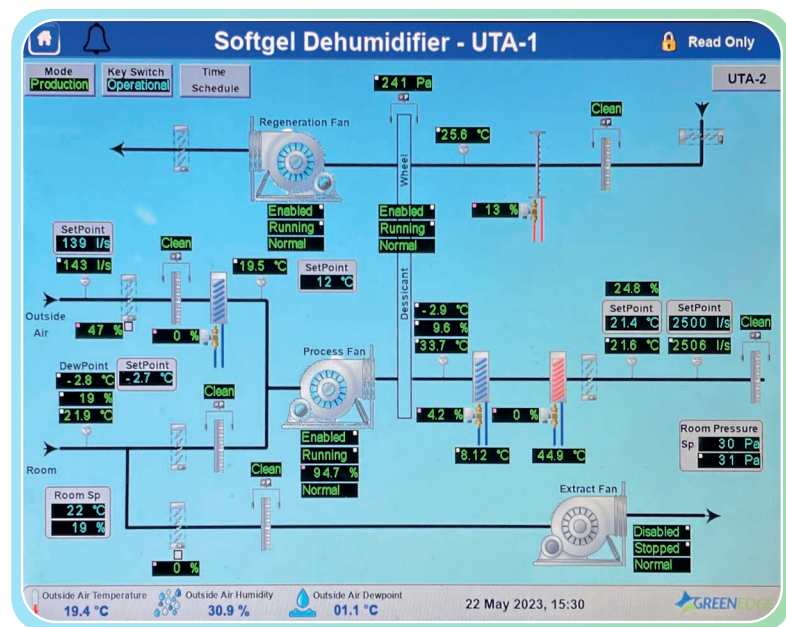
Committed to environmental stewardship, the Group makes a concerted effort to uphold the highest environmental standards and manage its environmental footprint across the network of markets in which it operates.



## 4.1 OUR ENVIRONMENTAL PROGRESS ACROSS OPERATIONS

This year, the Group stepped up efforts in the journey of climate-related disclosure to identify and prioritise climate-related risks and opportunities with the most potential impact on the Group's business operations. Meanwhile, the business units continued to review and monitor the progress of their energy consumption, waste reduction, and water usage targets, ensuring continuous improvement of our environmental performance. These targets contribute towards reducing the Group's carbon footprint and environmental impact from operations.

In addition, the Group collaborated with banks to establish sustainability-linked loans by defining relevant metrics and tracking sustainability performance target achievement with assurance to be performed by an independent sustainability assessor in 2024. This demonstrates our commitment and determination to align business and financial strategy with sustainability.



- Lipa set back timing of softgel drying based on humidity to optimize energy usage in the dehumidification process

The Group makes strong commitments to the continual improvement of its environmental performance through developing environmental targets across the business units. To achieve these targets, business units have developed action plans and review the progress annually to identify further areas of enhancement.

	Business unit	Target	Progress achieved and our work plan
Energy	Lipa	Reduce gas intensity by 25% by 2024 from 2019 energy baseline	Enhancement of production facilities in progress to optimise energy efficiency <ul style="list-style-type: none"> <li>Hot water boiler control upgrades to adjust water supply temperature according to seasons</li> <li>Dehumidification setback to turn off steam usage during non-production hours</li> </ul>
		Reduce electricity energy intensity by 15% by 2024 from 2019 baseline	Enhancement of production facilities in progress to optimise energy efficiency <ul style="list-style-type: none"> <li>Chiller upgrades with more energy-efficient models</li> <li>Softgel setbacks according to needs to reduce energy consumption</li> </ul>
	Vitaquest	Shift energy usage to 100% renewable source by 2025	<ul style="list-style-type: none"> <li>Explore contractual arrangements to move towards a green/renewable source of electricity supply</li> <li>75% renewable source of electricity at present</li> </ul>
	Cheetham	Reduce Liquefied Petroleum Gas (“LPG”) usage by 10% at Price site by 2025	<ul style="list-style-type: none"> <li>Construct new building for new fluid bed dryer in progress</li> </ul>
		Reduce diesel usage by 10% at Bajool site by 2023	<ul style="list-style-type: none"> <li>New harvest trucks that are more energy-efficient are in use for the harvesting period in 2023</li> </ul>
		Transition to renewable sources of electricity	<ul style="list-style-type: none"> <li>Explore contractual arrangement to move towards a green/renewable source of electricity supply by engaging current suppliers on green energy and certifications and discussing the supply charge on peak and off peak rates</li> </ul>
	Dominion	Transition to utilising more renewable sources of electricity	<ul style="list-style-type: none"> <li>Explore options to further increase usage level of renewable source of electricity from the current level of 80% on renewable grid onsite, including additional wind turbines and solar panels</li> </ul>
Emission	Accensi	Ensure GHG emission intensity is sustained or reduced from 2021 levels by 2025	<ul style="list-style-type: none"> <li>Local scrubbers are installed in part of the processes for pre-cleaning prior to entering the main wet scrubber unit, in order to take the load off the main scrubber to ensure optimal performance</li> <li>Identify potential opportunities for emission reduction according to upcoming energy audit</li> </ul>
	Lipa	Reduce GHG emissions intensity by 15% by 2024 from 2019 baseline	<ul style="list-style-type: none"> <li>Implement the action items under the electricity and gas targets</li> </ul>
	Dominion	Reduce CO <sub>2</sub> emission at Lake Grassmere site	<ul style="list-style-type: none"> <li>Decarbonisation plan development in progress</li> <li>Exploring opportunities to replace the coal boiler with either a biomass or electrode boiler to reduce emissions</li> </ul>



	Business unit	Target	Progress achieved and our work plan
Waste	Accensi	Increases treatment of contaminated stormwater (hazardous waste) generated from operations by 10% by 2024	<ul style="list-style-type: none"> <li>– Explore complementary technologies for wastewater treatment, such as micro-filtration or graphene oxide filtration at Narangba site</li> <li>– Assess suitable treatment technologies based on site-specifics for full implementation</li> </ul>
	Lipa	Achieve solid non-hazardous waste landfill diversion rate of 40% by end of 2023	<ul style="list-style-type: none"> <li>– Continue to expand recycling programme</li> <li>– Infrastructure upgrade to support recycling</li> <li>– Ongoing employee training on waste management</li> </ul>
		Reduce paper consumption by 50% by end of 2024 from 2019 baseline	<ul style="list-style-type: none"> <li>– Continue to explore transition towards electronic batch card system to reduce paper consumption</li> </ul>
	Vitaquest	Maintain our non-hazardous (recyclable and non-recyclable) waste intensity at current level despite sales growth	<ul style="list-style-type: none"> <li>– Recycling goal in progress</li> <li>– Infrastructure upgrade to support waste reduction</li> </ul>
	Cheetham	Using recycled paper by 2023 with potential opportunity to go paperless	<ul style="list-style-type: none"> <li>– Green procurement policy developed and implemented</li> <li>– Exploring sustainable and cost-comparable alternatives for recycled paper</li> </ul>
	Dominion	Using recycled paper by 2023 with potential opportunity to go paperless	<ul style="list-style-type: none"> <li>– Recycling paper policy developed</li> <li>– Explore sustainable and cost-comparable alternatives for recycled paper of high quality</li> </ul>
Water	Accensi	Explore opportunities for potable water reduction by ascertaining whether the cleaned water after filtration will be suitable for reuse in production	<ul style="list-style-type: none"> <li>– Explore complementary technologies for wastewater treatment to allow reuse of cleaned water</li> </ul>
	Lipa	Reduce water usage intensity per million units by 25% by 2025 as compared to 2019	<ul style="list-style-type: none"> <li>– Enhancement of facilities to reduce water usage</li> <li>– Ongoing employee training on water conservation</li> </ul>
	Vitaquest	By 2025, maintain water usage intensity at 2020 level despite sales growth	<ul style="list-style-type: none"> <li>– Explore opportunities to upgrade existing irrigation system for further reduction in water usage</li> </ul>



## 4.2 ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSION

### 4.2.1 WHY IT MATTERS

Dedicated to mitigating its environmental impact, the Group places a high priority on controlling energy consumption and GHG emissions. The Group recognises the potential risks to the business units arising from evolving emissions regulations and consumer expectations, and is committed to enhancing the Group's resilience to those risks through effective energy management.

The Group recognises the multitude of benefits of adopting new technologies for the development of operational processes, and continues to utilise innovative solutions to enhance the effectiveness and efficiency of business operations. For instance, the Group has deployed technologies that use alternative cleaner fuels or improve fuel efficiency to reduce exposure to the risks of volatile fuel prices and supply disruptions, as well as future regulatory costs and other potential consequences of GHG emissions.

### 4.2.2 OUR COMMITMENT

The Group is committed to driving an energy-saving culture and enhancing process efficiency across its operations to manage its environmental impact. Suppliers, business partners, and where applicable, customers are encouraged to further their efforts at environmental stewardship.

The Group is undertaking a range of measures to reduce energy consumption and improve energy efficiency in all business activities. Monitoring systems are upgraded and equipment is converted, retrofitted and replaced where appropriate to reduce fuel consumption and GHG emissions.

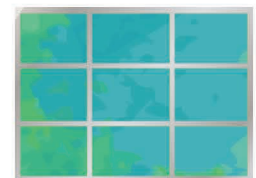
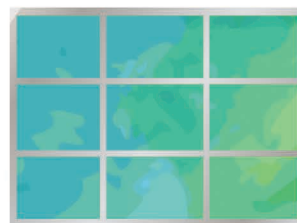
**The commitment to energy reduction is formalised in the “Environmental Policy”, which is based on the following key principles:**



Increase the usage of innovative and energy-efficient technology in the Group's operations to reduce energy consumption arising from day-to-day operations.



Track and monitor the use of energy across the Group's operations.



### 4.2.3 HOW WE WORK

The Group's "Environmental Policy" has set out the commitment to enhance environmental performance by implementing an Environmental Management System ("EMS") that outlines the efficient use of resources, reduction of waste, and reduction of environmental impact from its operations. Accensi and Cheetham have an ISO14001:2015-certified EMS in place. Lipa has formed an Environmental Management Team, responsible for the development, tracking and monitoring of environmental performance indicators, including but not limited to water quality, energy, waste and emissions.

The Group's businesses have all respectively embarked on energy efficiency projects. In previous years, Lipa applied heat reflective paint ("SkyCool") to reduce the energy consumption of the air conditioning system in our warehouse. Lipa also upgraded the hot water boiler controls to allow boilers to be switched off during summer periods, thus reducing GHG emissions by saving natural gas and enhancing operational efficiency. This year, Lipa installed a Chiller Management System ("CMS"), which provides real-time monitoring of the chillers to provide accurate data to the energy management team for energy-saving recommendations. Lipa is also going to upgrade the management of chiller pumps and connections to circuits in another production building to further increase efficiency.

