



中煙國際（香港）有限公司

China Tobacco International (HK) Company Limited

(Incorporated in Hong Kong with limited liability)

Stock code: 6055

# 2024

*Environmental, Social and  
Governance Report*



# Environmental, Social and Governance Report

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## DEFINITION

Unless otherwise stated, these terms are defined as follows:

“Board” or “Board of Directors”	The board of Directors of the Company;
“CBT”	China Brasil Tabacos Exportadora S.A., a company incorporated in Brazil on 15 September 2011 with limited liability;
“China” or “PRC”	The People’s Republic of China;
“CNTC”	China National Tobacco Corporation (中國煙草總公司), an enterprise incorporated in the PRC and the ultimate controlling shareholder of the Company;
“CNTC Group” or “China Tobacco”	CNTC and its subsidiaries;
“CTIB” or “China Tobacco Brazil”	China Tabaco Internacional Do Brasil Ltda. (中煙國際巴西有限公司), a company incorporated in Brazil on 6 June 2002 with limited liability;
“CTIB Group”	CTIB and its subsidiaries, including CBT;
“CTIG”	China Tobacco International Group Limited, a company incorporated in Hong Kong with limited liability and the immediate parent of the Company;
“CTIHK” or the “Company”	China Tobacco International (HK) Company Limited;
“ERP”	Enterprise Resource Planning;
“ESG”	Environmental, Social and Governance;
“ESG Reporting Guide”	The Environmental, Social and Governance Reporting Guide is set out in Appendix C2 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd.;
“Exclusive Operating Regions for Cigarettes”	Duty-free outlets of the Kingdom of Thailand, the Republic of Singapore, Hong Kong, Macau, as well as duty-free outlets within the borders, but outside the customs areas, of the Chinese Mainland;
“Group”, “we” or “our”	The Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;
“Macau”	The Macau Special Administrative Region of the PRC;
“New Designated Regions for Cigarettes”	Areas other than (i) Exclusive Operating Regions for Cigarettes; and (ii) the Chinese Mainland;
“Non-exclusive Operating Regions for Tobacco Leaf Products”	Areas other than (i) Southeast Asia, Hong Kong, Macau and Taiwan; and (ii) the Chinese Mainland;
“NO <sub>x</sub> ”	Nitrogen Oxides;
“PM”	Particular Matters;
“PPE”	Personal Protective Equipment;
“R\$” or “Real”	Brazilian real, the lawful currency of Brazil;
the “Report”	China Tobacco International (HK) Company Limited Environmental, Social and Governance Report 2024;
“SEHK” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“SO <sub>x</sub> ”	Sulphur Oxides;
the “Year”, the “Reporting Period”	From 1 January 2024 to 31 December 2024;
“%”	percent.



1. ABOUT THE REPORT

The Group is pleased to present the 2024 ESG report. This comprehensive document highlights the principles we adhere to and the sustainable development concepts we embrace in fulfilling our corporate social responsibility. It demonstrates our commitment to sustainable development and corporate social responsibility by presenting the ESG strategies and practices of the Group during the Reporting Period.

1.1 Reporting Scope

The Report illustrates the Group’s sustainable development policies, measures, and key performance indicators (“KPIs”) relating to its core business during the Reporting Period. Considering the materiality of business impact, the Group’s environmental and social data collection scope has only included CTIHK and CBT. Unless otherwise specified, the Report disclosure is in consistency with the 2024 Annual Report, which covers businesses directly controlled by the Group, and the collection of environmental KPIs is inclusive of those of offices in Hong Kong and Brazil, and a warehouse in Brazil.

1.2 Reporting Standards

The Report is prepared in accordance with the “Environmental, Social and Governance Reporting Guide” set out in Appendix C2 to the Listing Rules of SEHK (the “Guide”). The contents covered herein follow the provision of “Comply or Explain” as well as four reporting principles of materiality, quantitative, balance and consistency required in the Guide. The last section of the Report contains an index of the Guide with reference to the contents of the Report for readers’ quick reference.

Materiality	The Report has identified and disclosed the process of determining material ESG factors and the criteria for the selection of these factors, as well as the results of materiality assessment.
Quantitative	The statistical standards, methodologies, assumptions and/or calculation tools used in the Report for the reporting of emissions/energy consumption (where applicable), as well as the sources of conversion factors, are illustrated in the Report.
Balance	The Report presents the Group’s performance during the Reporting Period in an impartial manner, avoiding choices, omissions or presentation formats that may unduly influence readers’ decisions or judgements.
Consistency	The statistical methods used for the data disclosed in the Report are as compared to previous years. Any changes will be clearly stated in the Report.

### 1.3 Reporting Language

The Report is published in both Traditional Chinese and English versions. In case of discrepancies, the English version shall prevail.

### 1.4 Approval

The Report was approved by the Board on 6 March 2025 upon confirmation from the management.

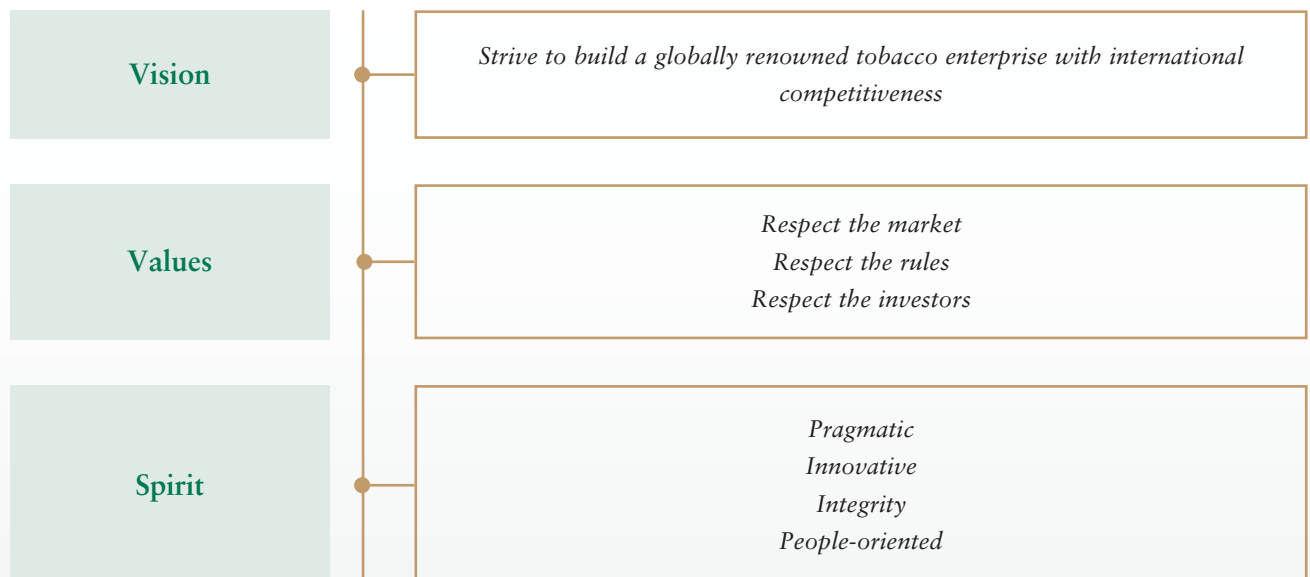
### 1.5 Feedback

Your opinions about the Report are highly valued by the Group. If you have any enquiries or advice, please contact us by e-mail: [ir@ctihk.com.hk](mailto:ir@ctihk.com.hk).

## 2. ABOUT US

CTIHK was registered and established in Hong Kong in 2004. Within CNTC, the Company is the sole listed entity mainly carrying out tobacco business, and at the same time, CTIHK is the designated offshore platform for CTIG for capital markets operation and international business expansion. Since CTIHK listing in 2019, the Company has focused on expanding our international market, continuously tapping into market potential, and striving to enhance the scale and quality of business development.

In 2021, CTIHK acquired CTIB and effectively holds a controlling stake in its subsidiary, CBT. CBT carries out tobacco leaf production, purchasing, processing, sales, and export business in the core tobacco-producing regions of Brazil.



The Group is engaged in the following business operations (together, the “Relevant Businesses”):



export of tobacco leaf products to Southeast Asia, Hong Kong, Macau, Taiwan and Non-exclusive Operating Regions for Tobacco Leaf Products (the “Tobacco Leaf Products Export Business”);



import of tobacco leaf products in Chinese Mainland from origin countries or regions around the world (other than from sanctioned countries and regions) (the “Tobacco Leaf Products Import Business”);



export of cigarettes to Exclusive Operating Regions for Cigarettes and New Designated Regions for Cigarettes from CNTC Group directly or through distributors (the “Cigarettes Export Business”);

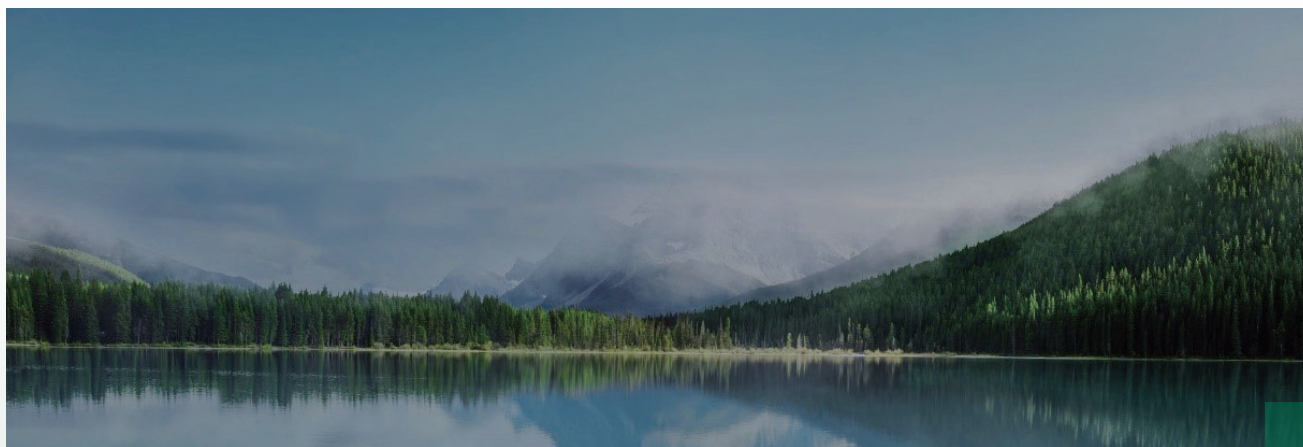


export of new tobacco products to the global market (except the Chinese Mainland) (the “New Tobacco Products Export Business”); and



procurement, processing, sale of tobacco leaves and procurement of agricultural materials inherent to tobacco production in Republic of Brazil (“Brazil”) and from Brazil to regions around the world (except Chinese Mainland) (the “Brazil Operation Business”).

As a responsible enterprise, we place high priority on ESG performance. We are committed to meeting customer demands while upholding rigorous standards of quality, innovation, and ethical business practices. Simultaneously, we strive to bolster the sustainability of our operations, and foster environmental protection, social engagement, and strong governance ultimately contributing to sustainable development goals within the tobacco industry.



### 3. MESSAGE FROM THE CHAIRMAN

On behalf of the Board, I am pleased to present our Environmental, Social, and Governance Report for the year ended 31 December 2024. In an ever-changing business environment, we remain committed to our strategic framework, firmly commit to prioritizing the interests of the environment, society, and employees, and are dedicated to integrating environmental protection, community happiness, and employee welfare with the Group's development in an organic way. We will always keep our focus on these goals and ensure that our practical actions are consistent with them.



#### **Strengthening Corporate Foundations, Improving Responsible Governance Structure**

Responsible business practices form the cornerstone of our sustainable development strategy. Our commitment to robust ESG governance drives long-term value creation through clearly defined principles, strategies, and implementation frameworks. This year marks our enhanced focus on comprehensive sustainability governance, featuring a multi-tiered structure with clear lines of responsibility and accountability. We have regularly reviewed and evaluated the risk management system of the Group, enabling us to effectively navigate evolving economic, social, and regulatory landscapes. This risk management system ensures proactive risk identification, prevention, and mitigation across our operational spectrum, reinforcing our commitment to responsible corporate stewardship.

#### **Enhancing Climate Resilience, Improving the Intensity of Nature Conservation**

Despite the fact that climate change has brought numerous challenges to our business operations, our commitment to our community and the environment remains steadfast. For instant, the floods in Brazil in 2024 have tested us, but they have also strengthened our determination to formulate measures for mitigating climate change-related disasters. Through strategic partnerships and comprehensive disaster response measures, we are progressively enhancing our climate resilience and ensuring the sustainability of both our operations and the communities we serve. Furthermore, we have actively implemented the “Green Pulsation” initiative to put green and low-carbon development principles into practice, thereby safeguarding the natural environment that sustains us all.

#### **Practicing Diversity and Inclusiveness, Stimulating the Endogenous Motivation of the Group**

We are committed to creating a workplace that is diverse and inclusive. In 2024, we established a comprehensive Human Rights Policy to reinforce our commitment to ethical practices. This policy adopts a zero-tolerance approach towards human trafficking, forced labour, and child labour, ensuring that we can safeguard the rights and dignity of all employees, and strengthening our commitment to moral practice. Through the regular implementation of diverse employee training programs, our team's professional capabilities and vocational qualities have been systematically enhanced. We also anticipate to further enhance our internal governance and strengthen trust with global stakeholders, showcasing our commitment to international human rights standards.



### **Focusing on Green Agriculture, Building a Sustainable Supply Chain**

We prioritise the welfare of our contracted farmers through a comprehensive support system that combines technical expertise with sustainable practices. Our CBT-trained field technicians maintain regular contact through recurrent visits and continuous availability, providing both agricultural guidance and environmental stewardship advice. This approach accelerates the transformation of green supply chains while promoting sustainable farming practices.

On the global market stage, driven by innovation and unwavering determination, we will brave the winds and waves amidst challenges and adversities. On behalf of the Board of Directors, I sincerely thank the shareholders, investors, customers, and business partners who have consistently supported our Group. I express deep respect for our management team and employees for their ongoing efforts in implementing sustainable development strategies over the past year.

With everyone's continued support and dedication, I believe our Group will forge ahead, maintaining high-quality and sustainable development, and creating more value for shareholders and society.

Mr. SHAO Yan  
Chairman and Non-executive Director

## 4. SUSTAINABLE DEVELOPMENT GOVERNANCE

### 4.1 Board Statement

The Group embraces the concept of sustainable development and puts it into practice through our operations. The Term of Reference for the ESG Management Structure stipulates that the Board is the decision-making unit of the sustainability governance structure and is responsible for the matters on sustainable development as a whole, setting the Group's ESG strategies and evaluating and determining the Group's ESG-related risks, including the approval and consideration of the ESG-related goals, progress review of the goals, evaluation and prioritisation of the materiality.

To strengthen the sustainability governance of the Group, we have established an environmental, social and governance task force ("ESG Task Force") led by the Group's executive director and company secretary to monitor and promote the implementation of various ESG issues under the authority of the Board. In order to minimize the impact of the Group's daily operations on the environment, we will continue to review our environmental performance and regularly review our setting of ESG-related goals.

