



WING ON COMPANY INTERNATIONAL LIMITED

永安國際有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 289)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2023

Introduction

Wing On Company International Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) is pleased to present its annual Environmental, Social and Governance Report (the “Report”) covering the year ended 31 December 2023 (the “Year”). The Group regards environmental, social and governance (“ESG”) practices as an integral part of its business objectives and commits to integrating sustainability practices into its business operations. This Report demonstrates the Group’s ESG approaches and achievements during the Year.

This Report covers the Group’s core operations of its department stores and its property investments which have substantial impact on our ESG performance. The scope of this Report covers our department stores, corporate office, godown office, investment properties and property management office in Hong Kong and our department stores buying office in Guangzhou. There is no significant change in the scope of this Report from that of our 2022 ESG report published on 28 April 2023.

This Report is prepared in accordance with the reporting principles and requirements of the Environmental, Social and Governance Reporting Guide (the “Guide”) set out in Appendix C2 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). An index setting out the “comply or explain” provisions of the Guide together with our disclosures is available at the end of this Report for the readers’ reference.

This Report adheres to the following reporting principles:

- **Materiality** – The Group determines the impact of various ESG issues on the Group’s operations through the materiality assessment (discussed under the section headed “Materiality assessment” further below). Based on the assessment results, the Group identifies material ESG issues and discloses in this Report.
- **Quantitative** – This Report provides quantitative information on the Group’s ESG performance and supplemented by explanatory notes where appropriate.
- **Balance** – This Report provides an unbiased picture of the Group’s ESG performance.
- **Consistency** – This Report uses methodologies that are consistent with previous years, which allows meaningful comparisons over time. If there are any changes that may affect comparisons, the Group will explain the corresponding content.

This Report was prepared in English and approved by the board of directors of the Company (the “Board”) on 27 March 2024. The Chinese translation of this Report is for reference only, and in case of any inconsistency, the English version shall prevail. For details of our corporate governance practices, please refer to the Corporate Governance Report included in the Group’s 2023 Annual Report.

Corporate culture

Established in 1907, “Wing On” has become a firmly established household name and a leader in the department stores business in Hong Kong. For over a century, the Group has been growing with the communities it serves, with the vision to strengthen its core business activities and look for opportunities to expand. The corporate culture of the Group is to develop business growth sustainably and bring long-term value to our stakeholders. The Group’s purpose and core values form the cornerstone of our corporate culture.

The Group’s purpose

To achieve satisfactory return for the shareholders and contribute to the communities it operates.

The Group’s core values

- Business integrity – To comply with applicable laws, regulations and statutory requirements. Be a responsible corporate citizen.
- Sustainability – To maximise business returns and minimise environmental impact. Be responsible to stakeholders and contribute to the general public and environmental protection.
- Employee caring – To foster a safe, healthy and caring working environment, and provide competitive remuneration and welfare packages for employees. Be a caring employer.
- Customer satisfaction – To provide quality service, offer merchandise that meets customers’ demand and create a pleasant store atmosphere to enhance the shopping experience of our retail customers. Be a successful retailer.

The Board, together with the senior management team, establish the Group’s purpose, values and strategies. The Board acts as a role model to attain a high standard of integrity and cascades the corporate culture to all levels of the Group. Corporate culture is incorporated in our in-house policies, practices and procedures relating to operation, human resources, corporate governance and sustainability matters, including the Code of Conduct which is clearly laid out in our Employee Handbook and communicated to all employees. The Board has formulated internal policies and guidelines, which are implemented and monitored by the senior management team to ensure that they are effective and align with the Group’s corporate culture, purpose, values and strategy.

ESG mission

The Group’s corporate culture forms a foundation to guide its sustainable development. Our ESG approaches and initiatives align with the Group’s core values.

Governance structure

The Board has the overall responsibility for our ESG strategies and reporting. The Board is also responsible for evaluating, prioritising, managing and assessing ESG-related issues and risks, and ensuring that appropriate and effective ESG risk management and internal control systems are in place. Identification and monitoring of ESG-related risks are handled in accordance with the Group's Risk Management Policy. The Board has adopted a Risk Management Policy which sets out the risk management framework and process from risk identification to risk reporting, with a view to ensuring that there is consistent basis for identifying, evaluating, managing, monitoring and reporting risks across the Group at all levels to support the achievement of the Group's strategic objectives on an ongoing basis. Management is responsible for the implementation of follow-up actions to resolve any material internal control deficiencies identified when monitoring risks under the Risk Management Policy, and reports to the Board on remedial actions taken and rectification of the deficiencies.

The Board has approved risk appetite statements to define risk tolerance limits for each type of risk in pursuit of its strategic objectives. Department heads are required to review and monitor key risks on a regular basis. When there are indications that certain risk tolerance limits may be breached, the relevant department heads will escalate to senior management and/or the Board for further action. To further reduce the occurrence and impact of risks identified, key risks are transferred, eliminated or controlled through risk mitigation measures. Each risk mitigation measure has a risk owner who is responsible for monitoring the status and effectiveness of the risk mitigation measures for the risks under their purview.

Management has confirmed to the Board that the Group's risk management and internal control systems are effective and adequate, and the Board considers that such systems are effective and adequate. The Board's annual review of the effectiveness of the Group's risk management and internal control systems (as discussed in the Corporate Governance Report) included a review of changes in the nature and extent of significant ESG risks and the scope and quality of management's ongoing monitoring of ESG risks. Based on the results of review performed by an external consultant engaged by the Group, no material or significant internal control deficiencies were identified. Details of the Group's risk management approach can be found in the Corporate Governance Report.

The Board is the highest governing body responsible for the oversight of the Group's ESG issues. An ESG committee (the "ESG Committee") has been established to assist the Board to manage ESG-related matters. The ESG Committee is responsible for formulating the Group's policies and strategies on sustainability, evaluating and managing ESG risks and opportunities, setting ESG-related goals and targets (so as to further our Group's ESG missions), implementing action plans, monitoring ESG initiatives, and reviewing ESG performance and progress. The duties and authority of the ESG Committee are set out in its terms of reference. The ESG Committee is chaired by the Group's Chief Accountant, who is also the Company Secretary, and comprises members of senior management from various departments within the Group. The ESG Committee coordinates sustainability activities across the Group and is supported by various business units and departments. They regularly report and update the ESG Committee on key performance indicators ("KPIs"), actions and achievement, as well as to implement and monitor sustainability work. Three ESG Committee meetings were held during the Year. Among all the topics discussed, follow-up actions to respond to the new ESG-related disclosure and regulatory requirements imposed by the Stock Exchange and government were our main focus, along with other topics such as policies and initiatives development to handle environmental and supply chain matters, tracking of KPIs, as well as review of materiality assessment.

Through the Chairman of the ESG Committee, the ESG Committee reports and updates the Board on ESG-related matters during the Board meetings for the Board's review, approval and ultimate decision-making. During the year, four Board meetings have been held. This regular reporting allows the Board to consider the Group's performance against relevant ESG-related goals and targets on a periodic basis, as well as evaluate, prioritise and manage material ESG-related issues and risks (including prioritising and managing action plans and/or allocating resources to relevant initiatives).

In particular, the ESG Committee updates and discusses with the Board as to the Group's stakeholder engagement activities and the materiality assessment (discussed further below), and the Board confirms the validity and priority of material ESG issues with the ESG Committee. With reference to the results of the materiality assessment, the Board manages ESG-related issues, formulates and refines its ESG approach and strategy, and incorporates ESG into corporate decision-making and the Group's daily operations.

As discussed under the section headed "Environmental" further below, the ESG Committee has set a medium-term operational environmental target covering the Group's greenhouse gas emissions, air emissions, electricity consumption, fuel consumption, water usage and paper consumption. This target facilitates our ESG mission to minimise our environmental impact and operate in an environmentally responsible manner. The Chairman of the ESG Committee periodically updates the Board on progress made towards achieving the environmental target set (including the relevant factors and circumstances affecting the achievement of the target), and discusses with the Board the adequacy and effectiveness of measures and policies implemented and any proposed measures and policies.

Stakeholder engagement

The Group regularly engages different stakeholders to understand their interests and expectations and ensure their feedback is conveyed effectively to our management. Throughout the Year, the Group communicated with stakeholders through multiple channels to identify their key concerns that we need to address.

Significant stakeholders	Communication channels
Employees and directors	<ul style="list-style-type: none">• Training activities• Staff performance appraisals• Internal newsletters• Whistle-blowing system
Customers	<ul style="list-style-type: none">• Company website, social media platforms and mobile apps• Customers' feedback channels (e.g. phone, email, fax and feedback form)
Tenants	<ul style="list-style-type: none">• Tenant satisfaction engagement activity• Service hotline• Meetings
Suppliers and business associates	<ul style="list-style-type: none">• Visits and meetings• Suppliers' performance reviews• Tendering and procurement processes• Suppliers' self-assessment survey
Shareholders	<ul style="list-style-type: none">• Annual general meeting• Financial reports, announcements and circulars
Communities	<ul style="list-style-type: none">• Participation in charity events• Donations and sponsorships
Government and regulatory authorities	<ul style="list-style-type: none">• Meetings• Industry seminars• Company's website and announcements

Along with the undertaking of various stakeholder engagement activities stated above, we further enhanced our effort by conducting a comprehensive materiality assessment with stakeholders to identify material ESG issues and formulate strategies to respond to their concerns. Please refer to the section headed "Materiality assessment" below for information on the expectations of our significant stakeholders and relevant feedback concerning the Group's ESG issues.