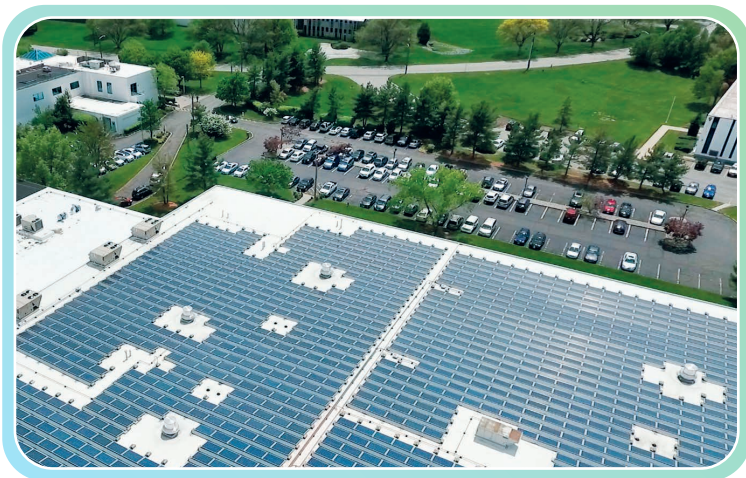
In 2023, Dominion fully transitioned its sales fleet to hybrid and fuel-efficient vehicles as part of its efforts to reduce fuel consumption. Dominion also continued to use coastal shipping to minimise road transportation by trucks, thus contributing to the reduction of GHG emissions.

Cheetham undertook an energy audit in 2023 to explore various opportunities for improving energy efficiency. Based on the output of the energy audit, Cheetham has begun the development of its decarbonisation pathway to move towards net zero emissions.

Accensi replaced the lighting in their Lara factory in the previous year with more energy-efficient lighting. This saves 68,890 kilowatt hours ("kWh") per year as compared to the previous usage of 144,518 kWh per year, effectively a 48% reduction in energy consumption for this site.

Vitaquest has installed motion detector switches throughout the facilities to save electricity since 2019. There are currently 1,820 solar panels installed at Vitaquest’s headquarters. As of Q3 2023, 401,035 kWh of energy have been generated by the panel systems. To support sustainability and employee well-being, Vitaquest has recently installed some electric car charging stations to utilize the solar array energy, effectively making the system carbon-neutral. In addition, Vitaquest continued to reduce its emissions through the pallet reuse programme.

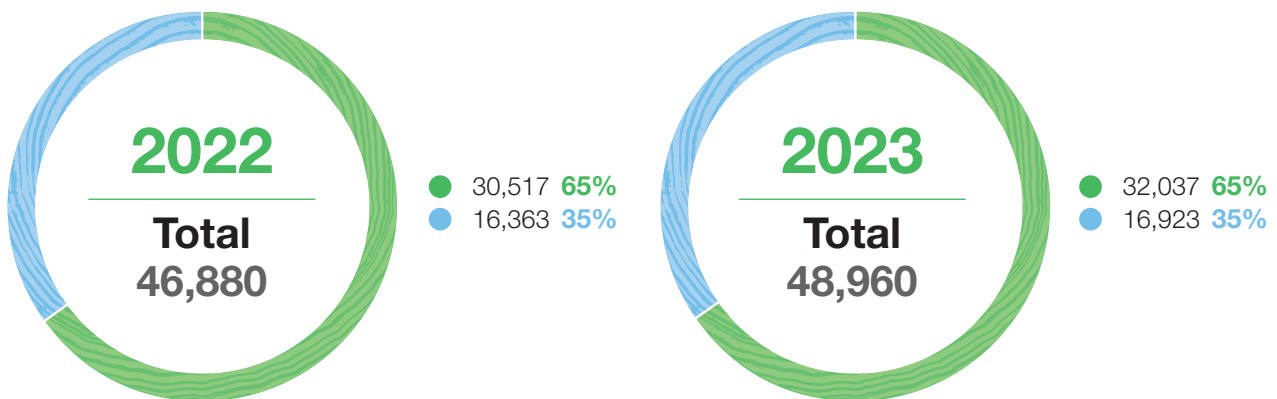
In 2023, Vitaquest received the Certificate of Innovation in Sustainability from the Department of Environmental Protection of the State of New Jersey. This recognition was granted to Vitaquest for its efforts and commitment to promoting the adoption of sustainability policies and practices in business.



- Vitaquest installed solar panels to generate electricity for onsite usage including electric vehicle charging stations.

GHG scope 1 and 2 emissions (tonne CO<sub>2</sub>e)

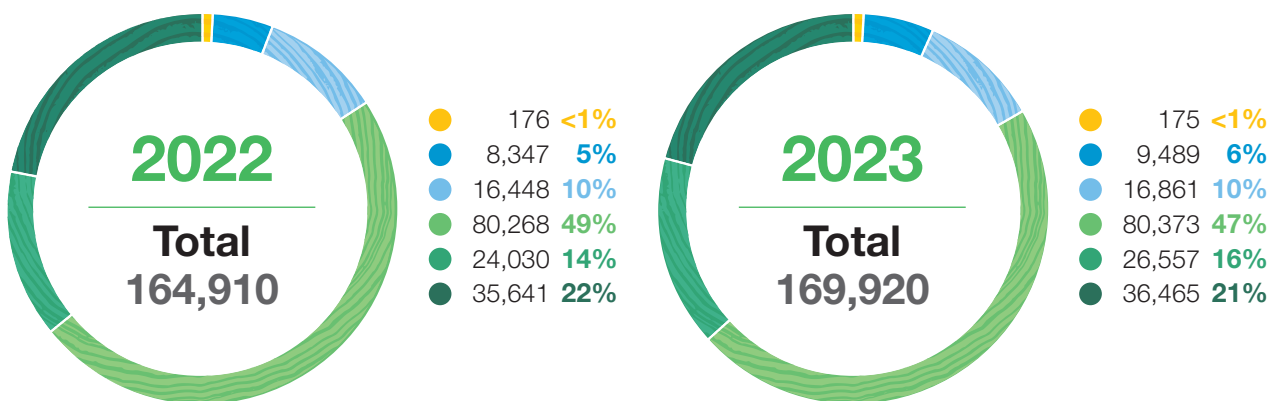
- Scope 1 – Direct emissions from operations that are owned or controlled by the Group.
- Scope 2 – “Energy indirect” emissions resulting from the generation of purchased or acquired electricity, heating, cooling and steam consumed within the Group.



Total GHG emissions intensity (tonne CO<sub>2</sub>e/HK'000 revenue maintained at 0.011 as compared to 2022)

Energy consumption by type ('000kWh)

- Gasoline/Petrol
- Diesel
- LPG
- Natural gas
- Other fuel
- Electricity



Total energy consumption intensity (kWh/HK\$ revenue maintained at 0.039 as compared to 2022)

Overall, the emission levels in all business units are well below licence limits.

During the year, the Group's operations generated 48,960 tonnes of carbon dioxide equivalent ("CO<sub>2</sub>e"). Direct emissions (Scope 1) are the source of more than 65% of the total GHG emissions. For energy consumption, the total energy consumed by the group was 169,920,000 kWh, out of which natural gas is the most consumed energy, accounting for 47% of the total energy consumption, followed by electricity (21%) and other fuels (16%).

Compared to 2022, the total GHG emissions and total energy consumption in 2023 rose slightly by 4% and 3% respectively, resulting from business volume gradually resuming normal along with the lifting of COVID-19 restrictions in various regions. In addition, higher vacuum salt production in the Lake Grassmere site transitioned from the Mount Manganui site increased coal usage in Dominion. Support for a longer salt harvesting period and increased export volume in Cheetham also contributed to an increase in total energy consumption, in turn resulting in higher total GHG emissions. In aggregate, Dominion and Cheetham accounted for 75% (126,901,000 kWh) of the total energy consumption, and 69% (33,993 tonne CO<sub>2</sub>e) of the total GHG emissions.



## LOOKING FORWARD

In addition to commissioning audits to identify opportunities for reducing energy consumption and related carbon emissions, we stepped up efforts in the previous year to develop quantifiable emission and energy targets to transition our business operations to a low-carbon business model. We will continue to review and monitor our progress towards the targets to ensure constant advancement and collaborate with our suppliers, customers, and communities to innovate to reduce carbon emissions and improve our environmental footprint.

## 4.3 CLIMATE CHANGE

### 4.3.1 WHY IT MATTERS

Climate change can trigger disruptions worldwide, including heat waves, drought, storm floods, changes to rainfall patterns, water availability in water-stress areas and land degradation. The Group understands that climate events could have profound implications for the demand, availability, quality and pricing of many of the Group's products, and lead to potential adverse impacts on the Group's business operations and performance, particularly in the agriculture-related sector. Some of the Group's assets and facilities are in areas at risk of damage from natural disasters, which could disrupt its operation and adversely affect the Group's financial conditions and growth.

However, climate change also offers business opportunities that encourage innovation and the development of new products that are more resilient to the potential impact of climate change or are less carbon-intensive. By addressing these risks, the Group could enhance the resilience of its value chain.



● Aerial view of Dominion Lake Grassmere salt field

### 4.3.2 OUR COMMITMENT

The Group is committed to mitigating the impact of climate change and adapting to it by identifying and addressing the associated challenges and opportunities. Ongoing assessment of the potential risks arising from climate change is necessary to ensure proper and timely strategies and actions are taken to address the causes and effects of climate change on the Group's operations.

In the "Environmental Policy", the Group has outlined its position and principles on managing the impact arising from climate change. Several key points are summarised as follows:

- address climate change risks as part of the Group's risk management process;
- set up long-term targets to reduce carbon emissions as appropriate, while enacting processes and systems to monitor the Group's carbon footprint;
- incorporate climate change considerations into its business strategies;
- establish appropriate procedures and processes to prevent or minimise the damage that climate change may cause and make use of the opportunities that may arise;
- reduce, where feasible, the production of greenhouse gases, ozone-depleting emissions and other air pollutants within the Group's operations;
- increase the adoption of innovative and energy efficient technology in the Group's operations to reduce energy consumption arising from day-to-day operations, such as the use of renewable energy, eco-friendly travel plan or video conferencing technology to minimise the need for business travel; and
- track and monitor the carbon emissions across the Group's operations.

### 4.3.3 HOW WE WORK

The Group is exposed to both physical and transition risks associated with climate change. Climate change could impact the demand, availability, quality and pricing of many of our products, as well as those of our customers, especially in the agriculture-related sector, potentially impacting our business performance. In addition, ongoing shifts in climate patterns can trigger severe natural events such as drought and bushfires that may destroy or damage the Group's assets.

The Group recognises that the location, nature, and scale of these potential risks are crucial for effectively mitigating their impact. Climate change is assessed as part of our enterprise risk management framework. Risk registers are maintained to ensure key risks and material emerging risks are identified and monitored by the corporate and business unit levels, respectively, on an ongoing basis.