#### **The Group's Compliance Manual (Compliance Manual)**

We have launched the Compliance Manual, with the aim of clearly present the code of conduct and ethical standards for all employees of the Group, and to guide employees in establishing a rule-based mindset, reinforcing bottom-line thinking, and ensuring that business operations are conducted in a lawful and compliant manner. The manual serves as a framework to uphold the Group's commitment to integrity, transparency, and accountability as a Hong Kong-listed entity, while safeguarding the rights of shareholders and stakeholders and enhancing the Group's overall value.

#### **The Group's Employee ESG Manual (ESG Manual)**

We have developed a comprehensive ESG Manual that serves two vital purposes: (i) it acts as an educational cornerstone, enhancing our employees' understanding and awareness of ESG principles while providing practical guidance for implementing these principles in their daily operations; (ii) it serves as a clear articulation of our corporate values and reinforces our unwavering commitment to environmental stewardship, social responsibility, and exemplary corporate governance practices.

Through these structured frameworks, the Group demonstrates our commitment to building a resilient, ethical, and sustainable business model that creates long-term value for all stakeholders while contributing to the broader goals of corporate sustainability and promoting responsible business practices.

### 4.2 Sustainability Governance Structure

The Group's long-term success is fundamentally linked to robust ESG governance principles and practices. By developing a comprehensive governance system covering all levels of the Group, we have fully integrated ESG responsibilities into the organizational system, from the board to management and individual employees, forming a top-down chain of responsibility. Our dedicated ESG Task Force plays a pivotal role in driving the sustainability agenda forward. The ESG Task Force systematically collects and analyses annual ESG data, evaluates potential risks, and develops strategic targets that align with our business objectives. Through this integrated governance structure, we ensure that our ESG commitments translate into measurable actions that support sustainable business growth while meeting stakeholder expectations.

Sustainability Governance Structure and Main Responsibilities



### 4.3 Stakeholder Engagement

The Group firmly believes that engaging with our stakeholders effectively is vital for the ongoing success of our business operations. The Group has identified key stakeholders who hold significance for our business and has established multiple communication channels. The table below provides an outline of the Group's key stakeholders, and various platforms and methods of communication are employed to connect with, listen to, and address the concerns of our stakeholders.

Stakeholders	Communication channels
Shareholders/Investors	<ul style="list-style-type: none"> <li>• AGM and other general meetings</li> <li>• Interim reports and annual reports</li> <li>• Corporate communications (such as letters/circulars and meeting notices to shareholders)</li> <li>• Results announcements</li> <li>• Investor meetings</li> <li>• Interviews</li> <li>• Investor relations e-mails</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Staff conferences</li> <li>• Staff opinion survey</li> <li>• Performance appraisal</li> <li>• Volunteer activities</li> <li>• Seminars/workshops/speeches</li> <li>• Telephone</li> <li>• Emails</li> <li>• Electronic communication software</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Visits by customer managers</li> <li>• Daily operation/communication</li> <li>• Telephone</li> <li>• Emails</li> <li>• Electronic communication software</li> </ul>
Business Partners	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Telephone</li> <li>• Electronic communication software</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Management procedure for suppliers</li> <li>• Assessment system for suppliers/contractors</li> <li>• Video conferences</li> <li>• Site inspections</li> <li>• Electronic communication software</li> </ul>
Regulatory Authorities	<ul style="list-style-type: none"> <li>• Submit information on time as inquired by the Stock Exchange</li> </ul>

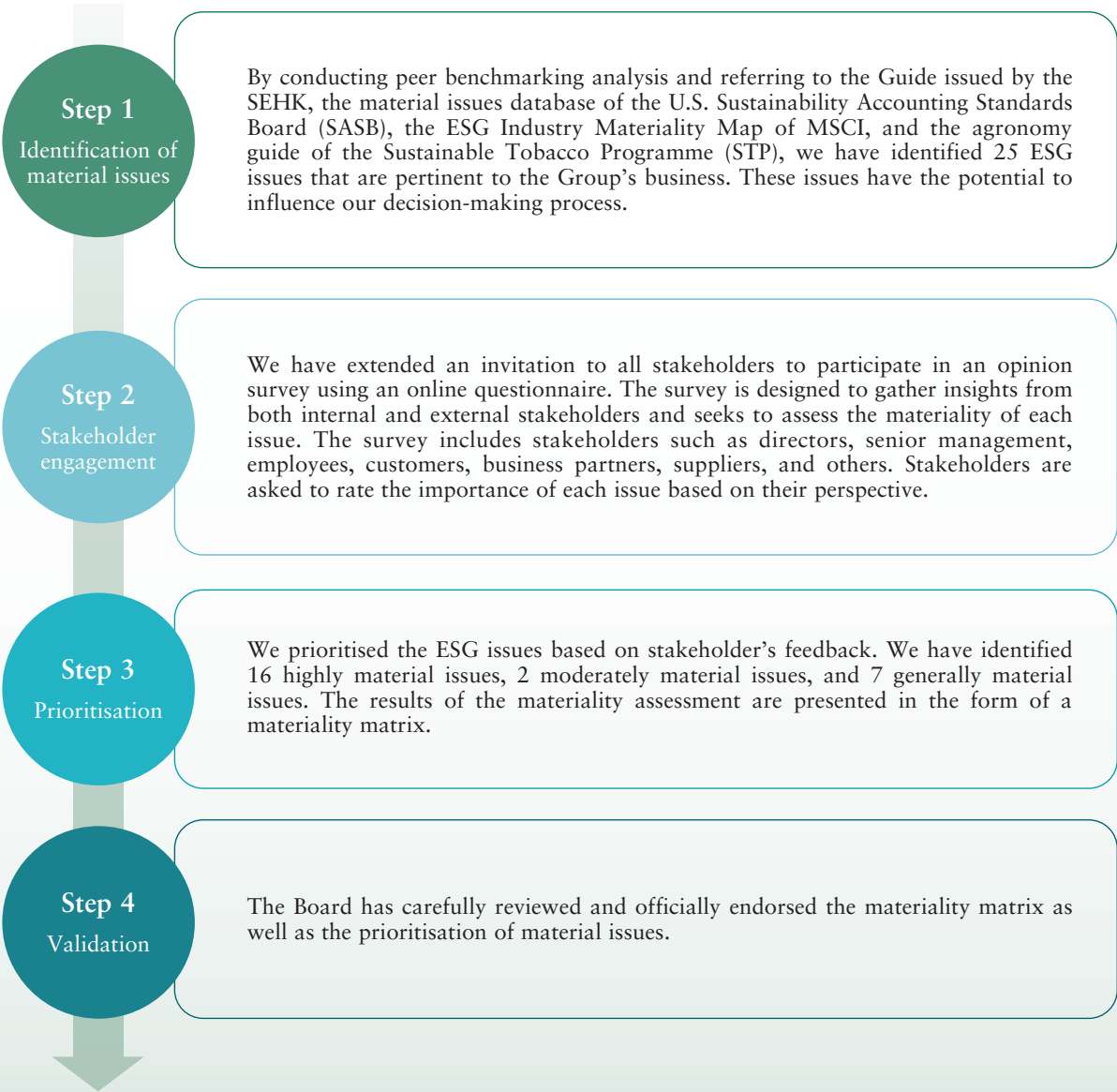


Society/ Non-Governmental Organisations	<ul style="list-style-type: none"><li>• Volunteer activities</li><li>• Donation</li><li>• Community activities</li><li>• Seminars/speeches/workshops</li><li>• Meetings</li></ul>
Peers	<ul style="list-style-type: none"><li>• Conferences</li></ul>

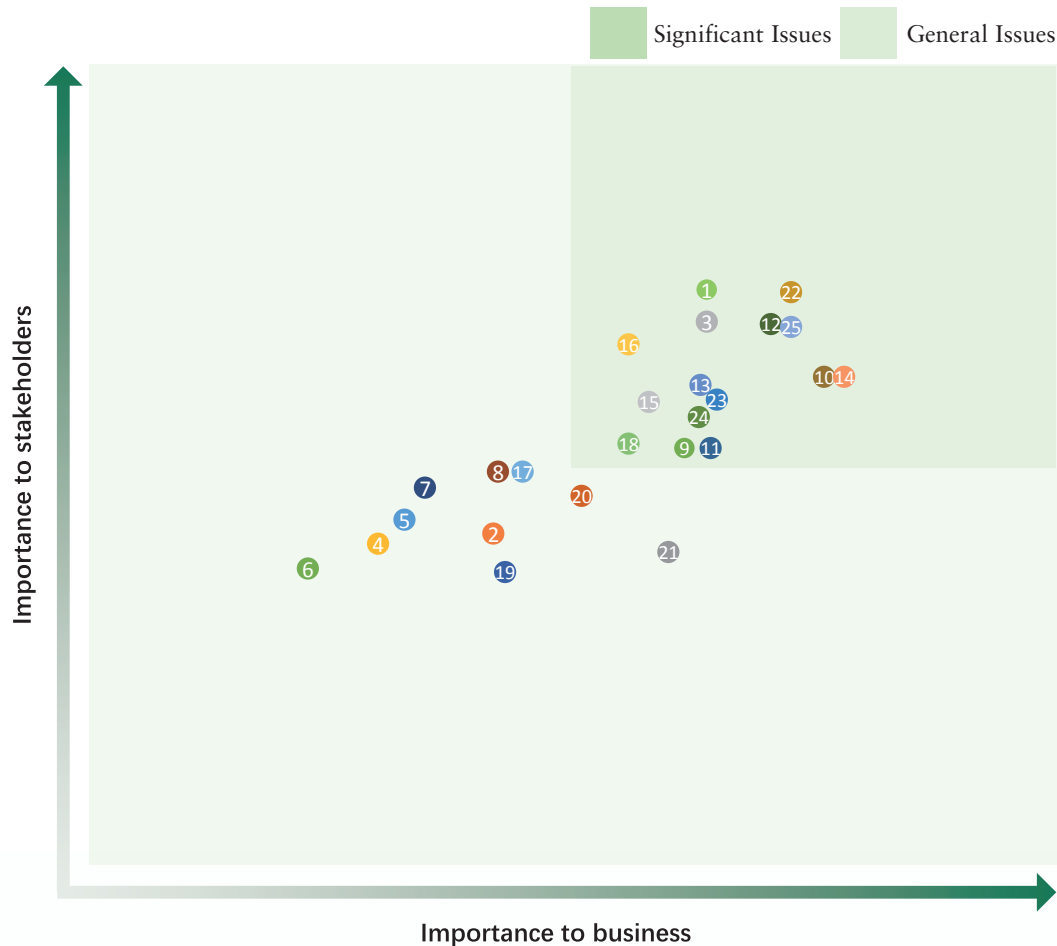
4.4 Materiality Assessment and Value Creation

We conduct materiality assessment on an annual basis, identify and prioritise relevant ESG issues that have greater impact on the Group, stakeholder and the value chain.

The process of conducting the materiality assessment is outlined as follows:



2024 Materiality Matrix



Environmental	Social	Governance
1. Greenhouse gas emissions and management	9. Talent attraction and retention	22. Business integrity and compliance
2. Air pollutants emissions and management	10. Employee human rights	23. Stakeholder engagement
3. Waste management	11. Employee equality, diversity and inclusion	24. Brand image
4. Energy usage and management	12. Employee health and safety	25. Business ethics and anti-corruption
5. Water usage and management	13. Employee development and training	
6. Materials and packaging design	14. Employment policies and employee benefits	
7. Protecting the environment and natural resources	15. Sustainable supply chain management	
8. Combating climate change	16. Product quality and safety	
	17. Information security and privacy protection	
	18. Responsible marketing	
	19. Community charity	
	20. Fair trade issues related to agricultural products	
	21. Board diversity	

## 5. SAFE AND COMPLIANT OPERATIONS

### 5.1 Risk Management and Internal Supervision

Risk management is an essential component of the Group's stable operations, and it plays a crucial role in preventing and mitigating risks. It contributes significantly to maintaining effective corporate governance. The Group has developed the Guidance of Compliance and Legal Risk Management (《合規及法律風險管理指南》) and has established a robust internal control and risk management framework to reduce systematic risks.

As part of our risk management practices, the Group conducts an annual assessment review to evaluate our risk management, operations, and compliance with statutory and regulatory requirements, including areas such as taxation, anti-fraud, and anti-bribery. We also place significant emphasis on managing environmental and social risks within our operations and continuously enhance our related management measures. The Group has established a comprehensive risk prevention and control system under the compliance department, forming a risk database and conducting regular maintenance. Based on the Group's risk prevention and control system, we have developed the Risk Prevention and Control System (《風險防控體系表》) to identify and detail potential risks at each operational stage and have implemented corresponding risk prevention and control measures. We regularly review the effectiveness of the risk management system to ensure that environmental and social risks have been effectively addressed during the reporting period. Our risk database management follows the following workflow:

- **Develop work plans and programmes:** specify the objectives, methodologies, procedures, and anticipated outcomes of our risk management activities.
- **Clarify roles and responsibilities:** enhance the effectiveness of risk prevention and control efforts, continuously optimise and improve processes, and foster standardised and orderly development of the Group's operations.
- **Establish a risk framework and database:** using the Table of Risk Prevention and Control System, regularly and systematically document various hazards, prevention methods, and control measures relevant to each department.
- **Identify business risks and control procedures:** regularly convene different departments for self-assessment and corrective actions, analyse risks in business processes, and outline risk response plans, control procedures, and standards.

The Group has completed its annual ESG risk assessment, identifying and categorising key risks in accordance with regulatory standards. For each identified risk, we have established clear risk levels and implemented corresponding control measures and prevention strategies. For detailed information on the corresponding mitigation measures, please refer to the relevant chapter.



### Risk Management at CBT

CBT maintains comprehensive compliance with legislation, regulations, and industrial standards through a well-defined compliance policy. CBT's financial compliance framework focuses on controlling core risks including fraud, corruption, tax evasion, and money laundering, supported by professionally trained staff.

The compliance assurance system of CBT implements multi-level controls: internally, CBT implements a strict system of segregation of departmental duties, with multiple review checkpoints to prevent violations; externally, CBT undergoes annual audits to ensure transparent financial disclosure and adherence to regulatory requirements.

CBT's commitment to compliance extends beyond financial matters. The Human Resources and Health and Safety departments maintain transparent policies and procedures accessible to all employees, ensuring organizational alignment with objectives and culture. Furthermore, CBT actively oversees and ensures the maintenance of all required environmental permits and licenses to guarantee ongoing operational compliance.



## 5.2 Business Ethics and Anti-Corruption

The Group is committed to pursuing ethical business practices with a high standard on integrity and zero tolerance for corruption. We always strictly comply with relevant laws and regulations, including Hong Kong's Prevention of Bribery Ordinance (《防止賄賂條例》) and Organised and Serious Crimes Ordinance (《有組織及嚴重罪行條例》), as well as the Brazilian Anti-Corruption Act (Law No. 12,846/2013) and other applicable legislations. These measures are in place to prevent bribery, corruption, money laundering, and fraud within our operations.