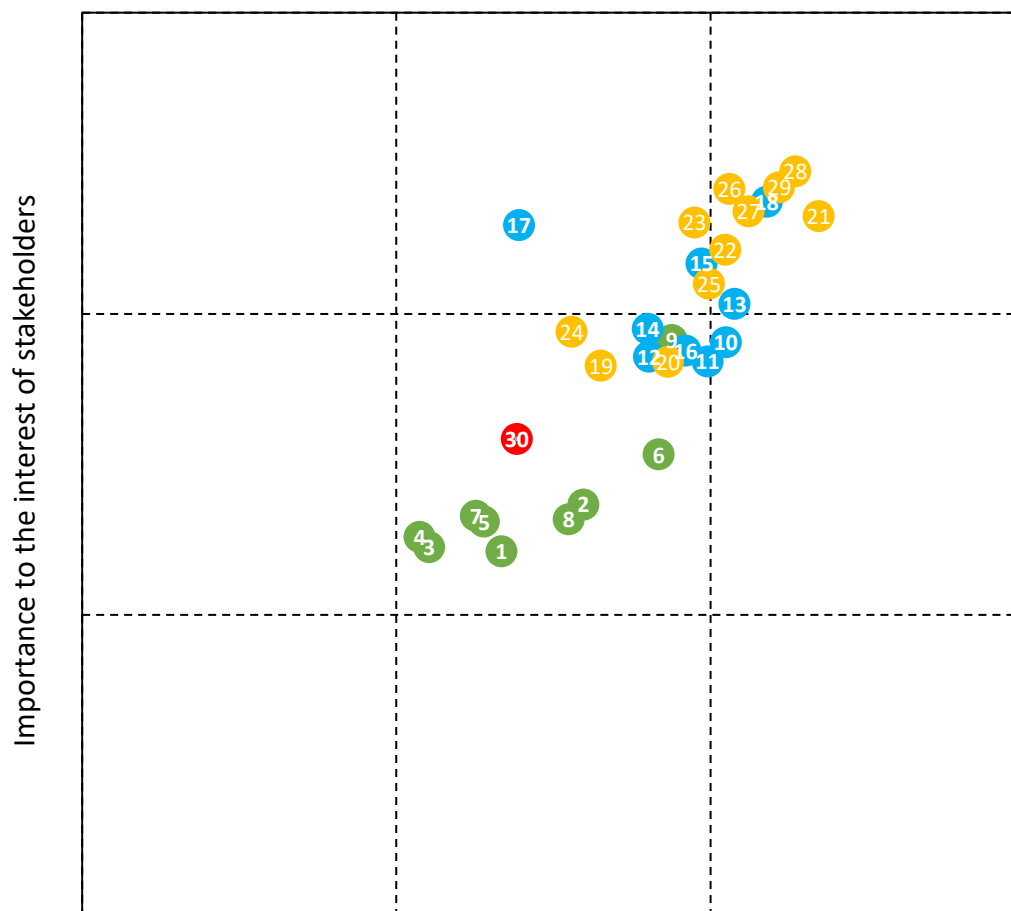
Materiality assessment

In 2021, the Group began its first comprehensive materiality assessment by conducting a survey of its significant internal and external stakeholders. A total of 30 ESG issues were identified and classified under four categories – (i) Environmental; (ii) Employment and labour practices; (iii) Operating practices; and (iv) Community – which were then prioritised according to the stakeholders’ responses. The results of this prioritisation survey were discussed and validated by the ESG Committee and the Board, in order to identify material ESG issues. For details of the approach and process adopted in the 2021 materiality assessment, please refer to the section headed “Materiality assessment” in the Group’s 2021 ESG report.

In 2022, the Group conducted an internal review to re-examine the 30 material ESG issues identified in 2021 to ensure their relevance to the Group. We assessed the factors such as local reporting standards, industry benchmarks and views of stakeholder groups to evaluate the relevance of the 30 material ESG issues. Given there was no significant changes in the above factors compared with the preceding years, the ESG Committee considered the 30 ESG issues continued to be applicable in 2022 and 2023 in terms of their “Importance to the interest of stakeholders” and “Importance to the business continuity and development of the Group”. Moreover, the rankings of the 30 ESG issues were confirmed to remain unchanged. The assessment results was confirmed by the Board. The results of 2021 materiality assessment is presented in the following matrix:

Highly important

Materiality Matrix



Less important

Highly important

Importance to the business continuity and development of the Group

Environmental

- 1. Emissions of greenhouse gas and other significant gases
- 2. Energy consumption and efficiency
- 3. Water consumption and waste water treatment
- 4. Hazardous, non-hazardous waste generation and treatment
- 5. Setting targets on gas emissions, energy, water and waste
- 6. Packaging material consumption
- 7. Impact on environment and natural resources
- 8. Impact of climate change on business operations
- 9. Compliance with environmental regulations

Employment and labour practices

- 10. Employee attraction, retention and succession planning
- 11. Remuneration, welfare and benefits
- 12. Work-life balance
- 13. Employer-employee relationship
- 14. Employee diversity, equal opportunity and non-discrimination
- 15. Occupational health and safety
- 16. Training and career development
- 17. Prevention of child labour or forced labour
- 18. Compliance with employment regulations

Operating practices

- 19. Geographical locations of suppliers, support of local suppliers
- 20. Supply chain management
- 21. Product quality, health and safety
- 22. Customer service and complaints handling
- 23. Customer health and safety
- 24. Procurement of eco-friendly products and services
- 25. Responsible marketing, advertising and labeling
- 26. Protection of consumer privacy
- 27. Protection of intellectual property rights
- 28. Business ethics and anti-corruption
- 29. Legal compliance in operating practices

Community

- 30. Charity and volunteer service

The upper right sections of the materiality matrix lists out the highly material issues, with 15 ESG issues being regarded by the Group as the most material issues. Most of these issues are related to “Employment and labour practices” and “Operating practices” categories. Our follow-up actions of the top 15 ESG issues will be discussed in the respective sections of this Report.

Categories	Issues
Environmental	<ul style="list-style-type: none"> • Compliance with environmental regulations
Employment and labour practices	<ul style="list-style-type: none"> • Employee attraction, retention and succession planning • Remuneration, welfare and benefits • Employer-employee relationship • Employee diversity, equal opportunity and non-discrimination • Occupational health and safety • Compliance with employment regulations
Operating practices	<ul style="list-style-type: none"> • Product quality, health and safety • Customer service and complaints handling • Customer health and safety • Responsible marketing, advertising and labelling • Protection of consumer privacy • Protection of intellectual property rights • Business ethics and anti-corruption • Legal compliance in operating practices

Environmental

The Group identified emissions of greenhouse gas and generation of non-hazardous waste from its operations as posing an adverse impact to the environment. Energy consumption (through the use of electricity and fuel) was the major source, and accounted for 99.8% of the Group's greenhouse gas emissions. Other sources of the Group's greenhouse gas emissions include disposal of paper waste (through the breakdown of organic matter in landfills), water usage and air travel for business purposes. The non-hazardous waste of the Group was mainly generated from disposal of paper waste as well as disposal of electrical appliances and accessories. The non-hazardous waste is handled in accordance with the measures discussed in the section headed "Non-hazardous waste management" below.

The Group's business activities principally consist of its department stores operation and its property investment business. Due to its business nature, the Group generated an immaterial amount of hazardous waste during the Year. Major hazardous waste includes fluorescent light tubes and uninterruptable power supply batteries. All hazardous waste was handled in accordance with regulatory requirements. The generated amount is immaterial which is not collected and disclosed in this Report. The Group is not engaged in water intensive industries and therefore its water consumption is not material. Sourcing water that is fit for purpose is not considered to be a material issue to the Group's operations. The Group's discharges into water and land are also not material. The air emissions of nitrogen oxides, sulphur oxides and particulate matter mainly came from the Group's vehicles.

The Group considered that its emissions, resources consumption and waste generation are immaterial to the Group's operations. The impact brought by the Group's business operations to the environment and natural resources is insignificant and immaterial. Nevertheless, to ensure legal compliance and minimise our environmental impact, the Group has established various policies covering its commitments, initiatives and targets to meet environmental regulatory requirements, reduce emissions, enhance resources efficiency and manage waste. During the Year, the Group was not aware of any incidents of non-compliance with laws and regulations that had a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

To monitor and improve its environmental performance, the Group has set a medium-term operational environmental target in 2021 according to our internal trend analysis and projection. The environmental target is to gradually reduce the Group’s emissions and resources consumption by 5% across its operations by 2024 based on a 2019 baseline. The range and location of entities cover our department stores operation and property investment business in Hong Kong and Guangzhou. The environmental target covers greenhouse gas emissions, air emissions, electricity consumption and fuel consumption (relevant to energy consumption), water usage and paper consumption (relevant to disposal of paper waste). No particular environmental target has been set for the hazardous waste and the disposal of electrical appliances and accessories as the waste amount has been immaterial.

The relevant emissions and consumption data in 2019 baseline year and 2024 target year, as well as the Year are set out below:

Emissions/consumption type	2019 baseline	2024 target	2023 performance
Greenhouse gas emissions	12,319 tCO ₂ e	11,703 tCO ₂ e	9,020 tCO ₂ e
Air emissions			
Nitrogen oxides	405,096 g	384,841 g	291,415 g
Sulphur oxides	608 g	578 g	453 g
Particulate matter	28,030 g	26,629 g	19,773 g
Electricity consumption	18,958 Mwh	18,010 Mwh	16,679 Mwh
Fuel consumption	403 Mwh	383 Mwh	301 Mwh
Water usage	23,025 m ³	21,874 m ³	24,385 m ³
Paper consumption	10.3 tonnes	9.8 tonnes	7.0 tonnes

Except for water usage, all of the 2024 targets were achieved during the Year. In 2024, the Group will review the trend of historical performance data, consider the pace of economic recovery and make reference to the benchmark of peer groups to set new targets for the Group to drive continuous improvement in environmental performance.