Following the kickoff of the journey to climate-related disclosure in the previous year to assess and enhance its climate disclosure readiness, the Group stepped up efforts this year to identify and prioritise climate-related risks and opportunities with the most potential impact on the Group's business operations. The Group will continue to review and evaluate the climate-related risks and opportunities to ensure that they are up-to-date with the fast-changing landscape and the Group's business operations. In addition, the Group will review the climate scenario to be adopted for future climate risk assessment that aligns with the TCFD recommendations, in order to assess the resilience of our business strategy and analyse the factors that could influence the Group's enterprise value and its ability to achieve sustainability strategies, which could act as a foundation for our transition to a low-carbon economy in the future.



## 4.4 WASTE MANAGEMENT

### 4.4.1 WHY IT MATTERS

The Group recognises the significant impact of waste management on all sectors of society and its tie with other challenges, such as health, climate change, and resource security. Anticipated future regulations in waste management are expected to have an impact on our business operating environment. For instance, in Australia, where some of the Group's major businesses operate, waste is a growing problem due to population and economic growth, impacting public health and raising concerns related to environmental damage.

In addition to mitigating the risks from growing regulatory requirements, effective waste management may create opportunities for the Group to innovate, increase resource productivity, and reduce operating costs.

### 4.4.2 OUR COMMITMENT

The Group's Environmental Policy has set out guidelines for the business units to adopt effective waste management in operations, including the segregation, storage and handling of both hazardous and non-hazardous waste, and implementing measures to manage the use of resources. Environmentally friendly materials, products and processes with potential commercial applications are to be actively adopted, developed, and implemented where possible.

Our waste management plan is developed based on the following key principles:

- streamline procedures and processes to increase efficiency and reduce consumption of day-to-day operational inputs such as paper, electronic equipment and the like;
- minimise the Group's waste footprint by recycling and reusing materials where possible and setting waste reduction and/or recycling targets where viable;
- decrease the operational use of existing products while also sourcing from recycled or sustainable forest sources; and
- take the necessary precautions and ensure compliance with legislation on the handling or disposal of any hazardous materials in operations.





### 4.4.3 HOW WE WORK

We view waste not only in its end state but also evaluate both the processes and stages at which it is produced. The Group strives to uphold the waste hierarchy with an emphasis on preventing and minimising waste, followed by prioritising the reuse, recycling, repurposing and safe disposal of the waste materials produced in the following ways:

#### Keep products and materials in use

The Group proactively seeks opportunities to maintain the utilisation of products and materials, thereby minimising waste generation.

With the aim of reducing wood consumption across the Group, systems to keep wood pallets in circulation and divert waste away from landfills have been established and implemented at our business units. For instance, wooden pallets used on-site at Dominion, are reused and repaired, and only sent to recyclers for composting when they are beyond economical repair.

Vitaquest also introduced a pallet reuse and return programme with vendors of raw materials to allow for the return and reuse of truckloads of pallets to vendors.

Broken pallets are collected and repaired at Lipa for resale at a lower price, in order to minimise the use of new timber pallets and resources. Unbroken pallets are distributed to third-party logistics companies to be reused in their transportation cycle. Reusable drums are used in bulk packaging to formulate a closed-loop system that reduces the demand for single-use cardboard shippers, thereby contributing to waste reduction in our packaging process. A new recycling stream for gelatin was also introduced at Lipa since the previous year. The recycled gelatin is transformed into paints and glues, diverting around 42 tonnes of waste away from landfills in 2023. Lipa will continue to explore process improvement actions in softgel manufacturing to reduce gelatin net waste in the future.



● Reusable drums and pallets are used in Lipa to reduce waste generation

### Reducing plastics from packaging

The reduction of plastic in packaging minimises the environmental impact of the Group while also meeting growing expectations from customers to offer environmentally friendly products.

Vitaquest has been moving away from plastic and using paper for packaging as much as possible. Starting from 2022, Vitaquest reduced the use of single-gallon plastic bottles for bleach concentrate in its waste stream. In 2023, Vitaquest realigned its plastic recycling programme to a larger output, including training employees to focus on selected capture efforts to maximise diversion from landfills. These efforts were carefully implemented and monitored by our Environmental Health and Safety Manager. Also, Dominion has been exploring the options for recycled paper and plastic for on-site usage.

In addition to implementing various measures at our own operations to minimise the use of plastics, the Group also stepped up efforts to promote sustainable packaging. Lipa became a member of the Signatories of the Australian Packaging Covenant Organisation (“APCO”) in 2022 to drive towards more sustainable packaging. Since then, Lipa has been publicly reporting on packaging metrics and projects annually to improve the packaging system.



● Gelatin is collected at Lipa and recycled into paints and glues

### Prioritising sustainable raw materials

The Group places importance on procuring sustainable materials to minimise harmful waste produced along the supply chain.

Cheetham continues to explore the use of recyclable packaging or packaging with recycled content with current suppliers. Its existing packaging suppliers are required to obtain recyclability certificates to indicate all single-substrate polyethylene bags are 100% recyclable. At Dominion, the purchasing officer is actively engaged in ongoing conversations with suppliers to explore the availability of more sustainable packaging options.

Vitaquest established the Packaging and Development and Design teams to explore sustainable packaging options. It shifts away from plastic and uses paperboard cartons and corrugated shippers supplied by certified fibre sourcing programmes. These materials significantly cut down on pollution and are certified by standards such as the Sustainable Forestry Initiative (“SFI”), Forest Stewardship Council (“FSC”), or American Tree Farm System (“ATFS”). These efforts, driven by customer demand, reflect our commitment to promoting sustainable products.

### Safe disposal of process waste

The Group endeavours to manage the environmental impact on businesses by safely handling the waste produced in production processes.

Accensi has been actively exploring technology solutions to ensure the safe disposal of process waste. The ongoing trials of graphene oxide treatment technology to treat water-based herbicide washings and contaminated stormwater have yielded promising results with a 90% reduction in contaminants and concentration of less than 1 part per billion (< 1ppb) using flocculant and coagulant pre-treatment.

At Dominion, chemical residue from vacuum salt generation is amalgamated, dried, and shipped to a composting manufacturer to ensure safe disposal and reduce landfill use.

### Reducing electronic waste

Cheetham ensured that data on abandoned electronic devices had been properly erased before disposal and materials recovered had been recycled to divert electronic waste from landfills by reusing or recycling them. During the year, Cheetham repurposed pre-owned IT equipment through donations to local charities, not only extending the lifecycle of the products and reducing electronic waste but also making a meaningful impact on the local community.



- Cheetham securely erased all company data before donating abandoned electronic equipment to Temcare, a local charity supporting teenagers and young children

## LOOKING FORWARD

The Group strives to minimise potential environmental impact and has revisited our production workflow and begun sourcing office paper from recycled sources to achieve our targets to reduce the generation of hazardous and non-hazardous waste. We will continue to refine our processes to identify and introduce waste management initiatives to shape a world with less waste.

## 4.5 WATER USE



● A perfect harvest day at Cheetham Kevin site



● Salt stack at Dominion Mount Maunganui site

### 4.5.1 WHY IT MATTERS

Water is a vital resource for processing activities, posing a significant potential direct impact on the Group's productivity. With a growing vulnerability to risks associated with water scarcity that may be further intensified by climate change, it is crucial to address these risks through effective water management and informed capital investments based on the continuous assessment of operational risks.

### 4.5.2 OUR COMMITMENT

The Group is committed to complying with or exceeding relevant laws and regulatory requirements on discharges into water and land. Various measures have been undertaken by the Group to monitor and manage water usage.

The reuse and recycling of materials in day-to-day operations and the adoption of technologies are encouraged to enable better water use control. At the same time, the Group actively promotes behavioural change among employees through internal communication, training and other means to cultivate greater internal awareness of environmental issues, including water.



### 4.5.3 HOW WE WORK

Across the Group's business operations, a wide range of measures have been put into action to enhance water efficiency and reduce potential environmental impact.

At the headquarters of Vitaquest, infrastructure has been set up to enhance water efficiency, including low-flow flushometers and sinks in Vitaquest's facilities that reduce water usage in the plumbing system. Ultrasonic water meters with a flow usage programme were also introduced to better monitor water consumption, in addition to the new tower dilution station to minimise water usage. In-line filter water systems have also been installed at Vitaquest since 2019 to help minimise the consumption of plastic water jugs, plastic water bottles, as well as Styrofoam coffee cups.

Accensi has been evaluating various technologies to treat contaminated stormwater for reuse in products to replace the use of town water as much as possible.

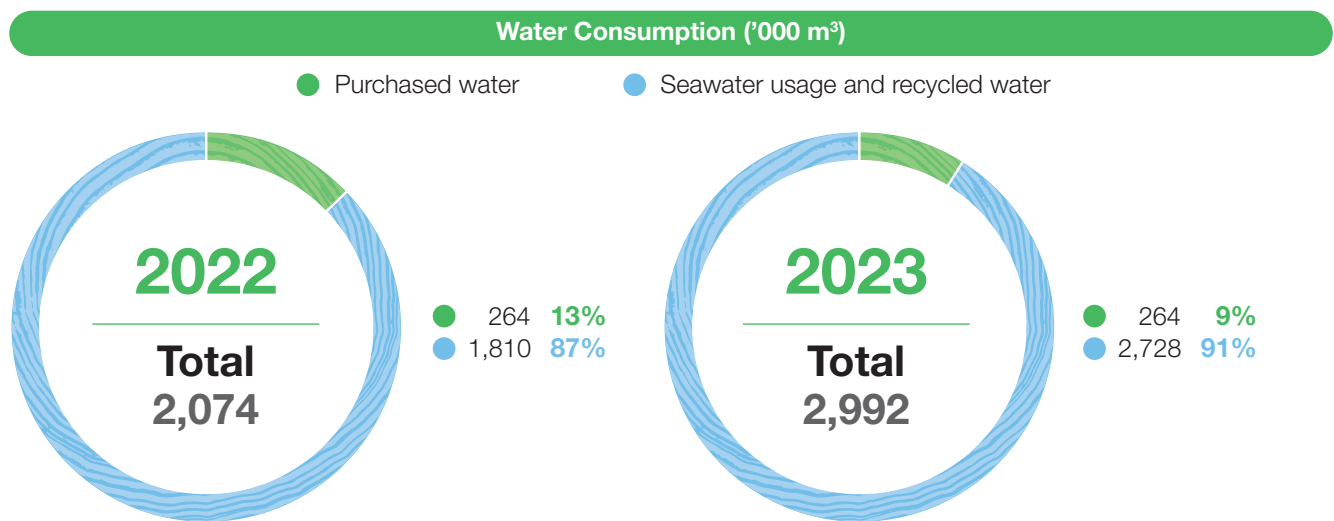
Cheetham also made a concerted effort to conserve water by reusing bitterns across all production sites. By heightening salinity through the reuse of bitterns, a higher level of salt harvest can be achieved without the need for additional freshwater.