To address potential conflicts of interest and combat bribery, including activities like insider trading and the acceptance or offering of gifts, favours, and entertainment, we have developed and implemented the Regulations on Integrity and Practice (《廉潔從業規定》). Directors and employees of the Group should not accept any advantage from any person, company or organization having business dealings with the Group, whether or not any undue favour is involved. In case of any conflict of interest, directors and employees should proactively declare it to the Group and timely update the declaration when relevant circumstances change. Any breach of the Regulations on Integrity and Practice (《廉潔從業規定》) should be reported to the Group through reporting channels under the whistle-blowing mechanism of the Group. The Group takes reports of corruption seriously and may conduct investigations pursuant to the whistle-blowing mechanism of the Group, if necessary.

The Group places significant emphasis on enhancing compliance awareness and mindset among all employees due to the serious nature of fraud and corruption, which are considered corporate risks within our risk management framework. All directors, employees, and relevant third parties are expected to uphold the principles of integrity, impartiality, and candour, adhering to a zero-tolerance policy regarding unethical behaviour.

### Building Integrity Culture

During the Reporting Period, the Group strengthened its anti-corruption system through comprehensive compliance training programs delivered both online and offline. The training, covering topics such as anti-corruption, reached all organizational levels including the Board of Directors, management, and employees. Through innovative educational approaches, we reinforced our commitment to building a robust integrity culture.

During the Reporting Period, the Group has not been involved in any corruption-related lawsuits and has maintained compliance with relevant laws and regulations that significantly impact our operations.

### Compliance Control at CBT

CBT maintains strict compliance policies that ensures adherence to all industry legislation, regulations, and standards, with particular focus on Brazilian Anti-Corruption Act. CBT enforces a zero-tolerance approach toward corruption and illegal practices throughout CBT's operational chain.

Our compliance system emphasises risk management in areas of fraud and corruption through continuous staff training. Any violation of laws or regulations by managers, employees, or suppliers triggers investigation procedure, potentially resulting in employment termination or contract cancellation.



(CBT organized Compliance Day 2024 to strengthen organizational culture and promote an ethical environment in line with company values)

6. PRODUCT INNOVATION AND RESPONSIBLE MARKETING

We view excellence as a multifaceted commitment that drives our comprehensive operational strategy. Through rigorous protection of both consumer data and intellectual property rights, we maintain the high standards of security while fostering innovation. This dedication to security extends to our marketing practices, where we prioritise transparent, truthful advertising that respects consumer trust.

Our commitment to responsible consumer engagement focuses on five key areas:

Product Innovation	Our product innovation strategy focuses on meeting consumer needs through continuous improvement, incorporating key factors of quality, safety, sustainability, and usability in our development process.
Data Security	We safeguard consumer privacy through robust data security measures, ensuring full compliance with applicable data protection regulations.
Advertising	Our marketing practices follow local tobacco control regulations while maintaining ethical standards. We ensure transparent, truthful communications that enable consumers to make well-informed decisions about our products and services.
Customer Service	Our dedicated teams deliver excellence in customer service through prompt assistance, efficient query resolution, and comprehensive product support.
Intellectual Property	We maintain a balanced approach to intellectual property, protecting our assets while respecting others' rights to ensure fair market competition.

## 6.1 Product Quality Management

The Group maintains unwavering commitment to product excellence through establishing comprehensive quality management system and continuous innovation mechanism. Our diverse product portfolio consistently exceeds customer expectations, reflecting our dedication to superior standards across all operational aspects.

We recognise that product quality and safety are paramount to market competitiveness and sustainable development. Therefore, based on a systematic methodology, we have implemented strict quality control measures, advanced safety protocols, and strategic procurement processes. Through careful selection and management of our tobacco leaf products, we ensure the delivery of diverse, high-quality offerings that meet market demands while maintaining rigorous safety standards.

Our commitment to excellence is further reinforced through strict regulatory compliance. All products fully adhere to both national and international standards, supported by necessary certifications and licenses. This meticulous attention to regulatory requirements and safety protocols enables us to consistently deliver products that not only satisfy governing standards but also meet our customers' expectations. Through this integrated approach to quality, safety, and compliance, we are able to maintain our position in the global market while ensuring sustainable business development.

### Internal Control and Inspection Procedures

The tobacco classification process follows detailed specifications outlined in our Internal Classification Quality Document (《內部分級品質文件》). This standardised system evaluates key characteristics including position, colour, and overall quality. Classification is performed under controlled lighting conditions of 1,500 to 2,000 LUX, with monthly measurements recorded during harvest periods. To ensure accuracy, all measurements are taken at a standardised distance of 30 cm from the light source to the conveyor belt.

### Supply Chain Quality Control

The Group implements comprehensive quality management throughout our supply chain. We maintain strict data collection protocols for product storage, transportation, and customs procedures. Our pre-shipment sample verification system ensures product quality meets standards before formal delivery. To safeguard quality during transit, we provide detailed shipping instructions to suppliers, minimising potential risks from improper handling.

### **Quality Verification and Issue Resolution**

Our receiving process includes thorough quality inspections following established acceptance standards. When quality concerns arise, we immediately collaborate with suppliers and production facilities to implement corrective measures, maintaining communication until customer confirmation of resolution is obtained.

### **Storage and Inventory Management**

Our comprehensive storage management system ensures consistent product quality through regular warehouse environment inspections and systematic sampling protocols. We implement a first-in, first-out inventory strategy based on precise market demand forecasts, while maintaining continuous quality monitoring of stored products. This integrated approach to storage and inventory management safeguards product integrity throughout the warehousing process.

### **Client Quality Assurance**

Our business departments promote product quality verification through two main methods. For example, the Tobacco Leaf Operations Department will conduct on-site inspections of stored goods at designated locations, and confirm inspection parameters such as sampling proportions and batches in advance through customer consultation. The Cigarette Operations Department will conduct inventory of the warehouse twice a year. In addition, we will conduct preliminary quality assessment through sample shipment, including newly drawn samples, before final delivery to ensure that product quality meets customer requirements.

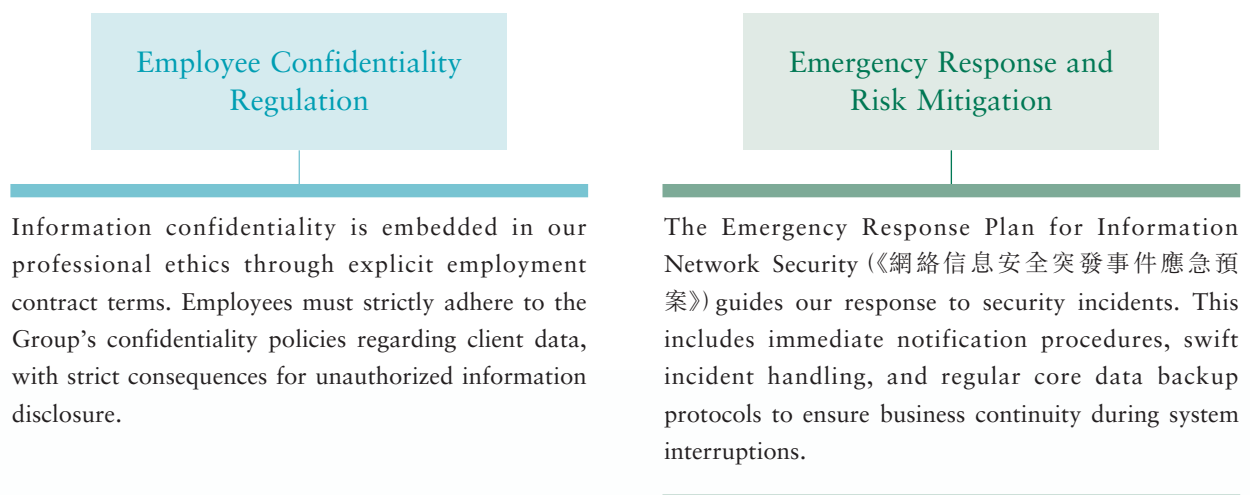
During the Reporting Period, the Group did not experience any product recalls due to safety and health reasons. This signifies our commitment to maintaining high product quality standards and ensuring the safety of our products and services.

## 6.2 Data Security and Privacy Protection

The Group operates under strict data protection regulations, including Personal Data (Privacy) Ordinance (《個人資料(私隱)條例》) and Brazil's General Personal Data Protection Law. We have implemented comprehensive internal policies, notably the Administrative Measures for Internet Security (《網絡信息安全管理辦法》) and Administrative Measures for Records Management (《檔案管理辦法》) to establish robust information security protocols.

To ensure the effective implementation of information security systems, the Group regularly assess the adherence to various requirements and measures across information systems and partnered with certified third-party organizations for maintenance and disposal, while employing advanced encryption and data protection technologies for sensitive information management.

The following chart presents our strategic approach to employee confidentiality regulations and network security emergency response procedures:



During the Reporting Period, the Group did not receive any complaints or litigation concerning data protection and privacy protection, indicating our commitment to safeguarding the privacy and security of individuals' information.

### 6.3 Responsible Marketing

The Group is committed to carrying out business promotion activities through a three-in-one governance framework of systematicity, compliance and effectiveness. We strictly follow Hong Kong's Trade Descriptions Ordinance (《商品說明條例》) and Smoking (Public Health) Ordinance (《吸煙(公眾衛生)條例》), as well as other relevant laws and regulations, to regulate product promotion and ensure responsible sales practices. Because CBT does not produce cigarettes, Brazilian laws on cigarette advertising and packaging do not apply.

Leveraging our extensive sales network, the Group export of cigarettes to Exclusive Operating Regions for Cigarettes and New Designated Regions for Cigarettes from CNTC Group directly or through distributors. In addition, we export new tobacco products worldwide (excluding Mainland China). To effectively oversee these activities, we have adopted the Dealer Management Measures (《經銷商管理辦法》), which set out clear guidelines on marketing monitoring methods and procedures. Through monitoring clauses, on-site inspections, and comprehensive reporting, we work diligently to prevent or address any misleading promotions.

As a socially responsible tobacco enterprise, we encourage rational smoking behaviour and provide necessary risk warnings. We rigorously review advertising and labelling policies and regulations, ensuring our advertising content and marketing slogans do not create mistaken associations or misidentify packaging styles, product names, or slogans.

The Group's unwavering commitment to responsible advertising and label management highlights our dedication to offering the public a clear and accurate understanding of our products.

During the Reporting Period, we maintained robust compliance with all relevant laws and regulations, avoiding any major non-compliance issues that could have adversely affected health and safety, advertising, labelling, privacy, or remedies related to our products and services.

### 6.4 Brand Image and Customer Service

#### Procedures and Mechanisms for Handling Customer Complaints

The Group places great importance on customer interests and is committed to enhancing service quality and awareness. We maintain close communication with our clients to meet their requirements effectively.

Recognising quality service as one of our primary competitive advantages, we strive to deliver exceptional service in our daily operations. We have established the Procedures and Mechanisms for Handling Customer Complaints (《客戶投訴的流程與處理方案》) and actively gather feedback through regular interactions, phone calls, emails, and other channels. Every piece of feedback is viewed as a valuable opportunity to strengthen relationships with both consumers and customers: we will promptly inform the relevant departments or upstream and downstream partners of each customer's complaints and feedback for immediate resolution and improvement. If necessary, we will launch targeted investigations into the parties involved in the complaints. For major complaints, we will follow the directives of the Group's management and form a dedicated team to follow up on the complaint and formulate a response plan.

## Standardised Compliant Handling Procedures

Insurance Claims for Transit Damage	The Tobacco Leaf Operation Department manages port arrival incidents by facilitating communication between customers and suppliers, assisting with claim documentation preparation, and coordinating with insurance companies for efficient claim processing.
Non-Insurance Issues Management	When addressing quality non-conformance, short shipments, or foreign matter detection, our team documents customer complaints immediately and contacts suppliers within two business days. We conduct thorough on-site inspections when necessary and facilitate resolution negotiations between all parties involved.
Quality Assurance and Follow-up	Our commitment to continuous service excellence involves regular monitoring of product usage and customer satisfaction. We ensure prompt transmission of quality feedback to suppliers and work collaboratively to develop effective improvement strategies that benefit stakeholders.
Customer Relationship Management	To maintain strong business partnerships, we coordinate regular visits between Chinese Mainland tobacco suppliers and Southeast Asian customers. Our team conducts systematic customer visits based on business needs, simultaneously builds a closed-loop management system for information feedback and improvement suggestions, and achieves continuous optimization of service quality through timely two-way communication.

This systematic approach ensures efficient problem resolution while fostering long-term business relationships through proactive engagement and efficient service delivery.

## Customer Satisfaction Survey

In 2024, the Group's Tobacco Leaf Operation Department, Cigarette Operation Department and New Tobacco Products Operation Department sent the satisfaction surveys to major clients. All survey responses indicated satisfaction with the sales representatives' service attitude and product quality, and the satisfaction rate is 100%.

During the Reporting Period, the Group did not receive any complaints regarding customer service. Moving forward, the Group will continue working on optimizing the service process to provide customers with more efficient and convenient services.



## 6.5 Intellectual Property Rights

The Group is committed to safeguarding our own intellectual property rights (IP) and respecting those of third parties, in strict compliance with relevant laws and regulations. We develop localized product packaging and ensure adherence to all applicable statutes, including Hong Kong's Trademark Ordinance (《商標條例》) and Copyright Ordinance (《版權條例》), before entering new markets and throughout the sales of our tobacco products.

One of our primary focuses is trademark registration as our proprietary brands are currently undergoing registration in 94 jurisdictions. The Guide for Risk Management of Compliance and Law (《合規及法律風險指南》) we have developed will support the registration and maintenance of IP rights for our business. We also handle global trademark registration via a third party agency and maintain detailed patent status records for our industrial products, ensuring comprehensive oversight of our IP portfolio.

For any IP actions related to changes and accompanying documents for new tobacco products, we follow these steps:

- **Recording:** We have created standardized tracking forms according to registration details. Each quarter, we review these forms to confirm their validity, preventing omissions in registration updates or reviews.
- **Changes:** We work with professional institutions to accelerate the process of any changes concerning IP.
- **Monitoring:** We store separate backups of ownership certificates under a “one file per item” system. We also monitor for infringements; if any occur, we file lawsuits to halt the infringement and determine liability.

In addition to safeguarding its own IP, the Group respects third-party IP rights and does not utilise any third-party IP without prior authorization. All terminal devices and information systems within the Group use genuine software, and we do not tolerate any illegal or improper actions related to IP.

## 7. SUSTAINABLE SUPPLY CHAIN MANAGEMENT

### 7.1 Sustainable Supply Chain

To foster a sustainable, responsible supply chain management and procurement system, we continuously standardise and regulate our supply chain, and work with our partners to establish a cooperation mechanism based on compliance, fairness, transparency and integrity to achieve mutual success.

#### Supply Chain End-to-end Management

To guide and regulate procurement processes and supplier selection, the Group has formulated and implemented the Administrative Measures for Procurement (《採購管理辦法》) and Business Specifications for Imported Tobacco Leaves (《進口煙葉業務規範》) regulations. These clearly defined the processes for selection, introduction, rating and complaint management applicable for procurement activities and supplier evaluation. We have also incorporated supply chain risk management into our supply chain risk management process. By conducting Self-Assessment for the Environmental and Social Risks of Suppliers (《供應商環境與社會風險自我評估》), we identify critical suppliers and formulate countermeasures and action plans to ensure stability of our supply chain.