We have implemented various policies and measures to achieve the targets, to minimise our emissions, discharges and waste generation, to ensure the efficient use of resources and to minimise our impacts on the environment and natural resources. During the Year, we generally continued to implement our Company Policy on ESG – Environment and measures that we had implemented in previous years, in addition to certain new measures. The measures undertaken are summarised below.

Electricity consumption

- Progressively replaced the aged air-conditioning systems installed at wing on *Plus* Store.
- Progressively replaced the aged air handling units installed at Main Store.
- Adopted energy saving lighting fixtures at department stores, corporate office, godown office, property management office and common lobbies and corridors of investment properties.
- Removed aged wall signboards at Wing On Kowloon Centre.
- Implemented a five-day work week in the corporate office and property management office.
- Installed centralised multi-functional printers, instead of multiple standalone devices to handle all printing, scanning and fax requests.
- Signed up for the “Charter on External Lighting” launched by the Environment and Ecology Bureau to switch off external lighting from 11:00 p.m. or midnight to 7:00 a.m. since 2016, to reduce light pollution and electricity consumption. Main Store, Tsimshatsui East Store and Wing On Centre were awarded the “Platinum Award”, while wing on *Plus* Store and Wing On Kowloon Centre were awarded the “Gold Award”.

Fuel consumption and air emissions

- Encouraged employees to travel by high-speed rail instead of private vehicles when undertaking business travel in Mainland China.
- Regularly reviewed the delivery routes of the truck fleet to optimise delivery and fuel efficiency.
- Installed GPS tracking system on trucks to monitor driving behaviour and manage fuel consumption.
- The truck fleet comprised Euro V-compliant vehicles to reduce exhaust emissions.
- Installed four charging stations for electric vehicles at the carpark of Wing On Centre to promote low carbon transportation.

Water consumption

- Progressively replaced all old chilled water pipes at wing on *Plus* Store to avoid water leakage.
- Regularly inspect and promptly repair leaking water facilities.
- Installed automatic on/off sensor water taps.
- Always remind employees to be aware of water conservation.

Paper consumption

- Implemented an online leave management system to process leave applications.
- Preset targets to reduce paper consumption. Individual operating units which failed to achieve the preset targets were required to provide explanations.
- Increased the use of electronic marketing channels, such as “Wing On Rewards Mobile App”, electronic direct mail (eDM), short message service (SMS) and multimedia messaging service (MMS), QR code, company website, social media platforms and in-store digital advertising displays to disseminate promotional news and reduce promotional materials printing.
- Most of the marketing and promotion materials were printed on Forest Stewardship Council (“FSC”) certified paper sourced from well-managed forest and the printing volume were regularly reviewed and carefully estimated.
- Implemented an enterprise resources planning system for our department stores operation, which allowed users to send electronic purchase orders to suppliers via email, use data to create the desired reports, and reduce and consolidate the types of pre-defined regular reports. The amount of physical paper work was reduced.
- Use of electronic greeting cards instead of paper greeting cards during festive seasons to economise the use of paper and envelopes.

Non-hazardous waste management

- Engaged a contractor to recycle shredded paper.
- Handed over obsolete computers and equipment to qualified recyclers.
- Returned empty toner cartridges to suppliers for recycling.
- Reused carton boxes for customer delivery orders and internal merchandise transfers.
- Educated employees and formulating plans to reduce and recycle the non-hazardous waste generated from the Group’s department stores operation, in response to the implementation of Municipal Solid Waste Charging by the Hong Kong Government on 1 August 2024.

Green activities

- Participated in the “Lai See Reuse and Recycle Program” organised by Greener Action to collect used red packets in good condition, which were handed over to sheltered workshops for sorting and distribution to the public for reuse next Chinese New Year. With the continuous support of customers and staff, the amount of red packets collected during the Year reached 300kg, the highest collection amount since we participated in this program in 2019. During the year, we also received the certificate of appreciation from Greener Actions for signing the “Green Lai See Packets Charter”. This Charter supports using eco-friendly features in the design of red packets and printing lesser red packets.

- All of the Group’s department stores and investment properties are equipped with umbrella dryers to encourage customers to reduce using disposable plastic umbrella bags. The Group’s investment properties participated in the “Umbrella Bags Reduction Accreditation Program” organised by Greeners Action for two consecutive years to support the reduction in distribution of disposable plastic umbrella bags by providing environmental alternatives such as umbrella dryers, carpets and air movers. Wing On Kowloon Centre and Wing On Godown Building, which stopped offering any plastic umbrella bags, were accredited the “Diamond Level”, while Wing On Centre was accredited the “Gold Level”.
- Participated in the “Sustainable Lifestyle Bagel Workshop” organised by the World Wildlife Fund Hong Kong. Staff obtained practical tips for sustainable dining, as well as learned about the basics of bagel-making.
- Organised tour to visit the fish farm located in Lau Fau Shan which is the only large-scale land-based indoor fish farm using recirculating aquaculture system to produce sustainable giant groupers for local market consumption. The giant groupers raised have been assessed as Green in the “recommended” seafood of the World Wildlife Fund Hong Kong Seafood Guide.
- Organised tour to visit T ■ PARK, which is Hong Kong’s first large-scale waste-to-energy facility. The sewage sludge is treated by an incineration process, which resulted in reduced waste volume for landfill and generated electricity at the same time.
- Organised a green Christmas party in which staff was motivated to use their own reusable cutlery and all prizes of lucky draw were not wrapped with gifts packing.

Certifications and awards

- The Group’s investment properties have received the “Hong Kong Green Organisation Certification” awarded by the Environmental Campaign Committee, Environmental Protection Department and major chambers of commerce in Hong Kong since 2021. The award recognises participating organisations’ efforts in adopting environmental practices in different areas.
- The Group’s property management service is outsourced to a reputable professional property management agent who reports directly to the Group’s Leasing Division. The property management agent implemented and monitored ISO 14001 Environmental Management System to manage our investment properties. The system was implemented to assist the Group in managing its environmental responsibilities in a systematic manner with the aim of contributing to the environmental pillar of sustainability. ISO 14001 is a well-recognised international standard that assists companies to identify environmental objectives and targets, as well as to evaluate environmental performance for continuous improvement.

During the Year, our fuel consumption maintained at 301 Mwh, while electricity consumption and paper waste disposal decreased by 3 Mwh (or 0.02%) and 3.2 tonnes (or 213.3%), respectively. The considerable decrease in paper waste disposal was a result of our continuous effort in implementing paper saving measures mentioned above, as well as the increase of recycling of shredded paper documents as more expired paper documents required shredding and disposal during the Year. In contrast, water usage and air travel increased by 741 m³ (or 3.1%) and 221,144 km (or 1,072.4%), respectively. The modest increase in water usage was driven by the increased number of building users after the pandemic subsided. The increase in air travel was substantial because overseas business trips resumed following the Hong Kong Government's relaxation of inbound pandemic control measures in September 2022.

Being the biggest contributor of greenhouse gas emissions, the marginal decrease in electricity consumption resulted in decrease in total greenhouse gas emissions by 191 tCO₂e (or 2.1%) during the Year. The greenhouse gas emissions intensity of the Group (being a measure of the amount of greenhouse gas emissions per HK\$1 million of revenue generated) decreased by 0.44 tCO₂e (or 4.8%) during the Year.

Nitrogen oxides and particulate matter decreased by 14,501 g (or 4.7%) and 1,913 g (or 8.8%), respectively, during the Year. Heavy vehicles are associated with higher emissions of nitrogen oxides and particulate matter. The termination of low usage shuttle bus service for employees commuting to work since May 2022 and the closure of Discovery Bay Store in February 2023 reduced our usage of medium trucks to transfer merchandise and lowered the emissions of nitrogen oxides and particulate matter.

The following tables summarise the Group's environmental performance ^(Note 1):

Greenhouse gas emissions ^(Notes 2 & 3) **(with resources consumption and non-hazardous waste disposal figures** ^(Note 12)**):**

	2023	2022	Year-on-year variance (%)
Scope 1 - Direct emissions			
Fuel consumption ^(Note 4)			
(in Mwh) ^(Note 5)	301	301	0%
(in tCO ₂ e)	73	73	0%
Intensity per HK\$1m revenue ^(Note 6)			
(in Mwh) ^(Note 5)	0.286	0.295	-3.1%
Scope 2 - Energy indirect emissions			
Electricity consumption ^(Note 7)			
(in Mwh)	16,679	16,682	-0.02%
(in tCO ₂ e)	8,926	9,129	-2.2%
Intensity per HK\$1m revenue ^(Note 6)			
(in Mwh)	15.85	16.32	-2.9%
Scope 3 - Other indirect emissions			
Paper consumption ^(Note 8)			
(in tonnes)	7.0	8.2	-14.6%
(in tCO ₂ e)	34	39	-12.8%
Greenhouse gas avoided by recycling waste paper ^(Note 8)			
(in tonnes)	11.7	9.7	+20.6%
(in tCO ₂ e)	56	47	+19.1%
Paper waste disposal ^(Note 8)			
(in tonnes)	-4.7	-1.5	-213.3%
(in tCO ₂ e)	-22	-8	-175.0%
Intensity per HK\$1m revenue ^(Note 6)			
(in tonnes)	-0.004	-0.001	-300.0%
Water usage ^(Notes 9 & 10)			
(in m ³)	24,385	23,644	+3.1%
(in tCO ₂ e)	16	15	+6.7%
Intensity per HK\$1m revenue ^(Note 6)			
(in m ³)	23.18	23.14	+0.2%
Air travel by staff ^(Note 11)			
(in km)	241,766	20,622	+1,072.4%
(in tCO ₂ e)	27	2	+1,250.0%
Intensity per HK\$1m revenue ^(Note 6)			
(in km)	229.8	20.2	+1,037.6%
Total emissions (direct and indirect)			
Scope 1 & 2 Greenhouse gas emissions (in tCO ₂ e)	8,999	9,202	-2.2%
Intensity per HK\$1m revenue (in tCO ₂ e) ^(Note 6)	8.554	9.004	-5.0%
Scope 1, 2 & 3 Greenhouse gas emissions (in tCO ₂ e)	9,020	9,211	-2.1%
Intensity per HK\$1m revenue (in tCO ₂ e) ^(Note 6)	8.57	9.01	-4.9%
Energy consumption and disposal of electrical appliances/accessories			
Energy consumption (Fuel and electricity) (in Mwh)	16,980	16,983	-0.02%
Intensity per HK\$1m revenue (in Mwh) ^(Note 6)	16.141	16.617	-2.9%
Disposal of electrical appliances/accessories (in pieces) ^(Note 12)	112	161	-30.4%
Intensity per HK\$1m revenue (in pieces) ^(Note 6)	0.106	0.158	-32.9%