At Lipa, ongoing training on water-conservative cleaning processes is arranged for employees to minimise the unnecessary waste of water during operations.

● Drain pipes at Cheetham  
Sea Lake site



During the year, the Group’s operations consumed 2,992,118 m<sup>3</sup> water, with the total water consumption intensity increased by 44%. Compared with 2022, the percentage of seawater usage and recycled water increased by 4% (2022: 87%; 2023: 91%), mainly due to the increased salt harvest volume at Cheetham leading to increased usage of seawater, which is the main source of water of the total water consumption.



## LOOKING FORWARD

In our endeavour to manage water consumption across business units, a variety of water-saving measures have been rolled out. Following the development of quantifiable water intensity targets in the previous year for some of our businesses, we have been closely monitoring the target progress with the aim of further minimise our environmental footprint. We will continue to lead the way in sustainability by pursuing our environmental goals and helping our operations achieve water reduction and relevant objectives.

## 4.6 REGULATORY COMPLIANCE

The Group has put in place robust policies and accountability mechanisms to ensure regulatory compliance across operations. Committed to ensuring the implementation of monitoring and detection measures and strict compliance with relevant laws and regulations, the Group's management has dedicated extensive efforts to staying abreast of the latest regulatory developments and providing appropriate training to all relevant staff members. During the reporting period, we were unaware of any material non-compliance with laws and regulations relating to air and GHG emissions, discharge into water and land, and generation of hazardous and non-hazardous wastes that would have a significant impact on the Group.

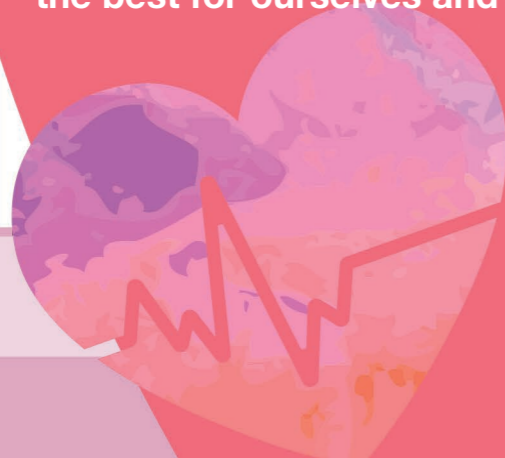


# SOCIAL

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With a commitment to becoming a preferred employer, the Group is devoted to fostering a safe and rewarding work atmosphere for our employees.

We are dedicated to embracing integrity, responsibility, respect, and empowerment within our operation and establishing a thriving business that also positively impacts society. As a responsible employer, business partner and community member, we endeavour to ensure the best for ourselves and others' well-being.





## 5.1 HUMAN CAPITAL DEVELOPMENT

### 5.1.1 WHY IT MATTERS

Our workforce is the backbone of the Group to deliver exceptional value and service to our customers. The Group's thriving businesses are intricately tied to the excellent talents that develop new products, conduct trials, manage government regulations, and commercialise new products with their specialised skills. Recognising the increasingly complex business landscape and rapid technological advancement, the capacity to attract and retain talents within a limited talent pool is paramount for the Group's competitiveness and long-term growth.

### 5.1.2 OUR COMMITMENT

The Group strives to retain and cultivate our talent by offering competitive remuneration, ensuring equal opportunities for development and fostering a supportive work environment. As stated in the "Corporate Social Responsibility Policy", the Group strictly adheres to non-discriminatory employment practices and procedures and is committed to:

- Providing a positive work environment that values the wide-ranging perspectives inherent in its diverse workforce and fostering individual growth and achievement of business goals;
- Providing a positive work environment that fosters growth and offering a wide range of training and development programmes and interest courses and activities;
- Ensuring internal equity and external competitiveness of employee remuneration and recognition; and
- Providing a safe workplace for all employees.

### 5.1.3 HOW WE WORK

#### 5.1.3.1 Attraction and retention of diverse talent

The Group implements merit-based remuneration mechanisms across businesses to ensure the competitiveness of our talents. Regular reviews of the remuneration package are undertaken against relevant market information to make necessary adjustments according to the roles.

Remuneration reviews are conducted at Dominion to ensure a fair pay structure across the business. An employee alignment and engagement survey was carried out by Cheetham, laying the foundation for management to enhance employee engagement and uplift their performance.

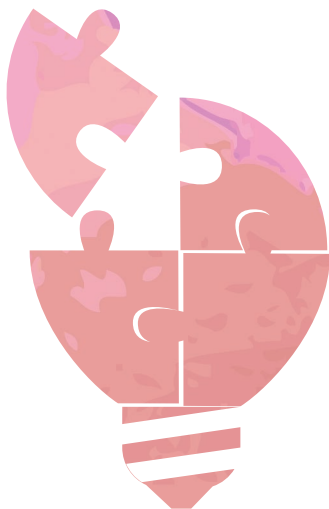
The Group prioritises the welfare of its employees by offering extensive benefits, including medical care, life insurance and retirement benefits. At Cheetham, salary continuance insurance is provided to both full-time and part-time workers to ensure the financial stability of employees and offer support for the livelihood of employees who may encounter incapacity to work due to illness or injury.

Every employee at Vitaquest is offered life insurance that covers additional short-term and long-term disabilities. In addition, employees at Vitaquest are entitled to obtain a 3% contribution of their annual compensation for their retirement, providing equitable benefits to employees, enabling them to make financial plans in advance for their retirement.

The Group believes promoting flexibility for employees to make their own decisions and accommodate their needs is crucial to fostering the well-being of our workforce, and has made every effort towards creating a work-life balance corporate culture. As such, we offer competitive leave entitlements and adopt flexible working arrangements to help employees strike a work-life balance. Flexible working arrangements, including part-time employment, have been enacted across business units, in addition to hybrid working arrangements for employees according to their needs. At Lipa, instead of overtime pay, employees can request “time off in lieu” with their managers, where greater flexibility is provided for employees to take time off during the week. Additionally, Dominion allows employees to take special leave for study, family or other personal reasons on occasion.

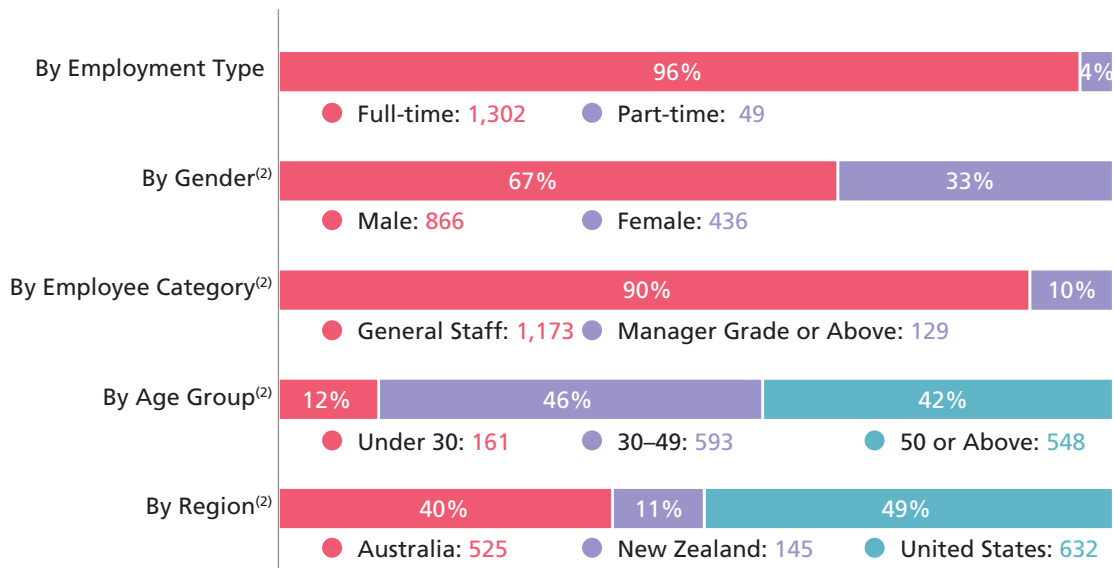
Prior to considering external recruitment, Accensi, Dominion and Lipa will announce all available positions internally to explore internal transfer and promotion opportunities. Furthermore, succession planning and framework for development are performed at Accensi and Dominion to provide career pathways and progression for employees. These programmes reward diligent employees and create a healthy culture of internal mobility.

The Group recognises the commitment and dedication of our employees, and has set in motion a variety of initiatives to recognise their unrelenting efforts and hard work. Vitaquest continued to reward employees with bonuses as a token of appreciation for their dedication and steadfast loyalty. Through the PROUD Champion Awards, Vitaquest offers gift cards to employees as rewards to recognise their invaluable assistance in supporting Vitaquest to overcome unprecedented challenges throughout the year. Employee bonuses are also given for recognising their commitment and loyalty to the Group. Accensi has established the Agri-Achievers Awards allowing employees to nominate peers who have demonstrated excellence in terms of the company’s core values of “Respect, Ownership, Achievement, Excellence and Teamwork”. Awards will be acknowledged in the company’s newsletter and celebrated in site meetings.

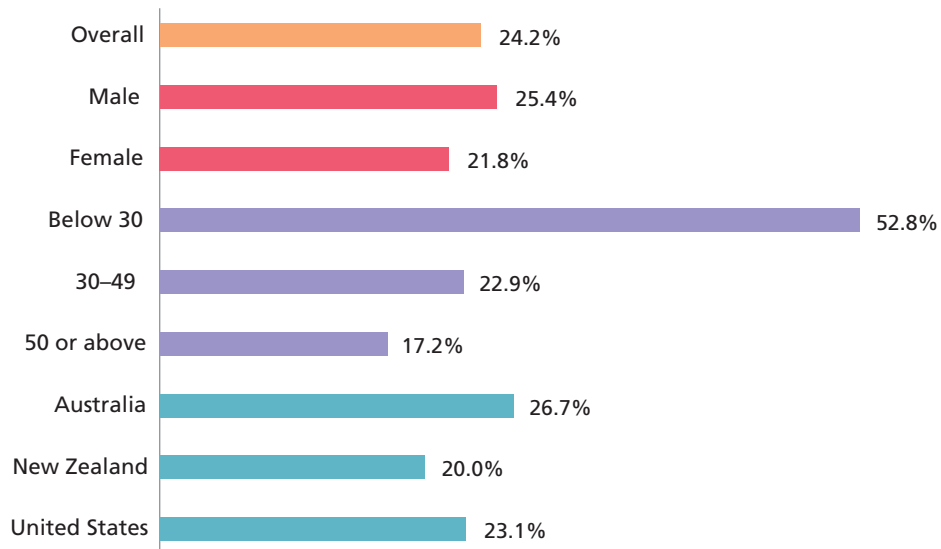


● Accensi's quarterly Agri-Achievers Award winners

### Employee Profile<sup>(1)</sup>



### Employee Turnover<sup>(1)</sup>



Notes:

- (1) In-scope entities only
- (2) Full-time employees only



- Accensi held Key Account Management (KAM) and Frontline Leadership Training for staff development

### 5.1.3.2 Training and Development

Fostering continuous development of our employees has always been an integral part of the Group's human capital management strategy. Through a wide variety of tailored training and development programmes, we are committed to arming employees with the knowledge and skills needed to fulfill their work duties and business needs, in order to optimise their work performances. The Group also arranges regular training in the form of seminars and workshops, with supplementary specific training organised whenever necessary.