#### Admittance Screening

The Group imposes strict supplier selection standards, placing a strong emphasis on supplier compliance. During the preliminary evaluation, potential suppliers are thoroughly reviewed for corporate compliance, management stability, supply capacity, and market acceptance. We also evaluate ESG factors such as health and safety management, environmental protection, labour practices, and business ethics and compliance, giving preference to suppliers with relevant certifications or demonstrable actions in social responsibility criteria.

Additionally, the Group requires suppliers to provide third-party due diligence questionnaires and business registration certificates, ensuring transparency and accountability.



Supplier Communication

We are committed to establishing a long-term communication mechanism with our suppliers through diversified communication channels (including on-site visits, online communication and offline seminars), timely conveying supply chain management concepts and requirements to cultivate long-term and stable cooperative relationships. Under the supply chain management system, we will preserve comprehensive files such as supplier information, service quality assessments, pricing details, and delivery records.

Supplier Compliance Management System

The Group incorporates integrity clauses into supplier agreements, underscoring the importance of business ethics and ensuring that suppliers align with our values and sustainability goals. The Group has established a complaints and compliance reporting email address, providing an open channel for external parties, including suppliers, customers, and employees to lodge complaints. In the event of non-compliance or persistent failure to meet our standards, the Group reserves the right to terminate its business relationship with the supplier.

CBT identifies social and environment potential impacts in supply chain management

CBT maintains a specialised team, consisting of agricultural supervisors and field technicians, to identify and assess significant environmental and social impacts in the supply chain. This two-tier structure ensures comprehensive monitoring and rapid response to potential issues.

Tier one: Agricultural Supervisors’ Responsibilities:

- Oversee procedure compliance within their teams
- Provide guidance and support to agricultural advisors
- Track and monitor reported irregularities
- Escalate complex cases to the sustainability department for resolution
- Participate in bi-annual sustainability department meetings to review irregularities and action plans

Tier two: Field Technicians’ Responsibilities:

- Conduct regular technical assistance visits to identify irregularities
- Report critical risks requiring immediate attention to both Committee and Supervisor
- Escalate other risks to Supervisor for action planning
- Document findings using standardised forms (“Irregularity Guidance” and “Immediate Action Guidance”)
- Provide guidance to producers on resolving identified issues
- Monitor implementation of corrective action plans
- Seek clarification from Supervisors when needed

This structured approach ensures effective communication flow between field operations and the Compliance & ESG Committee, enabling prompt identification and resolution of environmental and social concerns while maintaining clear accountability at each level.

### ESG practices in tobacco import and export companies in Chinese Mainland

As part of our sustainability strategy, we partner with tobacco import-export companies like China Tobacco Yunnan Import & Export Co., Ltd (Yunnan Import and Export) to advance ESG practices across the supply chain – fostering innovation, reducing environmental footprints, and improving farmer livelihoods. Key initiatives include:

#### Smart Curing

Yunnan Import and Export has integrated artificial intelligence (AI) and Internet of Things (IoT) technologies into tobacco curing processes, establishing intelligent curing demonstration systems. Key initiatives include:

- **Smart Control Systems:** equipped curing barns with IoT devices, QR codes, and controllers for remote intelligent operation. Enabled real-time monitoring via mobile/PC platforms with full-process data logging of curing curves;
- **Improve Operational Benefits:** achieved unified, automated, and eco-friendly tobacco leaf curing. Ensured consistent quality improvement through precision control; and
- **Expand the Implementation Scale:** as of 2024, Yunnan province has deployed 24,000 IoT-enabled intelligent curing barns across the region.

#### Improving Tobacco Farmers' Skills

We recognize the importance of equipping tobacco farmers with advanced skills and knowledge, just as we expect our supply chain partners to follow suit and strive to exceed these efforts. In this regard, Yunnan Import and Export has set a strong example, which is mainly reflected in the following aspects:

- **Intensified technical training and guidance** for farmers in tobacco production processes, improving their planting and curing techniques to enhance tobacco production quality and efficiency while increasing farmers' income;
- **Aligned Policies** from human resources and social security departments, as well as agricultural, rural and rural revitalization initiatives to develop skilled professionals; and
- **Implemented blended learning programs** (online/offline, theory/practice) to systematically upgrade farmer competencies.

ESG practices in tobacco industrial companies in Chinese Mainland

Certain industrial companies implement comprehensive ESG initiatives across its business operations. To promote the goal of carbon neutrality and practice sustainable development, some industrial companies maintain technical reserves for biological flavouring and tobacco stem bio-fermentation. Their environmental consciousness is reflected in the preference for low-aluminium, eco-friendly packaging materials, coupled with energy conservation and emission reduction measures throughout both production and office operations. These industrial companies reflect their environmental protection concept through various measures:

- Utilising compressed air for equipment cleaning and vacuum dust removal systems;
- Implementing centralised wastewater discharge to factory treatment systems; and
- Employing energy-efficient LED lighting instead of traditional bulbs.

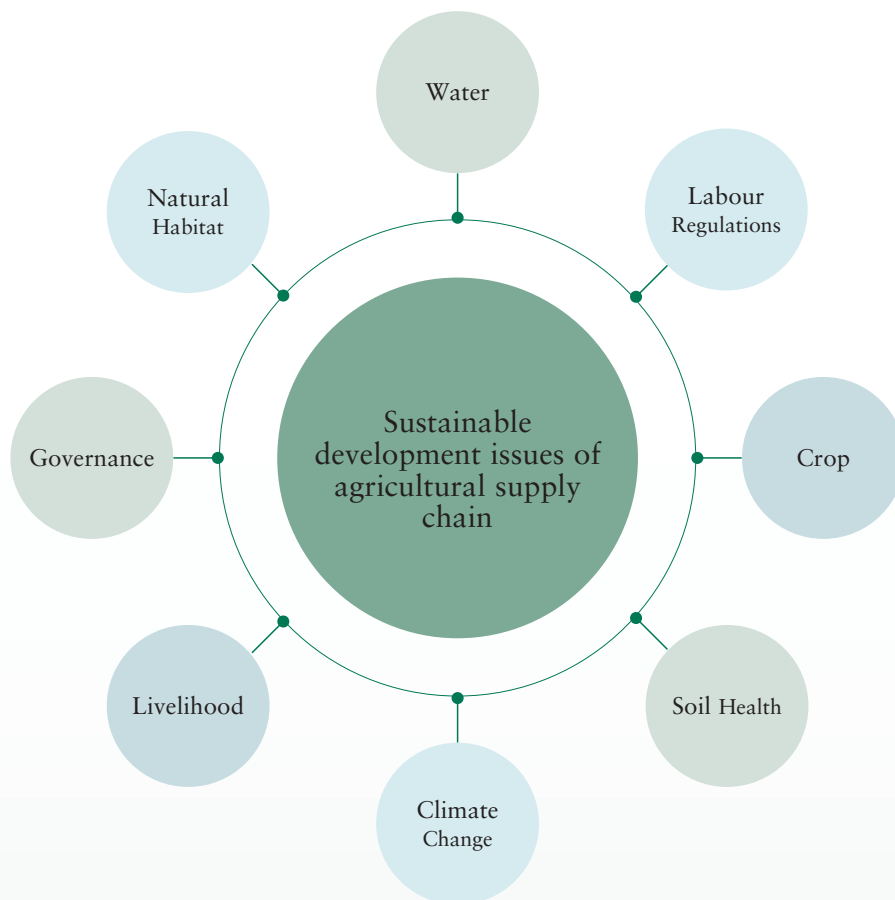
These industrial companies' factories use self-developed constant humidity cabinets for raw material storage and relies on new energy sources, primarily electricity, for transportation systems. Waste management is handled systematically, with tobacco waste being classified, shredded, and packaged before transferring to qualified environmental third-party processors. All operational parameters, including noise levels, gas emissions, and dust concentration, strictly comply with relevant Chinese regulations.

During the Reporting Period, CTIHK worked with around 100 major suppliers, distributed across various regions: 40 in the Chinese Mainland, 25 in Hong Kong and Macau, 4 in other Asian countries, and 31 in areas outside of Asia. CBT has over 564 non-tobacco leaf procurement suppliers. These suppliers provided services related to the export of cigarettes, new tobacco products, the import and export of tobacco leaf products, and other daily operations of the Group, in accordance of the Company's and CBT's operations.

## 7.2 Sustainable Tobacco Programme in Action

In a significant move toward enhanced sustainability practices, CBT joined the Sustainability Tobacco Program (STP) in 2023, aligning with a global industry initiative established in 2016.

This comprehensive program, designed to elevate socio-environmental standards throughout the tobacco supply chain, monitors eight critical dimensions: governance, water management, human and labour rights, crop practices, soil health, climate change mitigation, natural habitat protection, and rural livelihood development. Through its involvement in this initiative, CBT demonstrates its commitment to supply chain transparency, environmental stewardship, and rural community welfare.



STP enables CBT to systematically assess and improve its operational impact while adhering to international sustainability benchmarks, ultimately fostering sustainable agricultural development and protecting natural resources. This integration with STP not only reinforces CBT's dedication to responsible business practices but also ensures CBT's positive contribution to the social and environmental well-being of its farming communities.

During the Reporting Period, the CBT invested in the "Water Protector" program in collaboration with UNISC (University of Santa Cruz do Sul) with the aim of letting contracted farmers adopt environmental good practices through a model called "payment for environmental services" (PES).

### **7.3 Farmer Welfare and Human Rights**

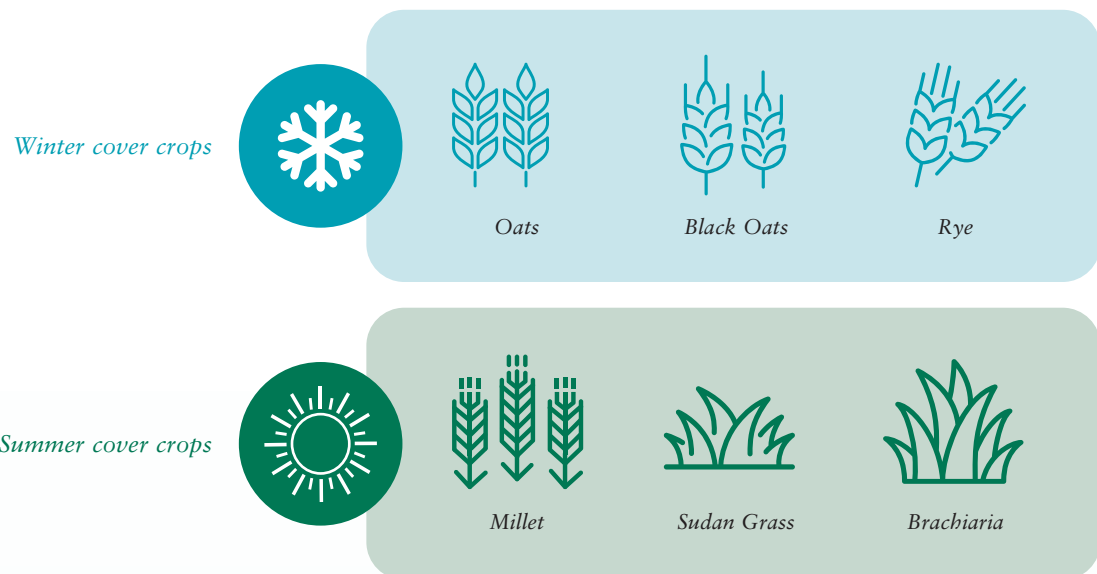
We recognize that farmers are integral to the tobacco supply chain, and their well-being is vital for sustainable, ethical business practices. We therefore cultivate long-term partnerships with our suppliers, collaborating to ensure fair and safe working conditions for farmers workers. We have always attached great importance to the well-being of farmers and have promoted the sustainable development of the supply chain by raising awareness among farmers about the importance of respecting labor rights, improving their living standards, protecting their rights, promoting gender equality, and respecting labour regulations. By safeguarding the well-being and human rights of farmers, we contribute to a more inclusive and responsible tobacco industry.

## Sustainable Farming

### *No-tillage in Straw Mulching and Minimal Tillage Systems*

Around 78% of the contracted farmers by CBT adopts no-tillage in straw mulching and minimal tillage systems – conservation practices that keep the soil permanently covered by crop residues and cover crops. These methods eliminate the need for plowing, reduce labour, improve soil structure, and increase organic matter, among other advantages.

Under straw mulching cultivation, farmers are instructed to rotate their crops once tobacco is harvested. This often involves planting two successive crops – such as corn and soybeans – or cover crops like black oats, millet, and Sudan grass. In colder regions, where two interim crops are not feasible, farmers leave the land fallow for a few months alongside a single cover crop. By systematically rotating crops, farmers enhance the soil's physical, chemical, and biological properties, and can even rehabilitate degraded areas.



For sloping terrain, our field technicians encourage the use of level curves and ridges, vital for controlling erosion. This approach preserves natural resources and protects the soil without affecting average tobacco yields. The process involves preparing ridges with a tractor and plow, considering land slope and soil type. By protecting fertile topsoil and preventing it from washing into nearby watercourses, this technique helps retain moisture and guards against erosion.

During the Reporting Period, our contracted farmers keep the pace of on the good practice of no tillage with transplanting in straw mulching and minimum tillage practices and have been applied by 78% of farmers.



*Soil Care*

We recognise soil quality as the foundation of premium tobacco cultivation. Our comprehensive soil management program integrates agronomic science with environmental stewardship. Each contracted farmer conducts mandatory soil chemical analysis to determine precise pH levels and nutrient requirements. Our technical team provides expert guidance throughout this process, analysing soil samples to develop customised fertilization plans that address specific nutritional needs. This scientific approach accounts for fertility variations both between and within crops, ensuring optimal fertiliser application rates for each growing area.

*Post-Harvest Agricultural Management*

Our contracted farmers implement tobacco stalk destruction as a key post-harvest practice. This industry-standard technique, combined with strategic crop rotation, effectively controls pests and pathogens. These integrated agricultural practices enhance both crop productivity and farmer profitability by reducing disease incidence in subsequent growing seasons.

Regular visits to our farmers in Brazil
per crop season:
<ul style="list-style-type: none"><li>A minimum of 5 visits</li><li>Every 5-6 weeks</li></ul>
2024:
<ul style="list-style-type: none"><li>115,976 farm visits in total</li></ul>

In 2024, we conducted regular visits to our farmers. A minimum of 5 visits per crop season, with a frequency of every 5-6 weeks, resulted in a total of 115,976 farm visits. By maintaining close contact with farmers, we ensure the integrity of our products and uphold our commitment to delivering high-quality tobacco leaves to our customers. Through this ongoing engagement, we promote sustainability in the tobacco industry, fostering long-term relationships with farmers and contributing to the overall success and integrity of our operations.

**Success with Our Farmers**

By providing agricultural guidance and support, CBT’s field technicians can ensure that farmers produce high-quality tobacco leaves. This ultimately contributes to the reputation and competitiveness of our tobacco products in the market. Additionally, by assisting farmers in implementing best practices throughout the production process, we can promote sustainable agriculture and responsible farming practices.

### *Differentiated Agronomic Program*

CBT implements a dynamic Agronomic Program and reviews and improves the program every year. This management-approved framework guides all units in producing Flue-cured Virginia tobacco specifically tailored to Chinese market preferences (“China Style”), focusing on optimal colour, maturity, and body characteristics.