Notes:

1. All data is provided and verified by the respective department heads.
2. Greenhouse gas emissions were generated from the Group's department stores operation and property investment business in Hong Kong.
3. Greenhouse gas emissions data is presented in tonnes of carbon dioxide equivalent (tCO₂e) and the calculation methodology is based on the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" issued by the Electrical and Mechanical Services Department and the Environmental Protection Department.
4. Fuel consumption included the diesel and petrol fuel used by the Group's delivery trucks, private cars and shuttle bus.
5. The consumption data is presented in megawatt hour (Mwh), and is calculated in accordance with "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.
6. The Group's revenue from Hong Kong operations is used as the denominator to calculate greenhouse gas emissions intensity. The Group's revenue from Hong Kong operations for 2022 and 2023 was approximately HK\$1,022 million and HK\$1,052 million respectively.
7. Emissions relating to electricity consumption are based on the latest emission factors provided by the two Hong Kong power companies, i.e. The Hongkong Electric Company Limited and CLP Power Hong Kong Limited. For the Group's department stores buying office in Guangzhou, the emission factor is based on the "2021 Emission Factors for purchased electricity in Mainland China" published by the National Centre for Climate Change Strategy and International Cooperation.
8. Emissions relating to paper waste disposal is equal to emissions from paper consumption minus emissions avoided from recycling waste paper. Paper consumption refers to plain paper used for copying and printing, while the amount of recycled waste paper refers to the paper recorded in recycling vendor's invoices.
9. Emissions relating to water consumption are based on the latest emission factors provided by the Water Supplies Department and the Drainage Services Department.
10. The water consumption data covers the common area of the property investment business in Hong Kong and the Main Store only, because no separate water meter has been installed in the Group's other department stores.
11. Emissions relating to air travel by staff are based on the "International Civil Aviation Organisation Carbon Emissions Calculator", provided on the website of the International Civil Aviation Organisation.
12. Electrical appliances/accessories included computers and equipment, as well as empty toner cartridges for recycling. The recycling amount is presented in pieces because the recyclers can only provide the quantity in pieces.

Air emissions (Notes 1, 2 & 3):

	2023	2022	Year-on-year variance (%)
Nitrogen oxides (in g)	291,415	305,916	-4.7%
Sulphur oxides (in g)	453	453	0%
Particulate matter (in g)	19,773	21,686	-8.8%

Notes:

1. All data is provided and verified by the respective department heads.
2. Air emissions were generated from the Group's delivery trucks, private cars and shuttle bus which use diesel and petrol fuel.
3. Air emissions are calculated in accordance with "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

Department stores operation

Our shopping bags are made of FSC certified paper, which guarantee that the forest materials used to produce the shopping bags come from responsible sources. The shopping bags are used for packing our own sourced merchandise. Concession and consignment counters can also purchase our shopping bags to pack merchandise according to their needs. To reduce the distribution of shopping bags, we encourage customers to bring their own reusable bags. Where shopping bags are used, bags of appropriate size and appropriate quantity are provided to avoid excessive packaging. During the Year, shopping bags consumption decreased by 8 tonnes or 9.3% as compared with 2022. Notwithstanding the business of department stores operation grew as the pandemic eased during the Year, the business growth was mainly driven by softline and luggage merchandise which consumed lesser shopping bags. Shopping bags consumption intensity (being a measure of the amount of shopping bags consumed per HK\$1 million of revenue generated) decreased by 0.02 tonnes or 14.3% during the Year.

Shopping bags consumption (Notes 1, 2 & 3):

	2023 Tonnes	2022 Tonnes	Year-on-year variance (%)
Shopping bags consumed	78	86	-9.3%
Intensity per HK\$1m revenue (Note 4)	0.12	0.14	-14.3%

Notes:

1. All data is provided and verified by the respective department heads.
2. The amount of shopping bags consumed related to the Group's department stores operation only.
3. The consumption data is presented in tonnes, and is calculated in accordance with "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.
4. The Group's revenue from department stores operation is used as the denominator to calculate shopping bag consumption intensity. The Group's revenue from department stores operation for 2022 and 2023 was approximately HK\$604 million and HK\$639 million, respectively.

Property investment business

The Group's commercial investment properties located in Melbourne, Australia have been rated according to the National Australian Built Environment Rating System ("NABERS"). NABERS is an Australian national rating system that measures the environmental performance of buildings in Australia. Commenced from September 2022, the Group's Australian properties began purchasing 50% GreenPower for electricity usage. From March 2023, the purchase of GreenPower was increased to 75%. GreenPower is a government accredited renewable energy product offered by electricity retailers in Australia. During the rating period between 1 December 2022 and 30 November 2023, the Group's Australian properties achieved a 4.5-star rating (1 December 2021 to 30 November 2022: 4.5-star rating) on NABERS 6-star scale in terms of energy and greenhouse gas emissions and environmental impact. A 2.5 to 3-star rating represents average performance while a 6-star rating demonstrates market-leading performance.

During the most recent rating period, the total associated greenhouse gas emissions (from direct emissions attributable to fuel consumption, indirect emissions attributable to energy consumption and other indirect emissions) amounted to 624 tCO₂e or 0.013 tCO₂e per square metre of net lettable area (1 December 2021 to 30 November 2022: 3,028 tCO₂e or 0.062 tCO₂e per square metre of net lettable area). If our Australian properties had not purchased any GreenPower, the total associated greenhouse gas emissions would have amounted to 2,969 tCO₂e or 0.063 tCO₂e per square metre of net lettable area (1 December 2021 to 30 November 2022: 3,387 tCO₂e or 0.069 tCO₂e per square metre of net lettable area).

The Group's Australian properties have also been assessed via the Commercial Building Disclosure ("CBD") Program, which builds on the NABERS rating and involves an assessment of tenancy lighting energy efficiency throughout the building. According to the most recent Building Energy Efficiency Certificate (BEEC) provided by the CBD, the Group's Australian properties achieved a rating of "Very Efficient" in terms of average lighting efficiency in the assessed spaces of the building, exceeding the Australian national average of "Somewhat Efficient".

During the Year, the leasing office of the Group's Australian properties comprised four staff, who were responsible for all leasing, accounting and administrative matters. The services provided to tenants (such as air-conditioning, water treatment, electrical, lifts, recycling, waste, etc.) were outsourced to reputable professional service providers who provide a high standard of services to tenants, and hence, other detailed resources consumption data is not available.

The Group's investment property located in Houston, the United States of America, is a non-core property in our investment properties portfolio. We have also engaged a reputable professional property management company to provide overall management services to the building's tenants and therefore no relevant data is available for the purpose of this Report.

Climate change

Climate change is a global crisis. Since 2021, the Group has carried out internal assessments to evaluate the impact of climate change on our business operations. The intensity and frequency of extreme weather events is ever increasing and Hong Kong experienced super typhoons and a series of catastrophic rainstorms during the Year. A more comprehensive business continuity and disaster prevention and management plan is demanded. The Group developed the Climate Change Policy which outlines our commitment on managing climate challenges. Climate risks were incorporated into the Group's risk management review. During the Year, the Group re-evaluated the identified climate impact and resilience measures to ensure their relevance and adequacy.

The table below sets out the major risks and opportunities of climate change to the Group, their corresponding impact on the Group, and the measures adopted by the Group:

Department stores operation

Risks and opportunities	Potential impact	Mitigation measures
Physical risks: <ul style="list-style-type: none"> • Rising temperature • Extreme weather events (e.g. super typhoons, floods, extreme temperature fluctuations) 	Operational: <ul style="list-style-type: none"> • Reduced capacity and decreased productivity due to potential risks to employees' safety, health and physical attendance at work. • Temporary closure of stores and offices and suspension of services provided. Financial: <ul style="list-style-type: none"> • Disrupt supply chain. Supply shortage reduces merchandise offerings. Shipment delays miss best-selling times and leads to stack up of inventory. • Unstable weather makes it difficult to predict sales. Affect open-to-buy planning and inventory management. • Shorten selling period of heating and heavy thermal merchandise. Affect revenue generated. • Affect wood supply which increase the production cost of paper promotional materials. 	Operational: <ul style="list-style-type: none"> • Operational policies, communication channels and manpower contingent plans in place. Financial: <ul style="list-style-type: none"> • Diversify supplier base and expand global sourcing network. • Monitor purchase orders versus climate/weather and review budget control. Reserve budget for see-now-buy-now collection. • Reduce order quantities of heating and heavy thermal merchandise. Increase the proportion of non-seasonal and rainy/windy weather merchandise. • Increase the use of electronic marketing channels.

Risks and opportunities	Potential impact	Mitigation measures
Opportunities: <ul style="list-style-type: none"> • Customers demand for eco-friendly merchandise 	Financial: <ul style="list-style-type: none"> • Revenue generated from eco-friendly merchandise. • Reputational benefits brought by the Group's contribution to environmental protection. 	Financial: <ul style="list-style-type: none"> • Source merchandise and offer for sale merchandise with eco-friendly features.