The Skills Gap Analysis System implemented by Lipa helps to identify skill gaps that may occur due to changes in operations or standard operating procedures, and in turn devise an effective training programme to equip employees with the necessary skills to support business operations. Lipa has also established the Early Intervention and Training Support system to provide tailored coaching and support to underperforming employees. Managers can address the underperformance issues promptly and offer dedicated support and a reasonable timeframe for the employees to improve before considering any dismissal actions. To further narrow knowledge gaps and encourage skills development of our employees, a buddy training system is in place at Lipa to pair employees with more experienced staff members, allowing inexperienced employees to gain more hands-on experience from working with senior staff members and facilitating their growth.

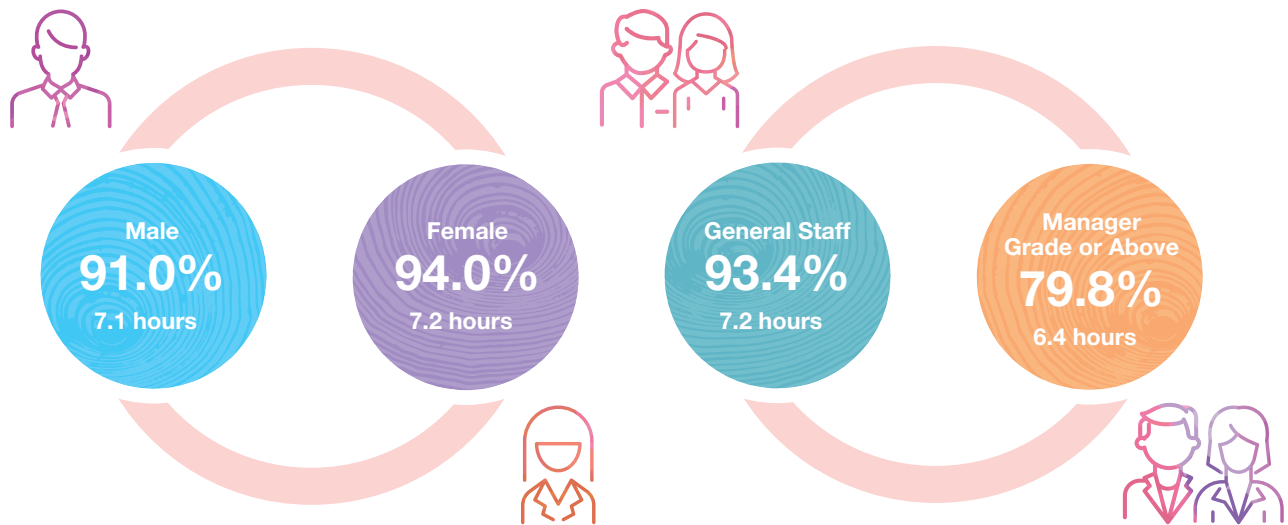
Leadership training for employees is arranged across various business units, including Accensi, Cheetham and Dominion, to upskill frontline leaders and enhance people management skills, thus enhancing effectiveness at work. Refresher training sessions on proper procedures for

infrequent tasks are arranged for employees at Lipa to ensure their knowledge is up-to-date, while paid training courses are organised for maintenance and electrician staff to obtain licences to carry out specialised tasks.

At Vitaquest, online and in-person trainings are organised throughout the year according to the company requirements, US Food and Drug Administration ("FDA") regulations, etc. This includes an annual general safety and Current Good Manufacturing Practices ("cGMPs") training covering all safety topics and emergency procedures, a hazard communication training to review general hazard communication standards, etc. Vitaquest has also been working on several initiatives to improve employees' knowledge and capability on sustainability, such as creating an environmental charter for internal and external communications.

Several frameworks and procedures have been rolled out at Accensi to enhance the knowledge level of employees and minimise training gaps. An analysis of the quality training needs was carried out among the quality team and site management team to identify the training needs in mobile process equipment operations, labelling, sampling, quality checks, etc. In addition to the Individual Performance Plan ("IPP") framework, the Operator Competency Framework and a refreshed Training and Development Procedure are in place at Accensi. This year, Accensi revised the Operator Competency Framework to construct a clear framework, with the aim for promoting skills-based assessment, in addition to the existing guidance on training and development for various levels of production personnel.

Percentage of Employees Who Received Training<sup>(1)</sup> and Average Hours of Training Per Employee<sup>(2)</sup> by Gender and by Employee Category



Note:

- (1) Permanent full-time staff includes terminated employees who left the Company during the reporting period. Percentage of employees who received training = number of employees trained/total workforce at the end of the reporting period x 100%.
- (2) Average training hours = total hours of training received by employees/total workforce at the end of the reporting period.

5.1.3.3 Diversity and Equal Opportunity

As described in the Workforce Diversity Policy, the Group is committed to embracing diversity and fostering a supportive, inclusive and discrimination-free workplace. We strive to offer our employees equal opportunities and treatment regardless of gender, age, sexual orientation, nationality, family status, race and religion.

Induction on anti-discrimination and equal opportunity and refresher training are arranged at Accensi and Cheetham for their employees to ensure that the principles of equal employment opportunity and diversity are embedded throughout business activities. Accensi also provides training on the Bullying, Discrimination and Harassment Policy during induction and every two years, ensuring employees understand what to do if there is any bullying in the workplace and that it is not acceptable. Vitaquest provides anti-harassment training for all employees to introduce behaviours that are deemed unacceptable within

the workplace. In addition to training offered to employees, Dominion and Lipa have outlined in their employment agreements that no roles are selected based on gender, and that an equal pay structure applies to all functions, regardless of their gender. A whistleblowing policy is adopted, providing a safe environment to encourage employees to report issues surrounding discrimination in the workplace.

To promote inclusiveness in the workplace among employees from diverse cultural backgrounds, Vitaquest provides English as a Second Language (“ESL”) Training Courses for non-native English-speaking employees. This removes language barriers, facilitates communication between staff members and further encourages integration. At the same time, Cheetham renewed its annual membership in the National Alliance of Women’s Organisation (“NAWO”), showing continuous support for events targeting the development and empowerment of women.

## 5.2 OCCUPATIONAL HEALTH AND SAFETY

### 5.2.1 WHY IT MATTERS

The operations of our agriculture-related business activities involve inherent risks of hazards, in particular, falls, transportation accidents, equipment-related accidents and heat-related illness or injury. Ensuring a smooth operation while protecting the well-being of our workforce has always been our paramount priority.

### 5.2.2 OUR COMMITMENT

The Group is committed to providing a safe and secure working environment for our employees, service providers, suppliers, contractors, and customers, and being free from any form of health and safety hazards.

This commitment is formalised in the “Health and Safety Policy”, which incorporates the following key principles:

- comply with all applicable laws and regulations in the relevant jurisdictions;
- meet industry-specific standards or reference relevant industry best practices;
- adopt local or international health and safety guidelines for goods and services purchased;
- maintain a safe working environment;
- provide employees and contractors with guidelines, training and development specific to their job requirements;
- assess the health and safety performance of contractors and suppliers regularly;
- engage employees and contractors through information sharing and programmes to improve their health and well-being, and solicit feedback for continuous improvements;
- monitor and report health and safety performance;
- provide sufficient resources to implement the Policy; and
- enforce the implementation of the Policy with regular reviews and internal audits.



### 5.2.3 HOW WE WORK

#### 5.2.3.1 Health and Safety Management System

Health and safety management systems are established by different business units as applicable to ensure compliance with local regulatory requirements.

Cheetham has obtained ISO 45001 certification, demonstrating a structured framework to establish a safe and healthy workplace. Dominion also carried out an ISO 45001 audit for part of its sites during the reporting period and obtained certification.

To ensure appropriate processes are in place to manage workplace safety in Accensi, Cheetham, and Lipa, the National Manufacturing Manager, HSEQ Group Manager, and Work Health Safety Business Partner are responsible for governing the occupational health and safety management systems, respectively.

#### **Initiatives to safeguard the health and safety of our employees**

During the reporting period, Vitaquest acquired and installed the KAIVAC cleansing unit for multi-surface cleaning and sanitising on-site. The older Automated External Defibrillator (“AED”) and Cardiopulmonary Resuscitation (“CPR”) units were also replaced with newer models that feature WiFi monitoring functions to ensure reliability. Recognising the potential risks associated with working at heights, Vitaquest also implemented fall arrest trauma safety straps, providing emergency rescue support for workers at heights.

Accensi introduced powered air-purifying respirators (“PAPR”) for a higher level of respiratory protection while minimising the risk of respiratory fatigue. The respirators for different usages are in different colours to avoid confusion, and the pump and battery units of the respirators are checked and inspected at required time intervals to ensure efficiency. Accensi also introduced Diphoterine (“DAP”) to enhance the first aid response of employees exposed to strong acids or alkalis, preventing permanent eye or skin damage.

#### 5.2.3.2 Hazard Identification and risk assessment

Continuous identification and risk assessment have been undertaken across business units of the Group to prevent workplace incidents and minimise occupational hazards.

With the aim of identifying and addressing safety hazards, Lipa holds monthly work health and safety (“WHS”) meetings to serve as a channel for any department to raise potential risks and concerns to the Safety Committee. The safety hazards identified are addressed and recorded during the meetings, with corrective action responsibility assigned for rectification.

During the reporting period, Cheetham conducted a machine safety assessment and formulated remedial actions in response to identified high-risk actions.

In addition to regular meetings and assessments to identify and manage safety hazards, the Group recognises the importance of improving the health and safety awareness of our employees to minimise safety risks. At Vitaquest, Occupational Safety and Health Administration (“OSHA”) Annual Respirator Exams were carried out during the reporting period. A new OSHA process was established at Vitaquest to meet the requirements for annual exams and in-house fit testing, with the aim for reducing lost time from work. Environment, health and safety training has also been carried out at Vitaquest twice a year to identify potential safety hazards.

The Group had no work-related fatalities in the past three years, with a lost time injury rate<sup>(1)</sup> of 5.0 per million hours in 2023.