The Agronomy Department, staffed with agronomists, biologists, and agricultural specialists, operates across multiple critical functions:

- Evaluating certified seed performance
- Conducting field trials
- Training field technicians in advanced production methods
- Promoting sustainable farming practices through farmer engagement

This integrated approach ensures continuous improvement in technical advisory services while maintaining high agricultural and environmental standards.

### *Education for Responsible Production*

We distribute a complimentary 50-page Agronomic Guide to all contracted farmers, serving as their essential handbook for tobacco cultivation excellence. This handbook guides farmers through the entire planting work for the production cycle, from float system seedling cultivation to final curing processes, while incorporating crucial financial planning tools for business sustainability.

The guide meticulously details quality control procedures, with special emphasis on preventing contamination from foreign materials such as grass, soil, feathers, plastic, and sponge fragments that could compromise tobacco quality and market value. Furthermore, it outlines critical safety protocols and environmental preservation methods, including strategies to minimise carbon monoxide and carbon dioxide emissions during the curing process, as well as reducing greenhouse gas emissions from firewood combustion.

During the Reporting Period, CBT employees participated in lectures with experts, covering topics such as agronomic technology, sustainability, and ESG, the content covers soil bio-management, use of herbicides, forest scenarios and good agronomic practices. These lectures were attended by more than 300 employees from the three states of southern Brazil, Rio Grande do Sul, Santa Catarina and Paraná.

### *Field Technicians*

The production of top-quality tobacco that has been meeting customer demands for more than a decade begins with the work of the field technician. This team of 163 knowledgeable tobacco technicians is the link that connects CBT to its main partner, the contracted farmer. These are the professionals with the technical and behavioural skills needed to give support to the contracted farmers before, during and after the crop season.

Field technicians are trained to help contracted farmers through periodic visits, meetings, conversations and remain available at any time, including remotely via telephone and chat apps. As well as providing agronomic advice, this group encourages farmers to adopt practices that preserve the environment, such as the correct and responsible use of crop protection agents (CPAs) and sustainable firewood in the curing barns.



### *Growers Management System*

The Growers Management System (GMS), a mobile application is introduced to enhance sustainability monitoring and farmer support. This digital platform collects comprehensive data across multiple dimensions:

- Agricultural Practices
- Environmental Management
- Living Conditions
- Resource Utilisation (water, wood for curing)
- Safety Compliance
- Waste Management
- Non-compliance Actions (such as improper use of PPE or no attendance in the reverse logistics of pesticide packaging)



The enhanced data collection scope now includes comprehensive tracking of firewood usage in curing barns and monitoring of sustainable forestry initiatives for tobacco curing. This digital advancement enables us to trace the source and sustainability of wood resource.

During the Reporting Period, the implementation of the Growers Management System (GMS) was expanded to achieve 100% traceability of tobacco production across all contracted farmers. Till now, there are 21,624 contracted farmers included in the GMS.

### **Fair Trade and Transparent Engagement**

CBT operates under Law No. 13,288/2016, which governs tobacco industry relationships and ensures fair trade practices in Brazil. This legislative framework establishes a transparent commercial structure between CBT and tobacco farmers, clearly defining mutual rights and obligations. Through joint industry-farmer committees, stakeholders engage in regular dialogue on sector issues and trade matters.



Our commitment to transparency extends to practical operations, where farmers are welcome to personally observe tobacco classification and trading processes. This open-door policy, combined with active representation in industry committees, ensures fair treatment and strengthens trust between CBT and its agricultural partners.

This systematic approach not only fulfills legal requirements but also promotes sustainable business relationships built on mutual respect and accountability.

## 8. PEOPLE-CENTRIC WORKPLACE

Following the “people-centred” philosophy, the Group fully recognizes that employees are the key force driving sustainable business development. Beyond adhering to relevant laws and regulations governing employment, inclusivity, occupational safety, and labour standards, the Group is dedicated to fostering a supportive and enriching work environment that prioritizes the well-being and health of its employees.

### 8.1 Comprehensive Employment Stewardship

#### Empowering Employee Dignity and Rights

The Group is dedicated to creating an inclusive workplace that offers equal opportunities to all. CTIHK has formulated an Employee Handbook (《員工手冊》) that standardises diverse personnel management systems. This handbook encompasses policies on fair employment, attendance management, recruitment and promotion processes, training and development opportunities, health and safety protocols, performance evaluation standards, as well as codes of conduct. It effectively safeguards the legitimate rights and interests of employees. CBT has formulated the Human Development Management Policy, which covers skills profile, recruitment and selection, hiring, integration, performance evaluation, training, and personnel administration. It commits to non-discrimination and equal employment opportunities, aligning with relevant legislation to ensure fairness and procedural justice in human resources decisions.

In furthering our commitment to enhancing our understanding of human rights practices within the Group and building stronger trust with various stakeholders, we have formulated and implemented the Human Rights Policy (《人權政策》) that underpins our operations and management. This policy, which extends across all facets of the Group’s business operations, reflects our dedication to upholding the fundamental principles of social responsibility and human rights. By adhering to the basic tenets outlined in the policy, we clearly state our stance on the protection and respect of human rights, emphasising the importance of creating a sustainable and inclusive environment for our employees and stakeholders. We keep zero tolerance to human trafficking, forced labour, modern slavery, and child employment while promoting diversity and a fair and equitable workplace. Moreover, we are committed to protecting the rights and interests of contracted farmers and conducting regular policy reviews as a demonstration of our unwavering efforts in upholding ethical business practices and promoting stakeholder well-being. This holistic approach not only strengthens the Group’s internal governance but also cultivates trust and credibility with our global network of partners, showcasing our steadfast commitment to international standards of corporate responsibility.

The Employee ESG Manual established last year has provided a clear strategic framework for integrating ESG principles into our internal management and operational practices. As a foundational mechanism, it not only strengthens employee engagement and understanding of environmental stewardship, social accountability, and corporate governance but also efficiently communicates our core values, reinforcing our institutional commitment to these priorities. To maintain relevance and effectiveness, the ESG Task Force will conduct periodic reviews of the handbook, with updates subject to management approval. This structured review process not only ensures alignment with evolving ESG standards and industry best practices, but also enables the continuous advancement of our ESG initiatives while keeping internal stakeholders informed and aligned with current objectives.

Throughout the Reporting Period, no instances of employing child labour, forced labour, or other violations of employee human rights have been discovered within the Group.

## Talent Acquisition and Termination

Our recruitment process is firmly rooted in the principles of openness, fairness, competitiveness, and merit-based selection. Embracing standardised procedures and established criteria for talent selection for interviews and appointments, we ensure that every candidate has equal access to employment opportunities. Our commitment to equitable practices is further reinforced by the implementation of the Recruitment Management Regulations (《招聘管理辦法》). These regulations clearly delineate the rights and obligations of both parties within the employment contract, safeguarding the lawful rights of all employees.

The Group takes safeguarding labour rights and interests as its core value. We maintain a stringent stance against forced labour and child labour, aligning with the applicable laws of Hong Kong and Brazil that prohibit such practices. From the Employment of Children Regulation (《僱用兒童規例》), the Employment Ordinance (《僱傭條例》) in Hong Kong to the Consolidation of Labour Laws Decree Law No. 5452 in Brazil, we are unwavering in our commitment to ensuring that no individual below the legal working age is recruited. Aligned with the Group's commitments, CBT has also developed its dedicated Policy of Human Rights, Combating Child Labor and Eradicating Modern Slavery, focusing on preventing, mitigating, and remedying child labour issues in the tobacco production chain. Key highlights include requiring contracted farmers to ensure that children and adolescents on their properties are enrolled in school, complying with laws to prevent underage involvement in prohibited activities, and terminating contracts with non-compliant farmers or suppliers. Additionally, contracted farmers are mandated to inform workers of their legal rights, enhance workplace safety, conduct sustainable development workshops, and distribute guidance manuals to promote awareness and compliance with regulations regarding the avoidance of child labour.

Our hiring processes are void of coercion, imprisonment, or any illegal contracts. Every employee is provided with a written contract outlining the essential terms of employment, supported by thorough background checks to verify the authenticity of provided information, thereby preventing any instances of illegal employment. Should any violations arise, appropriate disciplinary measures will be considered.

Furthermore, our Group staunchly upholds a zero-tolerance policy towards forced labour, ensuring that all employment agreements are founded on voluntary consent. In instances where overtime becomes necessary, CTIHK's Employee Handbook explicitly delineates employees' rights to receive appropriate overtime compensation or compensatory time off, along with reasonable intervals of rest, as outlined in their employment contracts. CBT's has also established clear guidelines on defining and preventing conditions analogous to slavery including forced labour, exhaustive working hours, degrading conditions (safety, hygiene, health, housing), restricted movement (due to debt or transport limitations), overt workplace surveillance, and the withholding of personal documents or belongings.

In our approach to employee departures, we strictly adhere to relevant laws and regulations, embracing standardised core management practices. Our Employee Handbook and Human Development Management Policy provide comprehensive guidance on processes and procedures for termination of employment contract. If an employee resigns, we will fully investigate and understand the reason for the employee's resignation, strictly prevent any illegal dismissal, and continue to optimize and improve our employment policies. In cases where employees breach discipline, laws, or act in ways detrimental to the Group's interests, we uphold the right to terminate their employment contracts in accordance with our established protocols.



## Diverse and Inclusive Culture

The Group maintains compliance with all relevant labour rights and anti-discrimination laws of Hong Kong and Brazil, including the Disability Discrimination Ordinance (《殘疾歧視條例》), the Sex Discrimination Ordinance (《性別歧視條例》), the Family Status Discrimination Ordinance (《家庭崗位歧視條例》), and the Race Discrimination Ordinance (《種族歧視條例》) in Hong Kong, as well as the 1988 Constitution of Brazil.

Our commitment to fostering diversity among employees remains unwavering, accompanied by a strong stance against all forms of discrimination. We are committed to eradicating bias in recruitment and employment processes, emphasising equal opportunities for all individuals regardless of gender, age, race, colour, religious beliefs, or sexual orientation. Fairness and protection of employees' rights and interests have always been one of the core principles of the Group's operations, with strict prohibitions against discrimination based on gender, marital status, pregnancy, family status, race, religion, or disability. Additionally, our dedication to diversity extends to the Board, where appointments are merit-based and candidates are evaluated against objective criteria. We believe that a diverse Board can bring valuable contributions to the Group.

In our ongoing efforts to cultivate a diverse and inclusive organizational culture, we leverage various communication channels to promote understanding and unity. Central to this endeavour is the encouragement of open dialogue, valuing the perspectives of our colleagues, and nurturing their professional development.

## Compensation and Benefits

We adhere diligently to laws and regulations governing remuneration practices, underpinned by the ongoing refinement of our Administrative Measures for Remuneration (《薪酬管理辦法》). This framework ensures the continual enhancement of our remuneration system and the establishment of a flexible mechanism for adjusting remuneration. Regular reviews of our salary structures against market benchmarks enable us to craft a competitive salary and bonus scheme that remains in sync with prevailing market conditions. Bonuses are disbursed based on a dual evaluation of our performance and individual employee appraisals, with a keen focus on aligning individual goals with the Performance Management Measures (《績效管理辦法》) and annual performance targets. Through these measures, we are able to regularly monitor the performance of each department and employees.

We prioritize employee well-being and are committed to promoting work-life balance. Our provisions for working hours, rest days, and holidays adhere rigorously to local labour regulations. We have meticulously designed our compensation packages to attract and retain top talent, encompassing competitive welfare benefits such as the mandatory provident fund, early retirement options, funeral leave, maternity and paternity leave, comprehensive medical coverage (including dental care, outpatient and inpatient treatments), and personal accident insurance.

Furthermore, CBT has established a robust compensation and welfare measures system, which includes a detailed job and salary plan structured around competence profiles for each position, salary scales for various professional categories, and a performance evaluation system. This plan considers the training, qualifications, seniority, and professional development of employees, ensuring internal balance and fair compensation across the organization. CBT's benefits package further reinforces our commitment to employee welfare, offering healthcare, education assistance, language course assistance, emergency loans, and recognition for service length, among other benefits, all in compliance with Brazilian law.

## 8.2 Occupational Health and Safety

Ensuring the health and safety of our workforce is paramount within the Group. We diligently adhere to the Occupational Safety and Health Ordinance (《職業安全及健康條例》) of Hong Kong, underscoring our commitment to providing a healthy and secure working environment for all employees.

In a proactive effort to maintain exceptional standards of occupational safety and health, the Group has implemented two key measures. The Safety and Emergency Management Measures (《安全及應急管理辦法》) comprehensively address potential accidents, establish a robust reporting mechanism for safety incidents, and ensure effective monitoring and resolution of any delayed or false reporting incidents. Additionally, the Office Workplace 5S Management Measures (《辦公場所5S管理辦法》) aims to promote office discipline, maintain organizational cleanliness in personal and public workspaces, keep office passages clear, and ensure that firefighting and rescue equipment and supplies are effective and sufficient.

Furthermore, we uphold a strong commitment to the safety and health of our employees, strictly adhering to safety regulations and operational guidelines outlined in the Environment, Health, and Safety Policy (《環境、健康和安全政策》) as stated in our Employee Handbook. This policy emphasises the importance of creating a conducive work environment where environmental, health, and safety management are integral responsibilities for all. Collaborating with employees, we continuously review and revise this policy to reflect current conditions and establish goals for ongoing improvement. Employees are encouraged to prioritise workplace safety and health, ensuring a safe and secure working environment at all times. As part of these ongoing safety initiatives, we organized fire drill in June 2024 to ensure preparedness and enhance our emergency response capabilities. Through comprehensive measures and policies, we underscore the significance of fostering a culture that prioritises employee health and safety within our organization.

### Safety Initiatives at CBT

The core values of CBT are embedded in its dedicated workforce, which delivers high-quality, impurity-free tobacco. CBT's robust health and safety management system adheres to Brazilian Regulatory Standards and the guidelines of ISO 45001, involving all employees and service providers in maintaining a safe environment. A crucial aspect of this system is the Risk Management Program, which primarily aims to preserve the health and physical integrity of workers through a systematic assessment of occupational risks. This program follows a structured approach, considering the stages of anticipation, recognition, analysis, evaluation, and control of risk occurrences in the workplace. Through this program, we aim to identify hazards present in work activities, assess, quantify, and classify occupational risks, as well as prioritize mitigation actions based on the severity and likelihood of occurrence. When a risk is identified, alternatives for treatment are recommended to eliminate, reduce, or control the hazards, according to the specific needs of each situation.

To support these safety measures, CBT offers continuous training and operates an on-site clinic managed by healthcare professionals who provide primary care and facilitate specialist referrals as needed. We also encourage employees to actively participate in safety training and advise them to use personal protective equipment (PPE). Additionally, CBT has detailed safety procedures for a range of operations, from handling electric forklifts to working at heights, ensuring consistent safety practices across all CBT's operations and reinforcing its commitment to a safe and healthy workplace. Safety practices include the Safety Procedure for the Operation of Electric Forklifts, Safety Procedure for Operating and Handling Bale Grabbers, Safety Procedure for Opening and Closing the Covers of Trucks, Personal Protective Equipment Control Procedure, Safety Work Instruction in Electrical Installations and Services, and Instruction for Work at Height.