Property investment business

Risks and opportunities	Potential impact	Mitigation measures
Physical risks: <ul style="list-style-type: none"> • Rising temperatures • Extreme weather events (e.g. super typhoons, floods, extreme temperature fluctuations) • Rising sea levels • Acid rain 	Operational: <ul style="list-style-type: none"> • Risk of water flooding. • Damage to building facilities and structures. • Affect outdoor building works. • Hasten the spread of diseases across the globe, and increase the spread of virus and bacteria. • Endanger the health and safety of building personnel and users. Financial: <ul style="list-style-type: none"> • Increased operational demand on building facilities and systems. • Increased water and power consumption and increased operating expenses. • Increased expenses on repair, maintenance and replacement work. • Increased insurance premium. 	<ul style="list-style-type: none"> • Arrange regular repair, maintenance and replacement work for building facilities and fixtures. • Perform periodic energy audit to formulate enhancement plans. • Install equipment and perform drills to prevent flooding. • Implement a building automation system (e.g. Building Management System and CCTV System) to enhance responses to changes in environmental and emergency conditions. • Formulate plans and contingency measures for extreme weather events and pandemic conditions. • Implement enhancement plans (e.g. staff trainings and drills, facilities replacement, repair and inspection works) to demonstrate determination to reduce risks so as to reduce insurance premium.
Opportunities: <ul style="list-style-type: none"> • Quality tenants demand for properties adapted to climate change • Change the building operation mode from manual to automation 	Financial: <ul style="list-style-type: none"> • Attract quality tenants and increased rental values of properties. • Better operational management and reduced operating cost. 	

Department stores operation and property investment business

Risks and opportunities	Potential impact	Mitigation measures
<p>Transition risks:</p> <ul style="list-style-type: none"> • More stringent laws and regulations to <ul style="list-style-type: none"> - reduce carbon emissions - regulate the sale of existing products - enhance climate-related governance and reporting requirements 	<p>Financial:</p> <ul style="list-style-type: none"> • Higher compliance costs. • Reduced demand on regulated products. 	<ul style="list-style-type: none"> • Set targets and develop initiatives to reduce carbon emissions. • Actively monitor the regulatory changes and respond to changing market demand. • Enhance climate-related disclosures.

The Stock Exchange will enhance the climate-related disclosure requirements to substantially align with the requirements of the IFRS Sustainability Disclosure Standards developed by the International Sustainability Standards Boards (ISSB), with an expected effective date of 1 January 2025. To ensure our disclosure compliance, in the upcoming years, the Group will consider engaging third-party consultants to assist us on assessing and reporting climate change issues according to the new Listing Rules requirements.

For the Group’s Australian properties, the Group has engaged a third-party consultant to conduct a scenario-based climate risk assessment to better understand the potential impact of climate change on the business operations since 2021. Physical risks such as rising temperatures and solar radiation, floods and hail, bushfires and drought were identified as risks which could cause damages, injuries and operational disruptions. Except for the risk of flooding at one property site which was identified as high priority, all risks identified were classified as low or medium priority. Transition risks such as changes in policies and regulations, market expectations, insurance and financing were identified as risks which could potentially increase operating costs and affect business.

To manage the climate change-related risks, the Group has engaged the third-party consultant to assist in the development of a Climate Adaptation Plan for the Australian properties in accordance with the best practice frameworks. As guided by the Climate Adaptation Plan, GreenPower was adopted in the Group’s Australian properties to reduce emissions and address potential carbon price increases. The Climate Adaptation Plan continues to guide how we identify, understand, and respond to climate-related risks and opportunities.

Social

Employment and labour practices

The Group is dedicated to fostering an inclusive and supportive work culture that promotes employee engagement, workforce stability and long-term business success. Our loyal and skilled employees play a crucial role in delivering excellent customer service and enriched product knowledge to our customers. It is therefore an utmost importance for the Group to attract, develop, and retain a competent and committed team of employees.

(a) Employment

The Group recognises that the long-term success of the business depends on a dedicated and engaged workforce. As such, our top priority is to cultivate, develop, and retain competent and committed employees. All matters pertaining to human resources are overseen by the Human Resources Division and handled in accordance with the policies and guidelines outlined in the Employee Handbook. Our human resources policies and practices, including compensation and dismissal, recruitment and promotion, working hours, rest periods, and other benefits and welfare, are established in compliance with local laws and regulations. The Group strictly adheres to all relevant labour laws and regulations in Hong Kong, Mainland China and Australia, such as the Employment Ordinance (Cap.57 of the Laws of Hong Kong) and the Discrimination Ordinance on Sex, Disability, Family Status, and Race (Cap. 480, 487, 527 and 602 of the Laws of Hong Kong) in Hong Kong. We have effectively communicated the relevant regulatory policies and guidelines to our staff members through induction programs and the Employee Handbook.

As an equal opportunity employer, the Group strives to eliminate discrimination and ensure that all employees are treated with equal respect and dignity, regardless of age, gender, marital status, pregnancy, family status, disability, race, color, descent, cultural background, nationality or ethnic origins, religion, sexual orientation, or any other non-job-related factors. Equal opportunity, diversity, and anti-discrimination policies are integrated into all aspects of our human resources management. Furthermore, the Group actively promotes diversity by strictly prohibiting any form of discrimination, harassment, bullying, or abusive behaviour. In our pursuit of diversity within the Group, two additional employees with different abilities and backgrounds have been introduced to the corporate manager level to enhance decision-making capabilities, agility, and resilience.

Employment decisions are based on individual qualifications, experiences, and competence. We have established a comprehensive structure, together with a set of clear procedures on people development, succession planning, staff promotion and dismissal, and performance review. Promotions are offered to staff members who are adequately prepared and demonstrate the potential to assume new roles and responsibilities. Decisions to dismiss staff members are supported by recommendations from the supervisors of the relevant staff, backed by annual performance evaluation. Any material breach of the Group's policies may also result in dismissal.

During the Year, the Group was not aware of any incidents of non-compliance with laws and regulations that had a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

To address the ongoing labour shortage issue and attract and retain talent in a competitive labour market, the Group has expanded its recruitment channels by collaborating with external recruitment agencies and participating in various job fairs to reach potential candidates. Throughout the Year, we have implemented a new referral program and newcomer reward scheme to enhance the Group's appeal to high-calibre candidates in the labour market.

In order to promote a family-friendly working environment and support employees' work-life balance for their overall well-being, the Group has optimised its human resources practices. This includes providing an additional paid monthly rest day for all frontline employees. Moreover, the Group offers competitive remuneration packages above the regulatory minimum level, such as extra rest days, birthday leave for full-time employees, medical insurance, group life insurance, education allowances and performance bonuses. Special time-off is also granted to employees for family matters, such as marriage, their children's marriage, and compassionate grounds. The Human Resources Division continuously benchmarks and reviews employees' working hours, rest periods, and other benefits and welfare in comparison to other market players to ensure the competitiveness and attractiveness of our employment packages.

Given the challenges posed by an aging workforce and talent competition in the labour market, succession planning plays a vital role in our staff planning to ensure seamless business operations. The Group continuously assesses critical positions at all levels that require succession and replacement, as well as the skills and knowledge associated with those positions. To address the demand of skilled labour, we invite selected and qualified employees over the retirement age of 65 to continue to contribute to the Group on a contract basis.

The Group values and attaches importance to the employer–employee relationship. The Group provides an equal opportunity workplace and competitive remuneration packages and other supportive benefits to employees. The Group also engages in proactive dialogue with employees, including staff training activities, Chinese New Year and Christmas Party gatherings, to maintain harmonious relationships.

During the Year, the Group’s department stores operation received awards relating to good human resources practices, which encouraged the Group’s implementation and promotion of an employee-friendly and employee-oriented management culture. The Group passed the assessment of the “ERB Manpower Developer Award Scheme” held by the Employees Retraining Board and was awarded the status of “Manpower Developer” in recognition of its achievement in manpower training and development. The Group has been awarded the “Happy Company” title under the “Happiness-at-Work Promotional Scheme” organised by the Promoting Happiness Index Foundation and The Chinese Manufacturers’ Association of Hong Kong for five consecutive years to commend the Group for building a happy workplace culture. The Group successively received a certificate of appreciation for its support in promoting the “Breastfeeding Friendly Workplace” organised by the Department of Health and UNICEF. This appreciation recognises the Group’s emphasis on supporting the needs of working mothers and valuing the rights of gender equality.

At 31 December 2023, our Hong Kong operations had a total of 583 employees, including permanent, temporary and part-time staff employed by the department stores operation and property investment business. 529 of them were permanent full-time staff while 54 of them were temporary and/or part-time staff. Among the permanent full-time staff, 524 staff were based in Hong Kong and five were based in Mainland China. The Group’s Australian investment properties business had a total of four permanent full-time staff and all were based in Australia.

(b) Health and safety

The Group maintains a steadfast commitment to uphold high standards of health and safety throughout its business operations. Code of Practices for Safety at Work is a comprehensive set of occupational safety policies, guidelines, and procedures established and implemented by the Group to ensure a secure working environment, mitigate occupational hazards, and comply with the Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong) and the Occupational Safety and Health Regulation (Cap. 509A of the Laws of Hong Kong). The Group’s Human Resources Division is responsible for monitoring the adoption of occupational health and safety measures, particularly overseeing the effectiveness and adequacy of the implemented policies, guidelines and procedures.