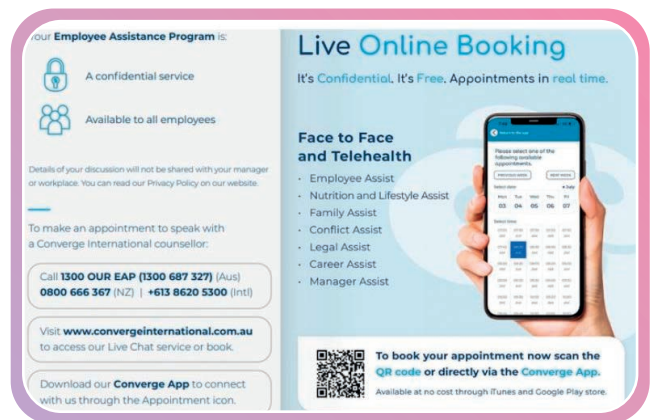
Note:

(1) Lost-time injuries rate per million hours worked, calculated using the formula: (Number of lost-time injuries)/(Total hours worked in the reporting period) x 1,000,000

### 5.2.3.3 Promotion of mental health

The Group acknowledges the significance of maintaining not only the physical health but also the mental health of its employees. Various policies and initiatives have been formulated and implemented to support the mental health of employees. For instance, hybrid working arrangements have been introduced across business units, allowing employees the flexibility to work from home as necessary to manage both work and family commitments.

Determined to maintain a healthy workplace, an Employee Assistance Programme is in place at Accensi and Cheetham to support the mental health of employees. Through the Employee Assistance Programme, professional counselling services such as hotlines and online apps are provided to employees in need. In 2023, Cheetham and Accensi participated in the Australian national initiative “R U OK?” Day to advocate mental health awareness and promote a caring culture in the workplace. These initiatives demonstrated the Group’s determination to maintain a healthier workforce.



- The online Employee Assistance Programme (EAP) at Cheetham offers help from qualified health professionals to support the well-being of employees



- Cheetham participated in 2023 Australian “R U OK?” Day to increase awareness of mental health and promote a caring culture



## 5.3 SUPPLY CHAIN MANAGEMENT

### 5.3.1 WHY IT MATTERS

Our business operations involve a wide variety of suppliers for sourcing materials. The Group understands the importance of effective management of supply chain matters related to labour, environmental practices, ethics, and corruption, in order to prevent potential reputational damage, regulatory penalties, and increased long-term operational costs for the Group. The Group seeks to enhance the management capabilities and product and service innovation of both the Group and our suppliers through robust management of the supply chain and fostering close collaboration with suppliers, thereby mitigating the environmental and social risks within the supply chain. This, in turn, enhances supply chain stability, which is crucial for ensuring business continuity.

### 5.3.2 OUR COMMITMENT

The Supplier Code of Conduct is applied to all business partners, and products and service providers. It provides guidance to the Group's suppliers in implementing sustainable practices and performance.

The Supplier Code of Conduct takes account of international charters and conventions such as the United Nation's Universal Declaration on Human Rights and the 1998 Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work.

Several other policies also support the Group's commitment to promoting supply chain sustainability, including:

Supply chain-related policies	Expectations and Requirements
<b>Human Rights Policy</b>	The Group aims to help increase the protection and enjoyment of human rights within the communities in which it operates and expects business partners and suppliers to uphold the principles in the Policy.
<b>Modern Slavery and Human Trafficking Statement</b>	The Group has zero-tolerance for modern slavery and is fully committed to preventing modern slavery and human trafficking in any part of its business or in its supply chains.
<b>Environmental Policy</b>	The Group is aware of the indirect environmental impact through its influence on the related performance of its value chain and its investments. It endeavours to influence suppliers by raising awareness on environmental issues, eco-friendly practices and professional environmental considerations.

### 5.3.3 HOW WE WORK

#### 5.3.3.1 Supplier Screening and Selection

ESG considerations are integrated into the selection and evaluation process for our suppliers and contractors. The Group's business units have established and implemented supplier management standards to ensure the quality of suppliers we engage with.

Vitaquest developed a number of standard operating procedures, such as the "Management of Purchased Materials" and the "Management of Service Suppliers", to guide the procurement process. These standard operating procedures serve as safeguards to mitigate potential risks to the supply chain quality. The "Management of Service Suppliers" was overseen by the Food Safety Team, and involves guidelines for issuing a service agreement to all service suppliers, ensuring that their services align with Vitaquest's standards for quality and food safety.

Dominion has implemented the Ethical Sourcing and Responsible Trading Policy, setting out guidance on sustainable sourcing and the management of potential supply chain risks. This ensures that product sourcing and businesses are conducted in an ethical and responsible manner with considerations of the welfare of workers, health and safety and potential environmental impacts in the countries where we operate. Quality standard agreements have been implemented with key packaging suppliers and are monitored annually to encourage more vendors to adopt relevant standards.

All packaging products are purchased as fit for purpose and recyclable as much as possible. All polyethylene and clear plastics are recyclable; cartons and paper products are unbleached and recyclable; flexible intermediate bulk containers ("FIBCs") are purchased and designed to minimise complexity for recyclers.

#### 5.3.3.2 Ongoing Monitoring and Evaluation

Regular monitoring, audits and evaluations are carried out to assess the performance of suppliers.

At Cheetham, an ongoing Approved Supplier programme has been carried out and 40 major raw material and packaging material suppliers were reviewed this year. The Ethical Sourcing Policy and Integrated Management System Procedure were also updated to incorporate procedures on green procurement.

At Dominion, the quality agreements with suppliers require them to comply with health and safety and ethical sourcing requirements, and take into consideration the environmental impact of their business operations, which these agreements are monitored and reviewed annually.

To assess and maintain the performance and ethical practices of its suppliers, Vitaquest rolled out the Procurement Vendor Scorecards to evaluate the performance of its top 100 vendors through metrics such as On-Time In-Full ("OTIF") to analyse their supply chain processes and gain insights into their overall performance. Vitaquest also set out the Supplier Code of Conduct to reinforce the importance of high moral, social and ethical values for all working partners. The Procurement Team at Vitaquest employs Procurement Vendor Scorecards.

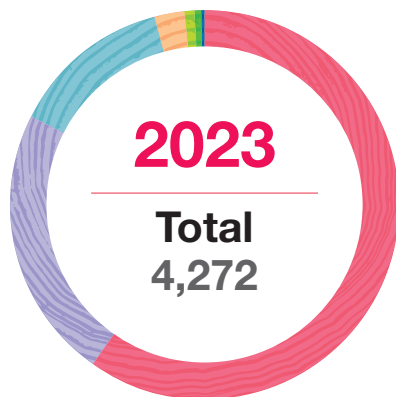
### 5.3.3.3 Communication

The Group places a strong emphasis on suppliers to adhere to high ethical standards on matters related to health and safety, environmental protection, and fair labour practices. To support suppliers in understanding and meeting these expectations, the Group fosters open communication channels to facilitate dialogue and exchange of ideas.

Open discussions with suppliers are carried out across operations from time to time, providing a platform for business units and suppliers to initiate conversations and share insights, thereby enhancing the overall sustainability performance of the supply chain.

Lipa takes proactive steps to enforce its modern slavery policy throughout its supplier network. Suppliers of Lipa are required to share any auditing information and details of their practices related to modern slavery for review, allowing Lipa to assess, evaluate, and monitor supplier actions and facilitating ongoing efforts to minimise the risks associated with modern slavery. In addition, training is provided to contractors at Lipa on the signs that could indicate modern slavery, due diligence practices and actions they can take if they have a concern concerning modern slavery, thus ensuring the contractors are properly trained to identify, address and conduct due diligence to prevent child or forced labour.

### Number of Suppliers by Geographical Region



● AUSTRALIA	2,561	<b>60%</b>
● NEW ZEALAND	964	<b>23%</b>
● NORTH AMERICA	570	<b>13%</b>
● GREATER CHINA	107	<b>2%</b>
● EUROPE	33	<b>1%</b>
● ASIA (EXCLUDING GREATER CHINA)	31	<b>1%</b>
● OTHER REGION	6	<b>&lt;1%</b>

## 5.4 PRODUCT RESPONSIBILITY

### 5.4.1 WHY IT MATTERS

The Group is committed to adhering to applicable safety and quality standards, in response to the increasing scrutiny of consumers and regulatory authorities regarding the quality, safety, and efficiency of nutraceutical ingredients and finished products.

Considering that the nutraceutical and food-related sectors are prone to challenges associated with the marketing, labelling and claims of specific products, the Group endeavours to align its marketing strategies with relevant regulations, while taking into account consumer perceptions to effectively manage their expectations regarding the products offered. By doing so, the Group aims to maintain compliance and ensure consumer satisfaction in light of evolving industry requirements.

### 5.4.2 OUR COMMITMENT

The Group is committed to delivering products with the highest quality and safety standards at all times. We dedicate efforts to improving product quality to meet stringent standards and proactively carry out self-assessment to ensure product safety and quality, driving continuous performance improvement within the organisation.

### 5.4.3 HOW WE WORK

#### 5.4.3.1 Product Safety and Quality

Stringent quality assurance and control procedures are implemented throughout every production phase. Prior to procurement and being used in production, raw materials are subject to compliance screening. The manufacturing process is monitored and controlled by process owners. Finished products undergo comprehensive laboratory testing to ensure that product quality standards and customer expectations are met. These practices comply with the stipulations of relevant certification, such as the Good Manufacturing Practices (“GMPs”).

In recognition of Lipa’s unwavering commitment to the highest standards of manufacturing practices, Lipa won the prestigious title of “High-Quality Manufacturer of the Year” at the Complementary Medicines Australia (“CMA”) Annual Industry Awards for 2023.

Lipa adopts a systematic approach to safeguarding the quality of its nutraceutical products. Total Quality Management system is implemented at all levels of Lipa to ensure strict compliance with specific standard operating procedures in quality control. The system is reviewed annually by both internal and external parties to ensure its suitability and effectiveness in a dynamic business environment. Lipa’s quality assurance team employs a vendor rating system to assess potential vendors in terms of their management systems and product quality. Assessments include laboratory tests for quality control and physical inspections of suppliers’ facilities, which will be carried out prior to engagement and every five years thereafter, thus ensuring the source of raw materials meets Lipa’s quality requirements and minimising the risk of product recalls due to subpar quality.



- Lipa implements Total Quality Management to ensure strict compliance in quality control



- Lipa was awarded 2023 “High-Quality Manufacturer of the Year” by CMA

At Accensi, the Queensland and Western Australia sites are both ISO 9001 Quality Management System accredited. Accensi performed a review of its Quality Management System in the previous year, and has completed training to enhance its quality management expertise this year.

Cheetham has quality management systems in place that are ISO 9001 accredited, which are reviewed by management and audited by third-party auditors. The systems have also obtained Hazard Analysis and Critical Control Points (“HACCP”) certification, ensuring the identification and control of food safety hazards within their operations.