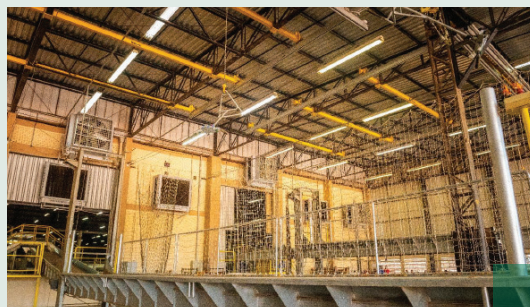


As part of CBT's ongoing efforts to strengthen the Group's ESG strategy, CBT has recently introduced the "CBT Conecta Program: Support for Employees – EHS". This initiative is designed to enhance the health, safety, and well-being of our workforce in Brazil.



#### Program Highlights – Driving Workplace Safety Through Strategic Projects

- **Installation of Overhead Bridge Crane System and Electric Hoist**  
With an investment of over USD 100,000, the project prioritises reducing manual labour and addressing related health hazards. The installation was finalised by the end of 2024, complemented by recent safety and operational training for our staff. This initiative is expected to significantly lower workplace safety risks and alleviate the workload of our operational team.



(Our truck tobacco unloading area before & after the installation)



(Structure of the overhead crane system and electric hoist)

- Improving Employee Well-Being and Workplace Efficiency

We have also initiated three projects that are aimed at upgrading facilities for our employee well-being.

1. More than USD 90,000 was invested to acquire and install 12 air conditioning units and 12 exhaust fans, along with a comprehensive refrigeration and ventilation system. Completed by the end of 2024, this initiative ensures a comfortable and healthy working environment by maintaining adequate temperatures and high air quality, reducing health risks associated with extreme temperatures and poor ventilation.



(Before and after the installations)

2. We allocated approximately USD 67,000 to expand the walkway connecting various departments to the Human Resources Department, as well as the tobacco unloading area. These upgrades protect employees from intense sun and rain during transit, while also improving economic efficiency and safety by minimising tobacco waste and exposure to the elements.



(Before and after the construction of the walkway coverage)



(Before and after the expansion of the tobacco unloading area)

3. We invested around USD 80,000 to replace the storm-damaged infrastructure at the administrative and reception area for contracted farmers, with a durable, climate-resilient structure, completed in December 2024. This project not only provides a safer and more functional work environment but also increases our resilience to future extreme weather events and facilitates our long-term continued operations.



(The newly constructed administrative and reception area)

In order to promote the implementation of the CBT Conecta Program and adhere to international standards and local regulations, we will continuously monitor and evaluate the program. KPIs such as employee satisfaction and safety incident rates will be utilised to assess the effectiveness of the implemented measures and pinpoint areas for further enhancement.

Our goal is to reinforce our dedication to employees and stakeholders, fostering a more engaged, productive, and secure work environment. During the Reporting Period, we did not receive any complaints or lawsuits pertaining to violations of health and safety-related laws, and there have been no work-related fatalities within the past three years.

### 8.3 Professional Growth

The Group prioritises employee development and advancement through comprehensive training programs that ensure they stay informed about the latest industry trends and market changes, in alignment with the guidelines outlined in our Employee Handbook. We have created an integrated online and offline training system based on different business characteristics. Training topics include but are not limited to employee skill improvement and development, occupational safety and health, compliance. We are committed to continuously improving the professional capabilities of our employees, ensuring they possess the necessary abilities to excel in their roles.

#### Comprehensive Training Initiatives at CTIHK and CBT

Throughout the year, we actively carried out multiple training activities aimed at enhancing employees' professional competence and skills at CTIHK. We conducted 16 sessions for new employee orientation and 15 sessions of company-wide training, covering a variety of crucial topics. For instant, we continued to organize sharing sessions on overseas tobacco industry development trends, aiming to enhance employees' understanding and mastery of the external trade environment and the latest trends in the industry.

As part of the Group, CBT has also been active in its training efforts. CBT organized 273 training sessions covering a wide array of topics including Human Resources, the Non-Tobacco Related Material Program, Occupational Safety, Medical Service, Industrial Vehicle Operation, and more. These training sessions also included more specific safety-oriented programs such as Work at Height, Emergency Brigade, Fire Prevention and Fighting, Safety in Electrical Installations and Services, and the use of Mobile Lifting Work Platforms.



### Internal Week for the Prevention of Occupational Accidents

With the theme of “Its Greatest Asset is Life, Its Greatest Protection is Prevention”, the annual Internal Week for the Prevention of Occupational Accidents was held during June 2024. Throughout the week, we invited professionals from various fields to give lectures and theatrical presentations to the staff.



The topics could be categorised into:

- Importance of health, safety practices, and work-life balance;
- Risks and impacts of substance abuse and digital dependency; and
- Risk perception, ergonomics, and safe behavior in the workplace.

The five-day event successfully engaged more than 1,395 participants from CBT, fostering a culture of safety and prevention.



## Sustainability Seminar 2024

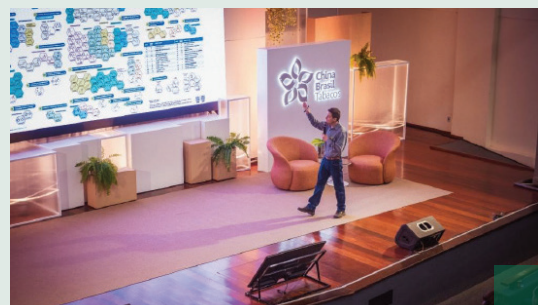
CBT hosted its Annual Sustainability Seminar in on July 30-31, 2024, bringing together field teams from Rio Grande do Sul, Santa Catarina, and Paraná with administrative staff to focus on good agricultural practices, compliance, and ESG principles.

### Day 1: Good Agricultural Practices & Sustainability

The day opened with discussions on CBT's commitment to sustainability and market expansion strategies. Key topics included sustainable tobacco production, integrated pest management, herbicide use, and soil biology. The session concluded with field technicians sharing their experiences in implementing good agricultural practices with contracted farmers.



(Ricardo Jackisch, General Director of CBT, delivered his speech for the event opening)



(Representatives from different department had their sharing)

Day 2: Compliance & ESG

The focus shifted to compliance and ESG principles. The day featured a review of CBT’s 2023 Sustainability Report, discussions on growth strategies, and reflections on CBT’s achievements. Additional presentations covered workplace respect, harassment prevention, and strategies for improving labour conditions in agriculture.



The seminar ended with cultural presentations and a motivational lecture emphasising the importance of positivity and collaboration.

By establishing a systematic and comprehensive training system, the Group not only enables employees to fully master the required knowledge and skills, but also consolidates its competitive advantages by continuously improving professional skills and industry insights. This talent training mechanism effectively builds a workplace environment that focuses on growth, safety and sustainable development.

The overview of the employee training of the Group during the Reporting Period is as follows:

Average training hours (hours)<sup>1</sup>

By gender

By employment type



Percentage of the employees trained in each category<sup>2</sup>: 100%

<sup>1</sup> Calculation method: the total training hours of employees in each category/the total number of trained employees in each category.  
<sup>2</sup> Calculation method: the number of trained employees in this category/the total number of employees in this category, calculated by rounding.



## 9. COMMUNITY ENGAGEMENT

The Group is committed to prioritizing the interests of the community in all business operations as one of the core considerations in the Sustainable Development Policy to ensure that our activities have positive impacts on the community. We actively engage with local communities to promote livelihood development and social welfare as key pillars of our community involvement. These commitments highlight our dedication to sustainability and community partnerships, guiding our operations towards positive impact through holistic community engagement.

### CTIHK's Contributions

#### Responded to the call of “Chinese Enterprises Serving the Community”

On the eve of the Mid-Autumn Festival, CTIHK actively responded to the call of the “Chinese Enterprises Serving the Community” initiative. In collaboration with the Hong Kong Federation of Trade Unions and the office of Legislative Councilor Erik Yim Kong, we visited over 200 households in Yiu Tung Estate, Shau Kei Wan. Mr. Dai Jiahui, Executive Director and General Manager of CTIHK, along with nearly a hundred volunteers from CTIHK and the local community, took part in this meaningful engagement.

We are committed to continuing to take root in Hong Kong and serve the society. We hope to use this visit as an opportunity to better fulfill our social responsibilities, integrate corporate development with the growth of Hong Kong, and make unremitting efforts to steadily improve the well-being of citizens.





### Clean Shores, Bright Horizons

In November 2024, CTIHK organized a coastal cleanup activity in Tuen Mun, Hong Kong. Over 50 employees had joined this meaningful event, collaborating to clean nearly 1,000 meters of beachfront.

We hope to use this event as an opportunity to enhance employees' environmental awareness and contribute to the sustainable development of Hong Kong. Going forward, CTIHK will continue to actively organize in ESG activities, promoting a balanced growth between society, the environment, and corporate interests.



## CBT's Contributions

### Empowering Community Development with Socially Responsible Initiatives

CBT has launched two complementary social responsibility programs to strengthen its community engagement. The first program, "CBT do Bem" (Corporate Volunteer Program), focuses on building stronger community connections through targeted initiatives in education, health, and environmental protection. The second program, "CBT Transforma" (Community-oriented Project), takes a grassroots of supporting projects and actions through own resources and tax donations. This program implements specific initiatives such as distributing educational colouring books to children of contracted farmers and providing support to local student unions and rural women workers' organisations through their existing community resources.



## CBT's Dual Path to Community Contributions



CBT demonstrated a strong commitment to community support and environmental sustainability through a series of impactful contributions:

- **Community Support and Education Initiatives**
  - o We allocated more than R\$400,000 towards educational initiatives improving the quality of life and education for community members, including but not limited to:
    - School Supplies and Book Donation Campaigns
    - Seasonal and Festive Contributions (Easter and Winter Clothing Campaigns)
    - Disaster Response and Relief Efforts
    - Additional Support Initiatives
- **Environmental Sustainability Initiatives**
  - o We allocated R\$150,000 towards to social assistance initiatives (elderly) and public health including but not limited to:
    - Recycling Campaigns (collection and donation of aluminum inserts and plastic caps)
    - Distribution Coloring Guide – the illustrated book addresses the relationship between agricultural activity and the environment

These initiatives impacted more than 18,000 individuals, showcasing our active engagement in community support and environmental conservation, fostering a sustainable relationship with the communities we serve.



## 10. SUSTAINABLE TODAY FOR A GREENER TOMORROW

The Group is steadfast in our commitment to enhancing our environmental and social responsibilities. Guided by a management philosophy that prioritises sustainable development, our goal is to achieve green operations and balanced development. We actively integrate eco-friendly measures and community-focused initiatives into our operations, striving to minimise our ecological footprint while maximising social value. This commitment not only ensures our sustainable protection of the environment, but also promotes community development, specifically demonstrating our determination and responsibility to implement the concept of sustainable development in all business operations.



### 10.1 Environmental Targets and Action Plans

This year, we established specific environmental targets that address the critical areas of energy consume, water usage, greenhouse gas emissions, and waste generation associated with our operational activities. These targets were crafted based on thorough industry research, including an analysis of our peers and a review of our own environmental performance. Throughout the year, we have actively monitored and managed our progress towards these targets, implementing actions to ensure continuous improvement. By integrating environmental considerations into our strategic planning, we will not only reduce our ecological footprint but also enhance our resilience, discover new opportunities, and secure our long-term viability in a rapidly changing business and regulatory landscape.

The table below demonstrates the latest updates on the Group’s environmental targets, showcasing the results of our sustained efforts over the past year and outlining our future action plans.

Indicators	Action Plan	Action Record in 2024
Improve current greenhouse gas emission management system		
Establish environmental data collection system (Long term)	<ul style="list-style-type: none"><li>Determine the types of data to be collected and corresponding data</li><li>Identify major emission sources</li><li>Establish data collection guidelines</li><li>Identify scope 1, 2 &amp; 3 emissions</li></ul>	<p>CTIHK</p> <ul style="list-style-type: none"><li>Collected and analysed environmental data including emissions, waste generation, energy consumption, water usage, and packaging material use via an online data collection platform</li></ul> <p>CBT</p> <ul style="list-style-type: none"><li>Identified and evaluated part of the scope 3 emissions information</li></ul>
Encourage green transportation		
Improve fleet management and encourage green travel alternatives (Short term)	<ul style="list-style-type: none"><li>Collect vehicle usage data, including mileage, fuel consumption, and inspection record</li><li>Explore purchasing more energy-saving vehicles in replacement</li><li>Encourage alternative green transportation methods including walking, cycling and public transport</li><li>Optimise driving routes, schedules, etc. to improve fleet efficiency</li></ul>	<p>CTIHK</p> <ul style="list-style-type: none"><li>Monitored vehicle usage data and purchased a new business car with the lowest displacement in its class to save energy</li><li>Encouraged employees to use public transportation, with over 20% walking and about 70% using public transit daily</li></ul> <p>CBT</p> <ul style="list-style-type: none"><li>Collected relevant data and monitored the consumption</li></ul>

Indicators	Action Plan	Action Record in 2024
Practice waste reduction at source		
Promote green office and reduce office paper usage (Short-medium term)	<ul style="list-style-type: none"> <li>Improve office waste recycling system</li> <li>collect statistics on the amount of paper waste recycled in the office</li> <li>Encourage double-sided printing</li> <li>Encourage the use of online systems for document filling/approval</li> </ul>	<p><b>CTIHK</b></p> <ul style="list-style-type: none"> <li>Promoted double-sided and black-and-white printing and moved towards online approvals in the ERP system for most documents</li> <li>Posted relevant environmental protection labels such as “Save Paper” on the walls of the printing room</li> </ul> <p><b>CBT</b></p> <ul style="list-style-type: none"> <li>The amount of waste paper in landfills was tallied</li> </ul>
Recycle office electronics (Short-medium term)	<ul style="list-style-type: none"> <li>Develop a recycle plan and check the progress regularly</li> </ul>	<p><b>CTIHK</b></p> <ul style="list-style-type: none"> <li>Set up the approach of repair and replacement instead of scrapping, and hence top extend the service life of electronic products in office spaces</li> </ul> <p><b>CBT</b></p> <ul style="list-style-type: none"> <li>Developed a plan to recycle office electronics, and with reference to local legal and environmental requirements</li> </ul>
Reduce overall waste to landfills (Medium term)	<ul style="list-style-type: none"> <li>Review warehouse management process and identify waste sources</li> <li>identify opportunities for improvement</li> <li>Optimise processes and reduce unnecessary steps and material waste</li> </ul>	<p><b>CBT</b></p> <ul style="list-style-type: none"> <li>Collected the main waste generated, tobacco dust by a third-party company, and bio-transformed the dust into organic matter and sold back to contracted farmers as inputs</li> <li>Implemented the waste segregation and reduction at the source policy in tobacco processing, with byproducts transformed into organic matter for reuse</li> </ul>
Sourcing sustainable materials and products (Medium term)	<ul style="list-style-type: none"> <li>Choose biodegradable, reusable, recyclable or recycled packaging materials</li> </ul>	<p><b>CBT</b></p> <ul style="list-style-type: none"> <li>Utilised recycled and sustainable cardboard for product packaging</li> </ul>
Enhance energy efficiency		
Reduce the usage in offices and/or warehouse (Long term)	<ul style="list-style-type: none"> <li>Identify and gradually replace energy-consuming equipment</li> <li>Purchase energy efficient equipment, such as LED lamps, where permitted</li> </ul>	<p><b>CTIHK</b></p> <ul style="list-style-type: none"> <li>The bulbs of the desk lamps to be purchased in 2024 are all LED bulbs</li> </ul> <p><b>CBT</b></p> <ul style="list-style-type: none"> <li>Improved the energy efficiency of CBT’s facilities and developed alternative logistics routes to reduce energy consumption</li> </ul>
Enhance water efficiency		
Reduce average water consumption (Long term)	<ul style="list-style-type: none"> <li>Provide employee guidelines on water saving</li> <li>Install water-saving equipment such as water-saving taps whenever possible</li> </ul>	<p><b>CTIHK</b></p> <ul style="list-style-type: none"> <li>Posted reminders next to all water faucets to promote water conservation</li> </ul> <p><b>CBT</b></p> <ul style="list-style-type: none"> <li>Systematically replaced taps with water-saving models</li> <li>Instructed new joiners about the steps of saving water in the induction training</li> </ul>