During the Year, an additional employee was appointed by the Group as a safety officer after completing occupational safety training and undergoing official assessment organised by the Occupational Safety and Health Council. The safety officers report to the Group's Human Resources Division. They conduct regular safety inspections at the Group's department stores and office premises to identify and rectify potential hazards in accordance with the Occupational Safety and Health Regulation. Moreover, certified first-aiders have been designated at all department stores and office premises to promptly attend to injuries and sudden illnesses. The Group conducts regular fire drills to enable employees to practice appropriate emergency response actions. Additionally, online learning video classes were provided to employees, demonstrating proper procedures for handling various emergency scenarios. Also, the Group's property management agent arranges regular fire drills at each premises and encourages all tenants to actively participate.

In order to foster awareness of work-related musculoskeletal disorders, particularly among frontline employees, the Human Resources Division prepared and distributed online learning video classes that encourage simple hand and body stretching exercises in the workplace, to promote employee well-being.

Employee well-being is an integral part of the Group's human capital management strategy. Following the ease of the pandemic, face-to-face meetings, workshops and site visits have been resumed during the Year. The Human Resources Division arranged educational site visits for employees, including visits to the Central Visitor Centre of the World Wild Fund for Nature, the T ■ PARK and the indoor sustainable fish farm, to learn about waste-to-energy, environmental protection and sustainable food choices. Employees can also enjoy the natural scenery with sustainable food and refresh from work.

To safeguard employees' health against COVID-19 pandemic and respiratory tract infections, the Group has provided various epidemic prevention supplies, including medical masks, rapid antigen test kits and hand sanitiser. Employees are strongly encouraged to utilise these supplies when necessary. Furthermore, regular cleaning and sanitation of public facilities are maintained to ensure the health and well-being of customers, tenants and employees.

The number of reported work injury cases during the Year showed a slight decrease compared to 2022, and there was a significant reduction in lost working days due to work injuries. The Group remains committed to enhancing employees' awareness of occupational safety through diverse training courses, workshops and activities.

During the Year, the Group was not aware of any incidents of non-compliance with laws and regulations that had a significant impact on the Group in relation to the provision of a safe working environment and protection of employees from occupational hazards.

(c) Development and training

The Group places great emphasis on the learning and development of its employees, and is continuously supporting them in maximising their professional potential. Training and Development Policies and Procedures is a set of guidelines and procedures established and implemented by the Group to govern employee's training and development activities. It outlines the goals, objectives and strategies for employee development, as well as the roles and responsibilities of those involved in the training processes. Through a broad range of training activities, the Group provides ongoing learning opportunities and encourages staff members to enhance their knowledge, skills and personal growth.

For internal trainings, all new joiners are required to participate in induction training, during which the Group's core values, business goals, work routines, job roles and code of conduct are clearly communicated. To reinforce employees' awareness of company policies and operating guidelines, refresher trainings are provided throughout the Year, covering topics such as emergency and crisis handling, food labelling, occupational health and safety, and other relevant retail regulations. Staff members at stores receive customer service and communication trainings to update their professional skills and knowledge. Various learning initiatives, including training day camps, mini-workshops, inter-group interactions, audio materials and short video clips, are provided to facilitate continuous learning and inspire employees in their daily work. Self-learning materials are shared within the Group, allowing staff members to learn at their own pace and explore topics of personal interest.

The Group strongly encourages and sponsors employees to participate in external training courses, workshops, conferences, seminars and other events to stay abreast of the ever-changing market and regulatory developments.

(d) Labour standards

The Group strictly prohibits the use of child labour and forced labour in all of its business operations to uphold human rights. The Human Resources Division ensures that all business units adhere to human rights by conducting rigorous verifications of job applicants' identity, including but not limited to their age, as stipulated in the Recruitment Policy, during the selection and onboarding processes. The Group also ensures that employees are provided with sufficient rest days and are appropriately compensated for any voluntary overtime work as required by local regulations. Should the Group become aware of any instances of child labour or forced labour in its operations, a thorough investigation will be conducted and immediate termination of the employment contract will be enforced. During the Year, the Group was not aware of any incidents of non-compliance with laws and regulations that had a significant impact on the Group in relation to the prevention of child labour and forced labour.

Operating practices

(a) Supply chain management

The Group integrates ESG considerations into its supply chain management. The Group has developed a Supply Chain Policy to manage suppliers and minimise the environmental and social risks along the supply chain. This Policy requires the procurement departments to take appropriate measures to evaluate the engagement of suppliers, and to stay alert to any adverse reports on the suppliers relating to environmental and social matters. In the event of any concerns, the procurement departments will promptly request the suppliers to take corrective actions or discuss and evaluate internally as to whether such suppliers should be terminated. The relevant department heads are responsible for monitoring the implementation practices and reporting any difficulties and challenges to the ESG Committee, who will review the effectiveness and adequacy of the relevant policies and practices.

The Group expects our suppliers to continuously improve their performance on ESG matters. We have developed a Supplier Code of Conduct for its department stores operation and property investment business, which outlines our expectations of suppliers in various areas, including legal compliance, labour and human rights, health and safety, environmental protection and ethical conduct. The Merchandising and Concession Administration Division (“MCD”) and the Leasing Division are responsible for implementing the Supplier Code of Conduct. The Group gives preference to suppliers currently working towards responsible and sustainable operations. In future, the Group will consider providing relevant trainings to suppliers to enhance their understanding and commitment in sustainability areas.

All active suppliers of the Group’s department stores operation and property investment business are invited to conduct a self-assessment questionnaire periodically. The questionnaire evaluates the suppliers regarding the status of their policies, control systems and regulatory compliance relating to environmental conservation, occupational health and safety, employment practices and business ethics. The survey results for the Year and comparisons with the findings in 2022 are set out below:

	Department stores operation*		Property investment business	
	2023	2022	2023	2022
No. of response / response rate	692 / 69%	614 / 60%	7 / 88%	10 / 45%
Percentage of respondents that confirmed compliance with relevant laws and regulations	99.9%	100%	100%	100%
Percentage of respondents that have policies and control systems in all environmental and social responsibility areas	53%	55%	57%	70%

*Covers suppliers of our own sourced merchandise, and concession and consignment counters.

Almost all respondents indicated they had complied with relevant laws and regulations. Over half of the respondents replied they had policies and control systems in all environmental and social responsibility areas.

We seek to ensure our procurement process responsible, fair and impartial. For the Group's property investment business, the building management services are outsourced to a reputable professional property management agent who reports directly to the Group's Leasing Division. All procurements relating to building expenses are handled by the property management agent according to its procurement policy. All contractors who are sanctioned to undertake works have to be on the property management agent's approved contractor list, which all approved contractors are vetted to ensure they possess the requisite professional qualifications and meet our requirements. Contractors of major building works are selected via tendering process. The progress and quality of works are closely supervised by the property management agent and/or its consultant or authorised person. To ensure the performance of the property management agent fulfils our expectations, its performance is continuously evaluated by the Leasing Division through regular meetings, reporting and satisfaction engagement activities held by the property management agent.

For the Group's department stores operation, the selection of suppliers is handled by the MCD. The MCD obtains copies of all relevant licenses and certificates from the suppliers, reviews their company background and certifications through online searches, and, if necessary, conducts onsite visits to the suppliers' offices and factories. We believed such selection processes can assist us to assess the environmental and social risks when engaging new suppliers. In addition to conducting continued assessments of suppliers' performance through meetings and communications, the MCD periodically conducts standardised evaluations on the suppliers' performance. Such periodic evaluation takes into account various factors, including the supplier's business performance and legal compliance and the number of customer complaints received on this supplier in previous year. This evaluation allows us to continue monitoring the risks along supply chain, and based on such results to select quality and suitable suppliers to optimise our merchandise mix and services.

During the Year, the majority of the merchandise suppliers of the Group's department stores operation were located in Hong Kong and European countries and all suppliers of the Group's property investment business were located in Hong Kong. Our practices relating to the engagement of suppliers, including supplier selection and management, are extended to suppliers located in all geographic locations.

Number of suppliers by geographical region

	Department stores operation*	Property investment business
Hong Kong	378 (62%)	8 (100%)
Europe	170 (28%)	0
Asia (excluding Hong Kong)	51 (8%)	0
America	6 (1%)	0
Others	2 (0.3%)	0
Total	607	8

* Covers suppliers of our own sourced merchandise.

To integrate environmental principles into our procurement decisions, the Group has established a Green Procurement Policy to guide employees to purchase office supplies and services with minimal adverse impact on the environment and human health. Preference is given to environmentally preferable alternatives. For example, we use FSC certified papers to print envelopes, letter papers and most of the marketing and promotional materials.

To encourage customers towards sustainable consumption, we source and offer eco-friendly merchandise at our department stores, such as merchandise with organic, natural or recycled materials and resources efficiency attributes. We also reduce packaging materials in our house brand merchandise. During the Year, the MCD continued to expand our sourcing of eco-friendly merchandise to meet increasing market demand. At the beginning of a year, the MCD submitted the target number of stock keeping units (SKUs) for eco-friendly merchandise to be offered at department stores. The ESG Committee monitors and tracks the achieving rate and business performance of these merchandise at year end. Although eco-friendly merchandise accounted for a small proportion of our overall merchandise mix, the number and varieties available for consumption have been increasing gradually. While consumers continued to show a growing interest in eco-friendly merchandise, there were challenges to source these merchandise, such as limited local supply, higher purchasing costs, unstable quality and lack of supporting certificates. To provide customers with diversified, quality and affordable eco-friendly merchandise, we will explore various supply channels to enhance our sourcing capabilities.

Apart from offering own sourced eco-friendly merchandise, we also support concession and consignment counters to provide green product alternatives to customers. During the Year, we conducted questionnaire survey to understand the popularity of eco-friendly merchandise among our concession and consignment counters. 57% of the counters responded to the questionnaire. 29% of the respondents replied that they were currently supplying eco-friendly merchandise in our department stores and the average merchandise mix percentage was around 54%. Amongst them, 34% of them had received eco-labels or accreditations for their merchandise. With more customers support sustainable consumption, we expect more counters will promote eco-friendly merchandise.