Dominion is certified with Food Safety System Certification (FSSC) 22000 – Quality which also contains ISO 9001 certification. Annual surveillance audits and re-certification audits every three years have been established. Dominion has additionally attained a certificate for National Programme 3 for its salt manufacturing operations in compliance with the Food Act 2014.

As an industry leader in quality and safety practices, Vitaquest became the first company in the United States of its kind to attain the FSSC 22000 Food Safety System Certification for nutraceutical and functional food manufacturing. Apart from assuring the product quality through comprehensive management at all stages of manufacturing, Vitaquest



- Vitaquest quality commitment extends through product formulation, development, manufacturing and testing, all the way to finished product

also established a Recall Committee to handle recall-related matters in accordance with FDA regulations, with a standard operating procedure in place to address such occurrences in compliance with FDA rules and regulations.

In response to potential product recalls, Lipa’s quality assurance team conducts routine mock recall exercises, ensuring our employees are adequately prepared for any potential instances of product recall in the future and are able to swiftly and effectively perform root cause analysis.

Accensi manages product quality through the Quality Manual and the Product Recall Procedure. Meanwhile, Cheetham and Dominion have recall procedures in place to manage product quality and potential recalls.

#### 5.4.3.2 Customer Experience

The Group is committed to maintaining open dialogues with customers, facilitating ongoing engagement to gain insight into their needs and expectations. A variety of channels have been established to gather and respond to opinions and complaints received. Policies and procedures for handling customer complaints are in place across operations to guide the complaint handling and investigation processes. At Lipa, all complaints received are forwarded to the quality assurance manager, and the cause of the complaint will be included in the report for investigation. Upon receiving the complaint, an investigation will commence within 24 or 48 hours, depending on the risk category of the complaints. Through investigating the root cause of complaints, we examine the validity of complaints and trace the issue throughout processes and systems. All complaints are trended and reviewed in the Quality Review Meeting at Lipa to discuss any improvements and actions to reduce future complaints. Similarly, Accensi set out the requirement for initial responses to customer complaints within 24 hours in its Complaint Response Procedure. Weekly complaint resolution meetings are arranged at Accensi to improve complaint responses to customers. During the year, we have received 820 product and service-related complaints.

## 5.5 COMMUNITY INVESTMENT

Recognising the impact of the Group's business operation on the local communities where it operates, the Group makes concerted efforts to utilise its resources and capabilities and positively impact the local communities.

During the year, Vitaquest continues its partnership with Vitamin Angels, a non-profit organisation, to provide vitamins to children in need. Meanwhile, Dominion made donations to Bay Oval to support their project of constructing new fences, and sponsored a number of local charities, foundations and schools to support child and youth development.

## 5.6 REGULATORY COMPLIANCE

The Group acknowledges the significance of complying with relevant regulations concerning health and safety, advertising, labelling and privacy matters relating to products and services and methods of redress, and has established preventive, monitoring and controlling measures to ensure regulatory compliance.

The Group is not aware of (i) any material non-compliance with laws and regulations relating to employment, labour practices, health and safety, advertising, labelling and privacy matters relating to products and services and methods of redress that have a significant impact on the Group; or (ii) any incident that has a significant impact on the Group relating to the use of child or forced labour during the reporting period.



# APPENDIX



## 6.1 ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS

Environmental KPIs <sup>1</sup>	Unit	2022	2023
<b>GHG emissions<sup>2</sup></b>			
Total GHG emissions	tonne CO <sub>2</sub> e	46,880	<b>48,960</b>
Scope 1 GHG emissions		30,517	<b>32,037</b>
Scope 2 GHG emissions		16,363	<b>16,923</b>
<b>Total GHG emissions intensity<sup>3</sup></b>	tonne CO <sub>2</sub> e/ HK\$'000 revenue	0.011	<b>0.011</b>
Scope 1 GHG emissions intensity		0.007	<b>0.007</b>
Scope 2 GHG emissions intensity		0.004	<b>0.004</b>
<b>Use of energy</b>			
Total energy consumption	'000 kWh	164,910	<b>169,920</b>
Direct energy consumption		129,269	<b>133,455</b>
Gasoline/Petrol		176	<b>175</b>
Diesel		8,347	<b>9,489<sup>4</sup></b>
Natural gas		80,268	<b>80,373</b>
LPG		16,448	<b>16,861</b>
Other fuels <sup>5</sup>		24,030	<b>26,557<sup>6</sup></b>
Indirect energy consumption		35,641	<b>36,465</b>
Electricity		35,641	<b>36,465</b>
<b>Total energy consumption intensity<sup>7</sup></b>		kWh/HK\$ revenue	0.039
Direct energy consumption intensity	0.031		<b>0.031</b>
Indirect energy consumption intensity	0.008		<b>0.008</b>

<sup>1</sup> Any discrepancies between (i) totals provided and the sum of the numbers presented; and (ii) percentages provided and the associated numbers throughout the Report are due to rounding.

<sup>2</sup> Greenhouse gas (GHG) emissions comprise carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. The data are calculated using local/industry-specific methodology where applicable under regulations. Otherwise, the Scope 1 emissions are calculated using the latest available emission factors in line with the Greenhouse Gas Protocol, International Energy Agency's ("IEA") Energy Statistics Manual, United States Environmental Protection Agency's ("US EPA") Emission Factors for Greenhouse Gas Inventories, the Sixth Assessment Report ("AR6") by the Intergovernmental Panel on Climate Change ("IPCC") and Environmental Protection Department and the Electrical and Mechanical Services Department's Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purpose) in Hong Kong (2010 Edition). Scope 2 emissions include the emissions associated with electricity purchased and are calculated based on the IEA's latest available emission factors.

<sup>3</sup> "Total GHG emissions intensity" equals "Total GHG emissions" over total revenue contributed by the In-scope Business Units, which is considered an appropriate intensity basis for the nature of the relevant business units.

<sup>4</sup> The diesel consumption increased by 14% compared with 2022. This is mainly due to the increased use of diesel at Cheetham resulting from longer salt harvesting period and more vessels being engaged for off load of salt at Kevin site to support higher export volume.

<sup>5</sup> Includes bituminous coal.

<sup>6</sup> The consumption of other fuel increased by 11% compared with 2022. This is mainly due to the increased usage of bituminous coal at Dominion to support higher level of vacuum salt production activities transited from Mount Maunganui site to Lake Grassmere site.

<sup>7</sup> "Total energy consumption intensity" equals "Total energy consumption" over total revenue contributed by the In-scope Business Units, which is considered an appropriate intensity basis for the nature of the relevant business units.



Environmental KPIs <sup>1</sup>	Unit	2022	2023
<b>Use of water</b>			
Water consumption	'000 m <sup>3</sup>	2,074	<b>2,992<sup>8</sup></b>
Water consumption intensity <sup>9</sup>	m <sup>3</sup> /HK\$'000 revenue	0.488	<b>0.686</b>
<b>Air Emissions</b>			
NO <sub>x</sub> emissions	tonnes	0.486	<b>0.606<sup>10</sup></b>
SO <sub>x</sub> emissions		0.014	<b>0.016<sup>10</sup></b>
Particulate matter emissions		0.015	<b>0.025<sup>10</sup></b>
<b>Waste Produced</b>			
Total hazardous waste produced	tonnes	905	<b>1,992<sup>11</sup></b>
Total non-hazardous waste produced		18,133	<b>18,724</b>
<b>Packaging material</b>			
<b>Total packaging material used for finished products<sup>12</sup></b>	tonnes	7,026	<b>6,403</b>
Plastic		4,348	<b>3,311<sup>13</sup></b>
Paper		1,596	<b>1,806<sup>14</sup></b>
Metal		154	<b>33<sup>13</sup></b>
Glass		89	<b>321<sup>15</sup></b>
Other packaging materials		839	<b>932<sup>16</sup></b>

<sup>8</sup> Water consumption increased by 44% compared with 2022. This is mainly due to the increase in sea water consumption at Cheetham directly relating to the significantly increased salt harvest volume.

<sup>9</sup> "Water consumption intensity" equals "Water consumption" over total revenue contributed by the In-scope Business Units, which is considered an appropriate intensity basis for the nature of the relevant business units

<sup>10</sup> NO<sub>x</sub> emissions, SO<sub>x</sub> emissions and particulate matter emissions increased by 25%, 12% and 72% respectively compared with 2022. This is mainly due to the increased business travel by vehicles at Cheetham, Dominion and Vitaquest with the resumption of business activities to normal along with the lifting of COVID-19 restrictions at various regions.

<sup>11</sup> Total hazardous waste produced increased by 120% compared with 2022. This is mainly due to the discharge of water-based herbicide washings and contaminated stormwater after graphene oxide treatment under trials at Accensi.

<sup>12</sup> Packaging material used for finished products is the estimated volume purchased.

<sup>13</sup> The use of plastic and metal decreased by 23% and 78% respectively compared with 2022. This is mainly due to the lower production volume at Accensi, leading to fewer demand of intermediate bulk containers using plastic and metal in outer packaging.

<sup>14</sup> The use of paper increased by 13% compared with 2022. This is mainly due to the increased production volume at Vitaquest, leading to more use of paper packaging.

<sup>15</sup> The use of glass increased by 259% compared with 2022. This is mainly due to the modification of one packaging line at Lipa to accommodate increased demand for products requiring glass packaging.

<sup>16</sup> The use of other packaging material increased by 11% compared with 2022. This is mainly due to the increased use of wooden pallets at Cheetham for increased inventory level and for exports.

Social KPIs <sup>17</sup>	Unit	2022	2023
<b>Employee Profile</b>			
Number of employees	Number	1,334	<b>1,351</b>
Number of employees by employment type			
Full-time	Number	1,252	<b>1,302</b>
Part-time		82	<b>49</b>
Number of employees by gender <sup>18</sup>			
Male	Number	829	<b>866</b>
Female		423	<b>436</b>
Number of employees by employee category <sup>18</sup>			
Manager grade or above	Number	116	<b>129</b>
General staff		1,136	<b>1,173</b>
Number of employees by age group <sup>18</sup>			
Under 30	Number	168	<b>161</b>
30-49		547	<b>593</b>
50 or above		537	<b>548</b>
Number of employees by region <sup>18</sup>			
Australia	Number	519	<b>525</b>
New Zealand		144	<b>145</b>
United States		589	<b>632</b>
<b>Employee Turnover<sup>19</sup></b>			
Overall turnover rate	%	26.8%	<b>24.2%</b>
Turnover rate by gender			
Male	%	29.0%	<b>25.4%</b>
Female		22.5%	<b>21.8%</b>
Turnover rate by age group			
Under 30	%	52.4%	<b>52.8%</b>
30-49		27.4%	<b>22.9%</b>
50 or above		18.1%	<b>17.2%</b>
Turnover rate by region			
Australia	%	27.6%	<b>26.7%</b>
New Zealand		23.6%	<b>20.0%</b>
United States		26.8%	<b>23.1%</b>

<sup>17</sup> In-scope entities only.

<sup>18</sup> Full-time employees only.