Indicators	Action Plan	Action Record in 2024
Promote environmental awareness at workplace		
Provide staff environmental training/ publicity (Short term)	<ul style="list-style-type: none"><li>• Incorporate environmental training into on-boarding training</li><li>• Develop environmental training and awareness plan to organize energy conservation themed projects regularly</li></ul>	<p>CTIHK</p> <ul style="list-style-type: none"><li>• Incorporated energy conservation and environmental protection topics into employee induction training</li></ul> <p>CBT</p> <ul style="list-style-type: none"><li>• Established guidance on environmental actions on-boarding training</li></ul>
Set up environmental information dashboard in the management service area (Short-medium term)	<ul style="list-style-type: none"><li>• Install environmental posters and slogans in public facilities at workplaces</li></ul>	<p>CBT</p> <ul style="list-style-type: none"><li>• The CBT Awareness Program was deployed in 2024, aimed at raising staff's environmental awareness through various environmental agenda actions which have been planned in 2025</li></ul>

### Environmental Awareness in Action - Green Commitment Initiatives

CBT has launched "Compromisso Verde" (Green Commitment), a comprehensive environmental protection theme initiative consisting of two key programs. The first program, "Impacto Sustentável" (Sustainable Impact), focuses on internal engagement by promoting environmental awareness among employees; while the second program, "Transformando o Futuro" (Transforming the Future), extends environmental protection related efforts to local communities. These complementary programs work in tandem to promote employees' environmental consciousness and encourage them to actively participate in sustainability efforts, effectively bridging our internal operations with community outreach.





## 10.2 Charting a Sustainable Future

In 2024, we took a significant stride in strengthening our commitment to sustainability by updating our Sustainable Development Policy (《可持續發展政策》). It is to ensure our approach aligned with the latest global standards and regulatory requirements, reflecting our ongoing commitment on enhancing our environmental management practices and minimising our greenhouse gas emissions, with a systematic approach to setting and reviewing our emission reduction targets.

Moreover, our operations strictly adhere to a high standard of environmental compliance, guided by Hong Kong's Air Pollution Control Ordinance (《空氣污染管制條例》), the National Environmental Policy of Brazil, and other relevant environmental regulations in our business operation regions. We have also formulated the Business Vehicle Management Rules (《商務車輛管理規定》) and prioritised the purchase and use of the business vehicle with Euro 6B emission standard based on the principles of "conservation, efficiency and practicality". Throughout the reporting period, we have maintained full compliance with environmental laws, with no violations recorded, underscoring our commitment to lawful and responsible environmental management.

Besides, as an important measure for strengthening our environmental management, we have officially launched the "Green Pulsation", a green office program includes but not limited to promoting paperless office, water and paper conservation, and green procurement. This program underscores our dedication to practical, everyday sustainability actions that contribute significantly to our environmental goals.

## Greenhouse Gas Emissions Management

The Group closely monitored key climate-related metrics, and consistently tracked and documented Scope 1 and Scope 2 and partial Scope 3 emissions. Below shows our greenhouse gas emission data for our operational sites in Hong Kong and Brazil in 2024:

### Core Greenhouse Gas Emission Indicators

**1,094.86**

Scope 1

**57.41**

Scope 2

**33.12**

Scope 3 (partial)

Unit: tonnes of CO<sub>2</sub>e

**0.03**

tonnes of CO<sub>2</sub>e/square meter  
Per square meter (Scope 1,2 and 3)

**2.98**

tonnes of CO<sub>2</sub>e/employee  
Per employee (Scope 1,2 and 3)



**1.270**

Nitrogen Oxides (NOx)

**0.006**

Sulphur Oxides (SOx)

**3.368**

Carbon Monoxide (CO)

**0.016**

Particulate Matter 2.5 (PM 2.5)

**0.010**

Particulate Matter 10 (PM 10)

Unit: tonnes



Type of Emissions

In 2024, CTIHK actively optimized cargo transportation routes to implement our measures to reduce climate risk impacts and promote low-carbon emission reduction. Through scientific planning and precise scheduling of routes, we have reduced unnecessary transfer links during transportation and significantly reduced greenhouse gas emissions during cargo delivery. This optimisation is expected to save the Company over HKD 750,000 annually in storage and transportation costs while improving logistics efficiency by 2 to 3 months.

Furthermore, we have also taken significant steps to deepen our understanding and management of greenhouse gas emissions across all scopes, with a particular emphasis on Scope 3 emissions, recognising their substantial contribution to our overall carbon footprint.

We initiated the year by contracting an independent third party to conduct a comprehensive greenhouse gas emissions inventory assessment. This assessment was guided by both local and international standards to ensure the rigor and comparability of the results. Standards such as ISO 14064-1, specifications from the Brazilian Greenhouse Gas Protocol Program, and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories provided the basic framework for our methodology. This comprehensive assessment recognized significant emission sources across our value chain. Particularly, it highlighted three critical areas under the Corporate Value Chain (Scope 3) Accounting and Reporting Standard; purchased goods and services, upstream transport and distribution, and downstream transport and distribution.

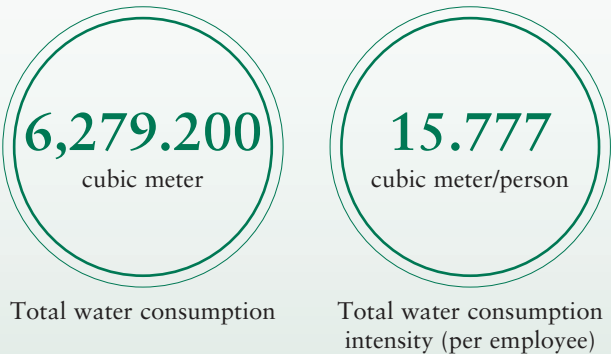
With these categories recognized, our immediate next step is to accurately calculate the emissions associated with each, which will be crucial for establishing a baseline from which the Group can develop comprehensive methodology for ongoing emissions tracking and engage stakeholders across the supply chain to foster cooperation on emission reduction initiatives.

Water Management

We are committed to the sustainable use of water resources. At CTIHK, we obtain sufficient water supply through the facilities provided by the property building. At the same time, we also post labels such as “Save Water” in all water-using areas to call on employees to practice the concept of sustainable development.

In Brazil, CBT sources water mainly from local utility company Corsan and underground wells. Our approach to water conservation involves training contracted farmers on efficient water use. Field technicians provide guidance on proper practices for mixing crop protection agents and disposing of tractor oil to avoid water contamination, promoting sustainable management of local water resources.

During the Reporting Period, the total water consumption of operation sites in Hong Kong and Brazil was 6,279.20 m³.

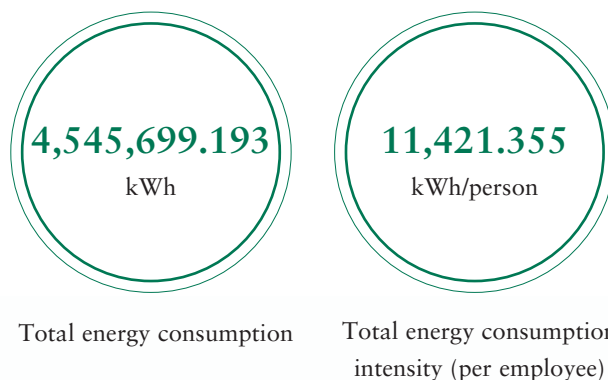


## Energy Management

Electricity is our primary energy source, used extensively for lighting, air-conditioning, and powering office and operational equipment across our Hong Kong and Brazil sites. We continue to monitor and analyse electricity usage through regular statistics, ensuring efficient use and distribution. Key ongoing energy-saving measures include:

- Maximising natural light and using energy-efficient LED lighting
- Implementing zoning and independent switches for lighting in less frequented areas
- Selecting energy-efficient office equipment with recognized labels
- Switching off all electrical equipment after work hours

In the Reporting Period, the total energy consumption of our operation sites in Hong Kong and Brazil amounted to 4,545,699.193 kWh for the Year.

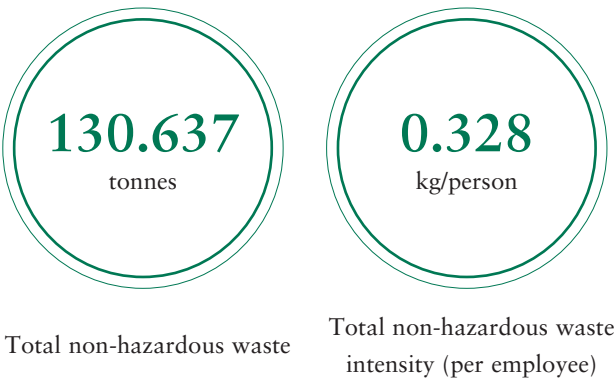


Particularly, energy is intensively used not only for office settings in CBT, but also in operational processes like moving conveyor belts and operating forklifts. Fuel consumption, primarily gasoline for field technicians' vehicles, remains significant and is expected to grow with CBT's increased production. But we are taking proactive steps to mitigate this impact by improving energy efficiency at our facilities and optimising logistics, as well as developing alternative logistics routes to reduce energy consumption and emissions during transportation.

Moreover, CBT's greenhouse gas inventory assessment in 2024 has been instrumental in identifying emission hotspots and establishing a baseline for our carbon footprint. Accurate data and calculations from this assessment will enable us to consider setting specific reduction targets that will reinforce our sustainability commitments. This approach is expected to not only enhance our climate resilience but also highlight potential opportunities for reducing emissions, guiding our future efforts towards greater environmental sustainability.

Waste Management

The Group continues to adhere strictly to Hong Kong’s Waste Disposal Ordinance (《廢物處置條例》) and its subsidiary regulations. In our daily operations, we actively promote waste reduction, particularly by advocating for a paperless office. We encourage our staff to use digital document viewing and promote double-sided printing and the reuse of single-sided printed paper. We prioritise the reuse of office consumables and foster behavioral changes among employees to encourage recycling and reusing office materials through communications such as emails, posters, and intranet notifications. Additionally, we upgraded ERP office system this year to significantly reduce paper waste by producing and approving some documents online. During the Reporting Period, the total non-hazardous waste from our operation sites in Hong Kong and Brazil amounted to 130.637 tonnes.



At CBT, we have established the Waste Management Procedure, to provide guidelines for classifying, identifying, packaging, discarding, and directing waste for disposal, including transport and handling to its final destination. Moreover, our field technicians work closely with contracted farmers to encourage them to practice the correct disposal of the CPA’s packages.

An innovative waste management practice at CBT involves converting leaves, stalks, and dust from tobacco processing into organic compost fertiliser. This process leverages on bacteria to degrade tobacco constituents, resulting in the creation of “Fertileaf” (a kind of fertilizer). This substance enriches soil organic matter and can benefit various crops beyond tobacco, such as soybeans and rice. Not only does this technique significantly reduce tobacco dust levels, but it also prevents its accumulation in nature, thereby reinforcing our commitment to environmental sustainability and resource recycling.

## 11. RISING TO THE CLIMATE CHALLENGE

The effects of climate change pose a huge threat to the environment, ecosystems, and human well-being. To address these threats, the Group is committed to minimising its carbon footprint and mitigating the adverse impacts of climate change through robust strategies.

### 11.1 Approach to Enhance Climate Resilience

Climate Change Management Measure (《氣候變化管理辦法》) is the core structure followed by the Group's climate governance, which helps us systematically identify and manage climate-related risks and opportunities across our operations. Guided by the oversight of our Board of Directors and the ESG Task Force, we have implemented a systematic approach to climate action. This includes monitoring and measuring greenhouse gas emissions, setting and pursuing reduction targets, and enhancing information transparency by annually disclosing these efforts. To remain at the forefront of climate action, we are committed to regularly reviewing and updating our strategies. This ensures alignment with the latest regulatory standards and best industrial practices, while also strengthening the resilience and sustainability of our operations in the face of an evolving climate landscape.

### 11.2 Foundation of Climate Risk Assessment

Critical to our strategy is the assessment and mitigation of physical and transition risks associated with climate change, which includes updating our business continuity plans to handle extreme weather events and engaging stakeholders in our climate strategies.

During the Reporting Period, we conducted a more comprehensive climate risk assessment by strengthening the scenario analysis, considering an expanded array of factors to better gauge potential impacts on our operations. Two internationally recognised climate scenarios were selected for the assessment including the optimistic scenario (SSP1-2.6) and a pessimistic scenario (SSP3-7.0). The assessment was conducted based on the assumption of the stability of asset locations and the continuation of current mitigation measures as per local and regional climate-related policies and regulations.

Our preparation involved a thorough review and assessment of the Group's 2023 climate change risk inventory. We referenced the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), SASB Climate Risk Technical Bulletin, and insights into the Group's actual business and operational conditions. This helped identify significant climate-related risks potentially impacting our business and operations. We also reviewed broader climate change trends – transformative global forces that will deeply affect businesses, economies, industries, societies, and individuals.

Based on the above set-up, we established a potential climate change risk inventory for 2024 and engaged corresponding departments and subsidiaries through surveys assessing significant climate risks at different time horizons<sup>3</sup> to the Group. Our assessment was structured around the four dimensions including the impact, likelihood, vulnerability, and speed of onset of climate risks.









<sup>3</sup> The time horizons for the climate scenario analysis were determined as short-term (1 – 3 years), medium-term (3 – 10 years), and long-term (up to 2060), considering the time frames set by the mainland China's dual carbon policy (achieving carbon peak by 2030 and carbon neutrality by 2060) and the Hong Kong government's carbon neutrality target by 2050, as well as the TCFD's guidelines on time frames,



### 11.3 Evaluation Results and Responses of Climate Risk Assessment

With the strengthened assessment framework, we identified three material climate risks that are assessed as “high” risk levels across both physical and transitional risks. Moreover, we have also determined to evaluate whether the effectiveness and adaptability of our existing control measures and our internal risk management policies are adequate in addressing these challenges.