Commencing 2024, the Hong Kong Government will ban the sale and provision of single-used plastic products to reduce plastic waste and promote reusable products. In view of this, the MCD and Store Operations Division (“SOD”) had reviewed our own merchandise offered at the department stores and took actions to clear the regulated merchandise before the implementation of the new regulation. Since our department stores only carried a small amount of inventory of regulated merchandise, the relevant impact on our merchandise assortment is insignificant.

(b) Product responsibility

Quality and safety are always our top priority. To ensure reliable merchandise is offered at our department stores, policies and guidelines have been adopted for merchandise sourcing. The Group's MCD and SOD are responsible for implementing the Supply Chain Policy, working procedures and guidelines, and monitoring their effectiveness and adequacy. For example, the MCD requests suppliers to submit quality and safety registration certificates and laboratory reports for their merchandise as required under relevant laws and regulations. The MCD also performs quality inspection on private label merchandise and/or requests factories to submit pre-production and shipping samples. Moreover, label checks are carried out by department stores staff on particular merchandise and video training has been provided to frontline staff to remind them of the relevant regulatory requirements on product labelling.

Upon becoming aware of any confirmed or potential issues associated with health, safety or label non-compliance of our merchandise from sources such as suppliers, customers, government departments and/or the media, we withdraw such merchandise from our trading floor immediately. We generally accept merchandise returns from customers and we may (where appropriate) work with relevant suppliers to resolve issues. Merchandise is returned to our trading floor for sale only when the issues are resolved by the suppliers.

During the Year, there was one incident concerning a children product posing potential safety hazards. The Customs and Excise Department of the Hong Kong Government urged traders to remove such children product from shelves. Accordingly, 91 pieces of such merchandise selling at our department stores were subject to recalls. The recall percentage was 0.001%.

We value every comment from our customers and proactively reach out to our customers through various channels, such as feedback forms, company website and social media platforms to collect comments and enquiries. To ensure customer feedback is properly channeled and addressed, all feedback is handled according to internal guidelines which outlines the responsible parties, handling procedures and follow up actions. The feedback is reviewed by designated departments and all complaints are investigated and promptly followed up to resolve any disputes. During the Year, a total of 323 (2022: 408) customer compliments and 39 (2022: 14) customer complaints were received regarding the department stores' merchandise and services. All of these complaints were settled with the customers amicably. The number of customer compliments decreased by 21% and the number of complaints increased by 179%. While customer purchase and foot traffic gradually resumed following the ease of the pandemic, our customer service was affected by manpower shortage and turnover of frontline staff. To meet our customers' growing expectations, the Group will continuously enhance our service quality.

For our property investment business, the Group has engaged a reputable professional property management agent to provide services to tenants and visitors. We have adopted ISO 9001 standard for the management of customer service and complaint handling. A tenant satisfaction engagement activity is conducted regularly to identify areas of improvement in service quality. During the Year, three written complaints were received from tenants regarding facility issues, and all complaints were resolved.

The Group complies with the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) and the Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong), and respects and protects intellectual property rights.

The Group has adopted codes of practice and guidelines to regulate the collection, access, storage and disposal of personal data in accordance with the requirements of local data privacy legislation. The departments responsible for handling personal data are responsible for implementing the policies and guidelines, and monitoring their effectiveness and adequacy. All relevant employees are required to sign the policies and guidelines to confirm their understanding and compliance. These policies provide that personal information collected will only be used for the purposes made known to the customers. Should there be a need to use customers' personal information for direct marketing, we would obtain prior written consent from the customers. During the year, the Group received the "Silver Awards" in the "Privacy-Friendly Awards 2023" organised by the Office of the Privacy Commissioner for Personal Data Hong Kong. This award recognised our effort in protecting personal data privacy.

The Group has adopted guidelines to ensure our marketing and advertising activities comply with the Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong) and other related legal requirements. The Group prohibits false and misleading information in our advertisements, and guidelines have been developed to assist departments responsible for preparing marketing and advertising materials to understand the legal requirements. All marketing and advertising materials are reviewed by the responsible departments before such materials are released or published to ensure that all marketing and advertising materials are accurate and not misleading and comply with relevant legal requirements. Aside from implementing the guidelines, the responsible departments will monitor the effectiveness and adequacy of the guidelines.

The Group respects intellectual property rights of third parties. We prohibit any unauthorised use of computer software, music and photo images which may lead to infringement of copyright. We request suppliers to provide a signed declaration of non-infringement of any intellectual property rights of third parties in respect of the merchandise they supplied to the Group. In addition, authorised dealers have to present authorisation letters as proof of distribution rights. The Group protects its own intellectual property rights by undertaking relevant registration for its own brands for the department stores operation.

Where there is a potential or actual breach of health and safety, advertising, labelling and privacy matters relating to products and services provided, we carry out a thorough investigation and review, take measures of redress depending on the relevant facts and circumstances as soon as possible, and implement preventative and enhancement measures.

During the Year, the Group was not aware of any incidents of non-compliance with laws and regulations that had a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

(c) Anti-corruption

The Group maintains a strong commitment to uphold the highest standards of ethics and business integrity, with a zero-tolerance policy towards fraud and corruption. A robust framework of corporate governance is in place to ensure ethical business practices. At all levels of the organisation, employees are expected to demonstrate honesty, fairness, and integrity in their work and business activities.

To support these principles, the Group has established a Code of Conduct, an Anti-Corruption Policy, a Whistleblowing Policy, and related guidelines that are followed by all employees, including the directors. These policies and guidelines provide clear examples and detailed instructions on handling conflicts of interest, preventing corruption, and reporting any suspected irregularities such as bribery, fraud, or money laundering within the Group.

The Anti-Corruption Policy outlines the expected standards of conduct for all directors and employees and addresses the acceptance and offering of advantage and management of conflicts of interest.

The Whistleblowing Policy provides channels for employees and stakeholders (e.g. customers and suppliers) to confidentially raise concerns about misconduct or malpractice of the Group. Any whistleblowing case reported in person or in writing either by email or by post to the Company Secretary will be reported to the Audit Committee. The Audit Committee will then determine the course of action to pursue and with power to delegate. All whistleblowing cases are thoroughly investigated, and the final report will be reviewed by the Audit Committee, who will make recommendations to the Board if appropriate. The Audit Committee is responsible for regularly reviewing the Anti-Corruption Policy, Whistleblowing Policy and related guidelines, and ensuring their effectiveness.

During the Year, the Group was not aware of any incidents of non-compliance with laws and regulations that had a significant impact on the Group relating to bribery, extortion, fraud and money laundering.

To promote integrity and anti-corruption awareness, the Group developed mandatory online training materials on workplace integrity and relevant legislations for all employees, including directors. New joiners were required to complete the trainings before the end of their probation period. Furthermore, three ethical seminars were organised during the Year, featuring speakers from the Hong Kong Independent Commission Against Corruption (ICAC), to provide clarifications on key sections of the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) and discuss the latest anti-corruption measures relevant to the retail industry. In total, 150 hours of anti-corruption-related trainings were conducted for employees during the Year.

Community investment

The Group is dedicated to creating a positive social impact and fostering a caring culture by actively participating in charitable events through sponsorships and in-kind contributions. The Human Resources Division and Marketing Division regularly collaborate with various charitable organisations to identify community's needs. The Group is in the process of developing policies related to community investment.

Employees are encouraged to engage in community services and contribute to society. After the lifting of social distancing measures by the Hong Kong Government during the Year, the Human Resources Division reached out to different charities and organised community service opportunities for employees. During the Year, the Group partnered with PMF Limited for the "Project My Future 2023" program, which provided workplace internship opportunities for young people aged between 16 to 18 to gain insights into the evolving society and prepare for their future careers. The Human Resources Division paired students with mentors from the Group's department stores operation, and provided them with real-life work experiences, mentorship and exposure to broaden their horizons. During the Year, the Group's employees collectively dedicated approximately 750 hours to volunteering services, and donated a total of HK\$63,800 to various charitable organisations related to different social initiatives.

During the Year, the Group and its employees participated in the following community activities and events:

- Placement of donation boxes from different charitable organisations (such as Yan Oi Tong, Christian Action and Suicide Prevention Services) in our department stores;
- "Project My Future 2023" workplace internship program of PMF Limited;
- "Lai See Reuse and Recycle Program" of Greeners Action;
- "Love Teeth Day", "Green Low Carbon Day" and "Skip Lunch Day" of The Community Chest of Hong Kong;
- UNICEF Charity Run 2023;
- "World Sight Day 2023" of Orbis; and
- Offering of special discounts to Senior Citizen Cardholders on designated products sold at our department stores to demonstrate our care and respect for the elderly.

Throughout the Year, the Group received awards from different organisations in recognition of its community contributions, including the "Caring Company" awarded by The Hong Kong Council of Social Service and the "Heart to Heart Company" awarded by The Hong Kong Federation of Youth Groups.

On behalf of the Board

Sin Kar Tim

Company Secretary

Hong Kong, 26 April 2024

Laws and regulations

Majority of the Group's employees and business operations were based in Hong Kong. During the Year, there was no material non-compliance with applicable ESG laws and regulations in Hong Kong. The following table lists the relevant ESG laws and regulations in Hong Kong which have a significant impact on the Group's operations.