<sup>19</sup> The turnover rate refers to full-time employees of the in-scope entities only, which is calculated by the number of employee departures during the year, divided by the total number of employees as of 31 December 2023.

Social KPIs <sup>17</sup>	Unit	2022	2023
<b>Health and safety</b>			
Number of work-related fatalities of full-time employees	Number	0	<b>0</b>
Rate of work-related fatalities of full-time employees	%	0%	<b>0%</b>
Lost time injury rate per million hours worked <sup>20</sup>	Rates	11.7	<b>5.0<sup>21</sup></b>
<b>Training and development</b>			
Percentage of trained full-time employees	%	88.3%	<b>92.0%</b>
Percentage of trained full-time employees by gender			
Male	%	91.8%	<b>91.0%</b>
Female		81.6%	<b>94.0%</b>
Percentage of trained full-time employees by employee category			
Managers	%	80.2%	<b>79.8%</b>
Non-managers		89.2%	<b>93.4%</b>
Average number of training hours completed by full time employees	Hours	7.1 <sup>22</sup>	<b>7.1</b>
Average number of training hours completed by full time employees by gender			
Male	Hours	7.1 <sup>22</sup>	<b>7.1</b>
Female		7.1 <sup>22</sup>	<b>7.2</b>
Average number of training hours completed by full time employees by employee category			
Managers	Hours	7.2 <sup>22</sup>	<b>6.4</b>
Non-managers		7.1 <sup>22</sup>	<b>7.2</b>

<sup>20</sup> Lost-time injuries rate per million hours worked, calculated using the formula: (Number of lost-time injuries)/(Total hours worked in the reporting period) x 1,000,000.

<sup>21</sup> Lost time injuries rate per million hours worked showed significant improvement due to enhancement in occupational health and safety assessment and training to reduce occupational hazards.

<sup>22</sup> The average number of training hours completed by full time employees in 2022 has been restated after integrating a more accurate dataset.

Social KPIs <sup>17</sup>	Unit	2022	2023
<b>Supply Chain Management</b>			
Number of suppliers by geographical region			
Australia	Number	3,009	<b>2,561</b>
New Zealand		1,487	<b>964</b>
North America		747	<b>570</b>
Greater China		136	<b>107</b>
Europe		40	<b>33</b>
Asia (excluding Greater China)		33	<b>31</b>
Other region		6	<b>6</b>
<b>Product Responsibility</b>			
Percentage of total products sold or shipped subject to recalls for safety and health reasons	%	0%	<b>0.01%</b> <sup>23</sup>
Number of products and service related complaints received	Number	707	<b>820</b>

<sup>23</sup> In terms of sales value.

## 6.2 HONG KONG STOCK EXCHANGE ESG GUIDE CONTENT INDEX

	Mandatory Disclosure Requirements	Section	Remarks
Governance Structure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> <li>(i) a disclosure of the board's oversight of ESG issues;</li> <li>(ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and</li> <li>(iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.</li> </ul>	2.1 2.2	–
Reporting Principles – Materiality	<ul style="list-style-type: none"> <li>(i) the process to identify and the criteria for the selection of material ESG factors; and</li> <li>(ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.</li> </ul>	1.4 2.1.2 2.1.3	–
Reporting Principles – Quantitative	Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable).	1.4 6.1	–
Reporting Principles – Consistency	The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	1.4 6.1	–
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report.	1.4	–

Subject Areas, Aspects, General Disclosures and KPIs		Section	Remarks
<b>A. Environmental</b>			
<b>Aspect A1: Emissions</b>			
General Disclosure	Information on:  a) the policies; and  b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	4.2 4.4 4.5 4.6	<ul style="list-style-type: none"> <li>• Corporate Social Responsibility Policy</li> <li>• Environmental Policy</li> <li>• Supplier Code of Conduct</li> </ul>
KPI A1.1	The types of emissions and respective emissions data	4.2 6.1	–
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	4.2 6.1	–
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	6.1	–
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	6.1	–
KPIA1.5	Description of emission target(s) set and steps taken to achieve them	4.1 4.2	–
KPI 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	4.1 4.4	–

Subject Areas, Aspects, General Disclosures and KPIs		Section	Remarks
<b>Aspect A2: Use of resources</b>			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	4.2 4.5	<ul style="list-style-type: none"> <li>• Corporate Social Responsibility Policy</li> <li>• Environmental Policy</li> <li>• Supplier Code of Conduct</li> </ul>
KPI 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)	4.2 6.1	–
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	4.5 6.1	–
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	4.1 4.2	–
KPI 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	4.1 4.5	During the reporting period, the Group does not encounter any issues in sourcing water that is fit for purpose.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	6.1	–
<b>Aspect A3: The Environment and Natural Resources</b>			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	4.1-4.5	<ul style="list-style-type: none"> <li>• Environmental Policy</li> <li>• Supplier Code of Conduct</li> </ul>
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the action taken to manage them	4.1-4.5	–

Subject Areas, Aspects, General Disclosures and KPIs		Section	Remarks
<b>Aspect A4: Climate Change</b>			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	2.3 4.3	<ul style="list-style-type: none"> <li>• Environmental Policy</li> </ul>
KPI 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.	2.3 4.3	–
<b>B. Social</b>			
<b>Aspect B1: Employment</b>			
General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	5.1 5.6	<ul style="list-style-type: none"> <li>• Employee Code of Conduct</li> <li>• Workforce Diversity Policy</li> </ul>
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	5.1 6.1	–
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	5.1 6.1	–



Subject Areas, Aspects, General Disclosures and KPIs		Section	Remarks
<b>Aspect B2: Health and Safety</b>			
General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	5.2 5.6	<ul style="list-style-type: none"> <li>Health and Safety Policy</li> </ul>
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	5.2 6.1	–
KPI B2.2	Lost days due to work injury	5.2 6.1	We disclose the lost-time injury rate to properly reflect our health and safety performance instead of lost days due to work injury.
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	5.2	–
<b>Aspect B3: Development and Training</b>			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work and description of training activities	5.1	–
KPI B3.1	The percentage of employees trained by gender and employee category	5.1 6.1	–
KPI B3.2	The average training hours completed per employee by gender and employee category	5.1 6.1	–

Subject Areas, Aspects, General Disclosures and KPIs		Section	Remarks
<b>Aspect B4: Labour Standards</b>			
General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	5.6	<ul style="list-style-type: none"> <li>• Human Rights Policy</li> <li>• Modern Slavery and Human Trafficking Statement</li> <li>• Supplier Code of Conduct</li> </ul>
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	5.3	–
KPI B4.2	Description of steps taken to eliminate such practices when discovered	5.3	–
<b>Aspect B5: Supply Chain Management</b>			
General Disclosure	Policies on managing environmental and social risks of the supply chain	5.3	<ul style="list-style-type: none"> <li>• Human Rights Policy</li> <li>• Modern Slavery and Human Trafficking Statement</li> <li>• Supplier Code of Conduct</li> </ul>
KPI B5.1	Number of suppliers by geographical region	5.3 6.1	–
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	5.3	<ul style="list-style-type: none"> <li>• Policy on Appointment of Third Party Representatives</li> </ul>
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	5.3	–
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	5.3	–

Subject Areas, Aspects, General Disclosures and KPIs		Section	Remarks
<b>Aspect B6: Product Responsibility</b>			
General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	5.4 5.6	<ul style="list-style-type: none"> <li>Employee Code of Conduct</li> <li>Policy on Personal Data Governance</li> </ul>
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	6.1	–
KPI B6.2	Number of products and service related complaints received and how they are dealt with	5.4 6.1	–
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	–	Our Employee Code of Conduct outlines our commitment to intellectual property rights protection.
KPI B6.4	Description of quality assurance process and recall procedures	5.4	–
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	–	<ul style="list-style-type: none"> <li>Information Security Policy</li> <li>Policy on Personal Data Governance</li> </ul>

Subject Areas, Aspects, General Disclosures and KPIs		Section	Remarks
<b>Aspect B7: Anti-corruption</b>			
General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	3.2 3.3	<ul style="list-style-type: none"> <li>• Employee Code of Conduct</li> <li>• Anti-Fraud and Anti-Bribery Policy</li> <li>• Policy on Appointment of Third Party Representatives</li> </ul>
KPI 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	3.3	–
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	3.2	<ul style="list-style-type: none"> <li>• Whistleblowing Policy – Procedures for Reporting Possible Improprieties</li> </ul>
KPI B7.3	Description of anti-corruption training provided to directors and staff	3.2 6.1	–

Subject Areas, Aspects, General Disclosures and KPIs		Section	Remarks
<b>Aspect B8: Community Investment</b>			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	5.5	<ul style="list-style-type: none"> <li>Corporate Social Responsibility Policy</li> </ul>
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	5.5	Focus of the Group's community initiatives includes employee volunteerism, education, medical, health and elderly care, arts and culture, as well as sports and disaster relief.
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	5.5 6.1	–

## 6.3 ABBREVIATIONS

Abbreviation	Long form
Accensi	Accensi Pty Limited
AGM	Annual General Meeting
APCO	Australian Packaging Covenant Organisation
ATFS	American Tree Farm System
AR6	The Sixth Assessment Report
Australian Agribusiness	Australian Agribusiness (Holdings) Pty Ltd
cGMPs	Current Good Manufacturing Practices
Cheetham	Cheetham Salt Limited
CK Life Sciences	CK Life Sciences Int'l., (Holdings) Inc.
CMA	Complementary Medicines Australia
CO <sub>2</sub> e	Carbon Dioxide Equivalent
CPD	Continuous Professional Development
CPS	Consumer and Professional Solutions
CS	Crop Solutions
Dominion	Dominion Salt Limited
EMS	Environmental Management System
ESG Guide	Environmental, Social and Governance Reporting Guide
ESL	English as a Second Language
FDA	Food and Drug Administration
FIBCs	Flexible Intermediate Bulk Containers
FSC	Forest Stewardship Council
GHG	Greenhouse Gas
HACCP	Hazard Analysis and Critical Control Points
IEA	International Energy Agency
IPCC	Intergovernmental Panel on Climate Change
IPP	Individual Performance Plan
KPIs	Key Performance Indicators
kWh	KiloWatt Hours
Lipa	Lipa Pharmaceuticals Limited
LPG	Liquified Petroleum Gas
NAWO	National Alliance of Women's Organisations
NO <sub>x</sub>	Nitrogen Oxides
OTIF	On-Time-in-Full
PM	Particulate Matter
R&D	Research and Development
SASB	Sustainability Accounting Standards Board
SFI	Sustainable Forestry Initiative
SNAG	Santé Naturelle A.G. Ltée
SO <sub>x</sub>	Sulphur Oxides
TCFD	Task Force On Climate-Related Financial Disclosures
The Report	Sustainability Report
US EPA	United States Environmental Protection Agency
Vitaquest	Vitaquest International Holdings LLC





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