<p>Environmental</p> <ul style="list-style-type: none">• Air Pollution Control Ordinance (Cap. 311 of the Laws of Hong Kong)• Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong)• Buildings Energy Efficiency Ordinance (Cap. 610 of the Laws of Hong Kong)• Product Eco-responsibility Ordinance (Cap. 603 of the Laws of Hong Kong)• Product Eco-responsibility (Plastic Shopping Bags) Regulation (Cap. 603A of the Laws of Hong Kong)
<p>Employment</p> <ul style="list-style-type: none">• Employment Ordinance (Cap. 57 of the Laws of Hong Kong)• Discrimination Ordinances on Sex, Disability, Family Status and Race (Cap. 480, 487, 527 and 602 of the Laws of Hong Kong)• Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong)• Occupational Safety and Health Regulation (Cap. 509A of the Laws of Hong Kong)• Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong)• Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong)• Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong)
<p>Product responsibility</p> <ul style="list-style-type: none">• Sale of Goods Ordinance (Cap. 26 of the Laws of Hong Kong)• Supply of Services (Implied Terms) Ordinance (Cap. 457 of the Laws of Hong Kong)• Food Safety Ordinance (Cap. 612 of the Laws of Hong Kong)• Food and Drugs (Composition and Labelling) Regulations (Cap. 132W of the Laws of Hong Kong)• Consumer Goods Safety Ordinance (Cap. 456 of the Laws of Hong Kong)• Toys and Children's Products Safety Ordinance (Cap. 424 of the Laws of Hong Kong)• Electrical Products (Safety) Regulation (Cap. 406G of the Laws of Hong Kong): Declaration of Conformity• Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong)• Competition Ordinance (Cap. 619 of the Laws of Hong Kong)• Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong)• Copyright Ordinance (Cap. 528 of the Laws of Hong Kong)• Trade Marks Ordinance (Cap. 559 of the Laws of Hong Kong)
<p>Anti-corruption</p> <ul style="list-style-type: none">• Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong)

ESG Reporting Guide Index

A. Environmental		2023	2022
A1 Emissions	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(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.</p>	Environmental	Environmental
KPI A1.1	The types of emissions and respective emission data.	Nitrogen Oxides: 291,415 g Sulphur Oxides: 453 g Particulate Matter: 19,773 g	Nitrogen Oxides: 305,916 g Sulphur Oxides: 453 g Particulate Matter: 21,686 g
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Scope 1: 73 tCO ₂ e Scope 2: 8,926 tCO ₂ e Scope 1 & 2: 8,999 tCO ₂ e 8.554 tCO ₂ e/HK\$1m revenue	Scope 1: 73 tCO ₂ e Scope 2: 9,129 tCO ₂ e Scope 1 & 2: 9,202 tCO ₂ e 9.004 tCO ₂ e/HK\$1m revenue
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Immaterial amount of hazardous waste was generated	Immaterial amount of hazardous waste was generated
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Paper waste disposal: -4.7 tonnes, -0.004 tonne/HK\$1m revenue Electrical appliances/accessories for recycling: 112 pieces, 0.106 pieces/HK\$1m revenue	Paper waste disposal: -1.5 tonnes, -0.001 tonne/HK\$1m revenue Electrical appliances/accessories for recycling: 161 pieces, 0.158 pieces/HK\$1m revenue
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environmental	Environmental
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.	Environmental	Environmental

A. Environmental		2023	2022
A2 Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental	Environmental
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).	Fuel: 301 Mwh Electricity: 16,679 Mwh Total: 16,980 Mwh 16.141 Mwh/HK\$1m revenue	Fuel: 301 Mwh Electricity: 16,682 Mwh Total: 16,983 Mwh 16.617 Mwh/HK\$1m revenue
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	24,385 m ³ 23.18 m ³ /HK\$1m revenue	23,644 m ³ 23.14 m ³ /HK\$1m revenue
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental	Environmental
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.	Environmental	Environmental
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Department stores operation: Shopping bags 78 tonnes 0.12 tonnes /HK\$1m revenue	Department stores operation: Shopping bags 86 tonnes 0.14 tonnes /HK\$1m revenue
A3 The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	Environmental	Environmental
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental	Environmental

A. Environmental		2023	2022
A4 Climate Change	<p>General Disclosure</p> <p>Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.</p>	Environmental	Environmental
KPI A4.1	<p>Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.</p>	Environmental	Environmental

B. Social – Employment and Labour Practices ^(Notes 1, 2 & 5)		2023		2022	
B1 Employment	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.	Employment		Employment	
KPI B1.1	Total workforce by gender. - All staff - Corporate manager	Male 143 15	Female 386 9	Male 139 14	Female 408 8
KPI B1.1 ^(Note 3)	Total workforce by employment type. - Permanent full-time - Temporary and / or part-time	529 54		547 69	
KPI B1.1	Total workforce by age group. - Below 31 - 31 – 40 - 41 – 50 - 51 – 60 - 60 above	22 67 112 220 108		21 75 125 241 85	
KPI B1.1	Total workforce by geographical region. - Hong Kong SAR - Mainland China	524 5		542 5	
KPI B1.2 ^(Note 4)	Employee turnover rate by gender.	Male 7.15%	Female 10.15%	Male 14.94%	Female 17.42%
KPI B1.2 ^(Note 4)	Employee turnover rate by age group. - Below 31 - 31 – 40 - 41 – 50 - 51 – 60 - 60 above	13.64% 14.20% 9.34% 6.55% 11.85%		39.82% 18.83% 17.75% 11.09% 24.97%	
KPI B1.2 ^(Note 4)	Employee turnover rate by geographical region. - Hong Kong SAR - Mainland China	9.44% 0%		16.94% 0%	

B. Social – Employment and Labour Practices		2023		2022	
B2 Health and Safety	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(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.</p>	Health and Safety		Health and Safety	
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	2023: 0 (0%) 2022: 0 (0%) 2021: 0 (0%)			
KPI B2.2 (Note 6)	Lost days due to work injury.	11 cases, 16 lost days		12 cases, 204 lost days	
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety		Health and Safety	
B3 Development and Training	<p>General Disclosure</p> <p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p>	Development and Training		Development and Training	
KPI B3.1 (Note 7)	Percentage of employees trained by gender.	Male	Female	Male	Female
		11.6%	88.4%	9.1%	90.9%
KPI B3.1 (Note 7)	Percentage of employees trained by employee category.				
	- Corporate manager	2.7%		2.2%	
	- General staff	83.5%		84.0%	
	- Temporary & part-time	13.8%		13.8%	
KPI B3.2 (Note 7)	Average training hours completed per employee by gender.	Male	Female	Male	Female
		2.35 hours	3.47 hours	2.21 hours	3.34 hours
KPI B3.2 (Note 7)	Average training hours completed per employee by employee category (internal training).				
	- Frontline staff (Frontline staff of department stores operation only)	3.02 hours		3.40 hours	
KPI B3.2 (Note 7)	Average training hours completed per employee by employee category (external training).				
	- All levels	1.41 hours		1.05 hours	
	- Corporate manager	5.53 hours		7.05 hours	
	- General staff	1.36 hours		0.94 hours	

B. Social – Employment and Labour Practices		2023	2022
B4 Labour Standards	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.	Labour Standards	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards	Labour Standards

Notes:

1. All data is provided and verified by respective department heads.
2. All KPIs of employment and labour practices cover employees employed by the Group’s department stores operation and property investment business in Hong Kong, except for the KPI of average training hours completed per employee by employee category (internal training) which covers frontline staff of department stores operation only.
3. The total number of employees (permanent full-time staff versus temporary and / or part-time staff) employed by the Group’s department stores operation and property investment business in Hong Kong as at 31 December of 2022 and 2023 was 616 (547:69) and 583 (529:54) respectively.
4. The employee turnover rate reflects the number of employees who leave employment with the Group voluntarily or due to dismissal, retirement or death in service during the reporting period. The employee turnover rate is calculated in accordance with “How to prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs” issued by the Stock Exchange, which is equal to the number of permanent employees who leave employment with the Group voluntarily or due to dismissal, retirement or death in service during the reporting year divided by the average number of permanent employees and then multiplied by 100%.
5. All KPIs of employment (except for total workforce by employment type) refer to permanent full-time staff only, while all KPIs of health and safety, development and training, labour standards and total workforce by employment type refer to permanent full-time, temporary and / or part-time staff.
6. Work injuries include incidents requiring sick leave.
7. Training includes all job-relevant internal and external training attended by employees. The difference between internal and external training activities is discussed under the section headed “Development and training” above.

B. Social – Operating Practices		2023	2022
B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Department stores operation: Hong Kong 378 (62%) Europe 170 (28%) Asia (Excluding Hong Kong) 51 (8%) America 6 (1%) Others 2 (0.3%) Property investment business: Hong Kong 8 (100%)	Department stores operation: Hong Kong 401 (64%) Europe 164 (26%) Asia (Excluding Hong Kong) 51 (8%) America 6 (1%) Others 2 (0.3%) Property investment business: Hong Kong 22 (100%)
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.	Supply Chain Management	Supply Chain Management
KPI 5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management	Supply Chain Management
KPI 5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management	Supply Chain Management
B6 Product Responsibility	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, labeling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Department stores operation: 1 incident Merchandise recalled: 91 pieces Recall percentage: 0.001%	Department stores operation: 0 incident Merchandise recalled: 0 piece Recall percentage: 0%
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Department stores operation: 39 case, 100% settled Property investment business: 3 cases, 100% settled	Department stores operation: 14 cases, 100% settled Property investment business: 1 case, 100% settled

B. Social – Operating Practices		2023	2022
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility	Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility	Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Product Responsibility	Product Responsibility
B7 Anti- corruption	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.	Anti-corruption	Anti-corruption
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.	Nil	Nil
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption	Anti-corruption

B. Social – Community		2023	2022
B8 Community General Disclosure			
Investment	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.	Community Investment	Community Investment
KPI B8.1	Focus areas of contribution.	Community Investment Not applicable The Group does not have a specific focus area for its contributions	
KPI B8.2	Resources contributed to the focus area.	Community Investment Not applicable The Group does not have a specific focus area for its contributions	