#### Climate Risk Assessment Results

Risk Category 	Description 	Business Impact 	Financial Impact 	Time Horizon 
<b>Physical Risks</b>				
<b>Acute Risks</b>				
Increased frequency and intensity of floods and hurricanes in tobacco growing areas 	Climate change causes extreme weather events such as storms and floods, posing potential destruction risks to fixed assets and the environment.	Tobacco supply chain may face disruptions from disasters like floods and hurricanes, such as those experienced in Brazil. These disasters can lead to damage to buildings and goods, loss of crops, and interruptions in logistics networks, impacting both farmers and the supply chain.	<ul style="list-style-type: none"> <li>Local tobacco leaf prices rise</li> <li>Procurement costs increase</li> <li>Sales profit margins decrease</li> </ul>	Short-term
Increased frequency and intensity of extreme heat waves in tobacco growing areas 	Climate change leads to extreme weather events such as droughts and heat waves, leading to potential damage risks to fixed assets and the environment.	Severe droughts, heat waves will lead to a decrease in crop yields. Extreme heat will also affect farmers' mental and physical health, leading to a decrease in productivity. Loss of yield may result in higher tobacco prices in local markets or scarcity of tobacco substitutes of equivalent quality, thereby increasing procurement costs and reducing profits.	<ul style="list-style-type: none"> <li>Local tobacco leaf prices rise</li> <li>Procurement costs increase</li> <li>Sales profit margins decrease</li> </ul>	Short-term
<b>Transition Risks</b>				
<b>Policy and Legal Risks</b>				
Stricter regulatory policies and disclosure requirements 	The world is gradually paying attention to the risks brought by climate change. Local governments have implemented or updated stricter relevant policy supervision on corporate products and services. If companies fail to respond in time, they will cause monetary losses, violate laws and regulations, and even must do business transformation.	Regulation of energy efficiency requirements may affect businesses in factories or mechanised agricultural processes. Complying with increasingly complex regulatory requirements increases the Group's exposure to additional costs and the risk of unintended non-compliance, which may result in regulatory reprimands and financial penalties.	<ul style="list-style-type: none"> <li>Compliance costs increase</li> <li>Energy efficiency requirements increases and costs decrease</li> </ul>	Short to medium-term

## Responses to Climate Risks

In response to the identified climate risks, the Group is strengthening the ESG integration of CTIHK and CBT. We are committed to synchronising the implementation of ESG policies at both locations to ensure uniform standards and practices. This integration of ESG strategy and framework is facilitated through regular meetings of ESG task force members from both regions to enhance internal communication and share best practices related to climate risk.

We have developed partnerships with public and community entities to support projects that mitigate climate and ultimately strengthen both community and business resilience.

### Integrated Response to the 2024 Flooding Disaster in Brazil

In 2024, Rio Grande do Sul, Brazil, experienced one of its most severe floods, significantly impacting the local communities and agricultural sectors, including our employees and contracted tobacco farmers, who were among the hardest hit, with many suffering losses of property and agricultural infrastructure.



(We responded promptly to raise substantial resources for rescue after disaster)

In response to the disaster, we initiated several relief efforts. CTIB and CBT actively organized fundraising and corporate volunteer initiatives, which successfully raised significant resources for immediate relief efforts, including food, water, and hygiene supplies. Additionally, we also provided immediate financial assistance and essential household items to affected employees.

To support our contracted farmers after the recent devastating floods, we conducted a detailed survey and site inspections to assess the impact on our contracted tobacco farmers. The findings revealed significant losses, with most contracted farmers experiencing severe damage to their tobacco crops and irreversible infrastructure damage.

To prevent similar disasters, we have initiated a strategic partnership in 2024 with Agrotempo, a weather and climate forecast company. This collaboration aims to enhance our preparedness and response to climatic variations by providing comprehensive climate reports and forecasts. These include ocean condition analyses, periodic climatic maps, tailored agroclimatic analysis for tobacco cultivation, and forecasts of temperature and rainfall for our tobacco-growing regions.

We are exploring various support measures for affected contracted farmers, including credit for rebuilding essential infrastructure like curing barns and storage sheds, supplying replacement inputs for lost seedbeds, and offering technical assistance for soil reclamation. Additionally, we are evaluating potential refinancing options to provide financial relief to the community amid economic challenges. These ongoing discussions aim to support our farming community's recovery from the floods and ensure the long-term sustainability of our agricultural operations.

APPENDIX I: SUSTAINABILITY DATA STATEMENT<sup>4</sup>

Emissions				
A1.1	Types of emissions and respective emissions data	Unit	2024	2023
Type of emissions from vehicles	NO <sub>x</sub>	tonnes	1.270	4.710
	SO <sub>x</sub>	tonnes	0.006	0.005
	CO	tonnes	3.368	3.180
	PM	tonnes	0.026	0.021
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity <sup>5</sup>	Unit	2024	2023
	<b>Scope 1</b>			
	Mobile Vehicles	tonnes of CO <sub>2</sub> e	982.936	723.430
	Coolant	tonnes of CO <sub>2</sub> e	3.520	9.860
	Liquefied petroleum gas machinery	tonnes of CO <sub>2</sub> e	104.858	106.780
	Diesel machinery	tonnes of CO <sub>2</sub> e	3.543	4.060
	<b>Scope 2</b>			
	Purchased electricity	tonnes of CO <sub>2</sub> e	57.410	67.397 <sup>6</sup>
	<b>Scope 3</b>			
	waste paper in landfills	tonnes of CO <sub>2</sub> e	33.120	–
	<b>Total GHG emissions (Scope 1,2 and 3)</b>	tonnes of CO <sub>2</sub> e	1,185.387	911.527 <sup>6</sup>
	<b>Intensity of GHG emissions</b>			
	Per square meter (Scope 1, 2 and 3)	tonnes of CO <sub>2</sub> e/ square meter	0.027	0.021 <sup>6</sup>
	Per employee (Scope 1,2 and 3)	tonnes of CO <sub>2</sub> e/ person	2.978	2.705 <sup>6</sup>

<sup>4</sup> The scope of environmental and social data includes CTIHK and CBT based on the materiality of business impact.

<sup>5</sup> Calculated based on the emission factors in the “Reporting Guidance on Environmental KPIs” in Appendix 2 issued by the Stock Exchange and the Brazilian Greenhouse Gas Protocol Program developed by FGVces and WRI, in partnership with the Ministry of the Environment, the Brazilian Business Council for Sustainable Development (CEBDS), the World Business Council for Sustainable Development (WBSCD).

<sup>6</sup> The data has been revised.

Hazardous Waste Produced				
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Unit	2024	2023
	<b>Total hazardous waste produced</b>	tonnes	10.0851	9.8036
	Ink cartridge	tonnes	0.0012	0.0013
	Waste batteries	tonnes	0.0023	0.0023
	Other	tonnes	10.0816	9.8000
	<b>Hazardous waste generated intensity</b>	tonnes/person	0.0253	0.0291
Non-hazardous Waste Produced				
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Unit	2024	2023
	<b>Total non-hazardous waste produced</b>	tonnes	130.637	73.540
	Paper	tonnes	36.077	37.870
	Plastics	tonnes	7.906	10.680
	Others	tonnes	86.654	25.000
	<b>Non-hazardous waste generated intensity</b>	tonnes/person	0.328	0.220
Use of Resources				
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000) and intensity (e.g. per unit of production volume, per facility)	Unit	2024	2023
	<b>Total energy consumption</b>	kWh	4,545,699.193	4,038,154.500
	Electricity consumption	kWh	731,999.000	789,943.000
	Liquefied petroleum gas	kWh	442,138.920	450,288.000
	Diesel	kWh	14,491.346	16,623.640
	Petrol	kWh	3,357,069.927	2,781,299.854
	<b>Total energy consumption intensity</b>	kWh/person	11,421.355	11,982.654
Water Consumption				
A2.2	Water consumption in total and intensity	Unit	2024	2023
	Total water consumption	m <sup>3</sup>	6,279.200	5,023.860
	Total water consumption intensity	m <sup>3</sup> /person	15.777	14.910
Packaging Materials				
A2.5	Packaging material consumption	Unit	2024	2023
	<b>Total packaging material consumption</b>	tonnes	18,613.789	19,221.110
	Paper box	tonnes	18,385.353	19,016.750
	Plastic packaging	tonnes	228.435	204.360
	<b>Total packaging material consumption intensity</b>	tonnes/person	46.768	57.036

Total Workforce by Gender, Employment Type, Age Group and Geographical Region					
B1.1		Unit	2024	2023	
Gender	Male	number of employees	323	279	
	Female	number of employees	75	58	
	Junior	number of employees	347	295 <sup>7</sup>	
Employment category	Middle	number of employees	35	30	
	Senior	number of employees	16	12	
	Below 30	number of employees	93	84	
Age	30 – 50	number of employees	211	170	
	Above 50	number of employees	94	83	
	Full-time	number of employees	395	281	
Employment type	Part-time	number of employees	3	0	
	Permanent worker in Brazil	number of employees	258	239	
	Seasonal worker in Brazil	number of employees	77	56	
	Hong Kong	number of employees	56	42	
Region	Brazil	number of employees	342	295	

<sup>7</sup> The data has been revised.



Employee Turnover Rate by Gender, Age Group <sup>8</sup> and Geographical Region			
		Percentage	
B1.2		2024	2023
Gender	Male	27%	13%
	Female	8%	42%
Age	Below 30	4%	36%
	30 – 50	4%	22%
	Above 50	2%	25%
Region	Hong Kong	10%	26%
	Brazil <sup>9</sup>	146%	164%

Occupational Health and Safety			
B2		Year	Count
	Number of work-related fatalities in each of the past three years (including the Reporting Period)	2024	0
		2023	0
		2022	0
	Work-related fatality rate in each of the past three years (including the Reporting Period)	2024	0
		2023	0
		2022	0
	Lost days due to work injury number of days	2024	16
		2023	0
		2022	0

<sup>8</sup> Employee turnover rate by gender and age groups are calculated based on CTIHK's statistics in Hong Kong.

<sup>9</sup> CBT's operations and recruitment are highly correlated to seasonality and agricultural practice. CBT works with seasonal employees and contractors. Therefore there's a high turnover rate in Brazil.

Training and Development				
B3.1	The percentage of employees trained by gender and employee category	Unit	2024	2023
	Male	%	100	100
	Female	%	100	100
	Senior	%	100	100
	Middle	%	100	100
	Junior	%	100	100
B3.2	Average training hours completed per employee by gender and employee category	Unit	2024	2023
	Male	Hours	5.35	3.99
	Female	Hours	7.35	7.00
	Senior	Hours	7.23	2.96
	Middle	Hours	6.54	4.76
	Junior	Hours	5.42	4.99

Supply Chain Management				
B5.1	Number of suppliers by geographical region	Unit	2024	2023
	CTIHK			
	Chinese Mainland	number of suppliers	40	33 <sup>10</sup>
	Hong Kong and Macau	number of suppliers	25	30 <sup>10</sup>
	Asia (Excluding Chinese Mainland, Hong Kong and Macau)	number of suppliers	4	2 <sup>10</sup>
	Outside of Asia	number of suppliers	31	17 <sup>10</sup>
	CBT			
	Tobacco farmers in Brazil	number of suppliers	21,624	20,711
	Non-tobacco suppliers in Brazil	number of suppliers	564	414
	CTIHK and CBT suppliers (excluding farmers)	number of suppliers	664	496 <sup>10</sup>
Product Responsibility				
			2024	2023
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons		0	0
B6.2	Number of products and service related complaints received and how they are dealt with		0	0
Anti-corruption				
			2024	2023
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		0	0
Community Contribution				
			2024	2023
B8.2	Resources contributed (e.g. money or time) to the focus area		HKD805,000	HKD2,362,500

<sup>10</sup> The data has been revised.

## APPENDIX II: STOCK EXCHANGE ESG REPORTING GUIDE INDEX

### Mandatory Disclosure Requirements

#### Governance Structure

A statement from the board containing the following elements:

4.1 Board Statement

- (i) a disclosure of the board's oversight of ESG issues;
- (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and
- (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.

#### Reporting Principles

A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:

1.2 Reporting Standards

- **Materiality:** The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.
- **Quantitative:** Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.
- **Consistency:** The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.

#### Reporting Boundary

A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.

1.1 Reporting Scope

## Subject Areas, Aspects, General Disclosures and KPIs

## A. Environmental

## A1: Emissions

General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

10.2 Charting a Sustainable Future

A1.1 The types of emissions and respective emissions data.

APPENDIX I: SUSTAINABILITY  
DATA STATEMENTS

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).

APPENDIX I: SUSTAINABILITY  
DATA STATEMENTS

A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).

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A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).

10.2 Charting a Sustainable Future  
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A1.5 Description of the emission targets set and the steps taken to achieve them.

10.1 Environmental Targets and  
Action Plans

A1.6 Description of how hazardous and non-hazardous wastes are handled and description of the emission targets set and the steps taken to achieve them.

10.1 Environmental Targets and  
Action Plans  
10.2 Charting a Sustainable Future

A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	10.2 Charting a Sustainable Future
	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).	APPENDIX I: SUSTAINABILITY DATA STATEMENTS
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	10.2 Charting a Sustainable Future APPENDIX I: SUSTAINABILITY DATA STATEMENTS
	A2.3 Description of energy use efficiency targets set and the steps taken to achieve them.	10.1 Environmental Targets and Action Plans
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, the water use efficiency targets set, and the steps taken to achieve them.	10.1 Environmental Targets and Action Plans 10.2 Charting a Sustainable Future
	A2.5 Total packaging material used for finished products (in kg) and, if applicable, with reference to per unit produced.	APPENDIX I: SUSTAINABILITY DATA STATEMENTS
A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	10.2 Charting a Sustainable Future
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	10.1 Environmental Targets and Action Plans
A4: Climate Change	General Disclosure Policies on identifying and dealing with material climate-related matters that had and may have impact on the issuer.	11. Rising to the Climate Challenge
	A4.1 Description of the material climate-related matters that had and may have impact on the issuer and the actions taken accordingly.	11. Rising to the Climate Challenge



B. Social		
B1: Employment	General Disclosure (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, holidays, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	8. People-Centric Workplace
	B1.1 Total number of employees by gender, employment type (e.g. full-time or part-time), age Company and geographical region.	APPENDIX I: SUSTAINABILITY DATA STATEMENTS
	B1.2 Employee turnover rate by gender, age Company and geographical region.	APPENDIX I: SUSTAINABILITY DATA STATEMENTS
B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	8.2 Occupational Health and Safety
	B2.1 Number of work-related fatalities and work-related fatality rate in each of the past three years (including the Reporting Period).	8.2 Occupational Health and Safety APPENDIX I: SUSTAINABILITY DATA STATEMENTS
	B2.2 Lost days due to work injury.	APPENDIX I: SUSTAINABILITY DATA STATEMENTS
	B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	8.2 Occupational Health and Safety
B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	8.3 Professional Growth
	B3.1 The percentage of employees trained by gender and employment category (e.g. senior management, middle management).	8.3 Professional Growth APPENDIX I: SUSTAINABILITY DATA STATEMENTS
	B3.2 The average training hours completed per employee by gender and employment category.	8.3 Professional Growth

B4: Labour Standards	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.	8.1 Comprehensive Employment Stewardship
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	8.1 Comprehensive Employment Stewardship
	B4.2 Description of steps taken to eliminate such practices when discovered.	8.1 Comprehensive Employment Stewardship
B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	7. Sustainable Supply Chain Management
	B5.1 Number of suppliers by geographical region.	APPENDIX I: SUSTAINABILITY DATA STATEMENTS
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	7. Sustainable Supply Chain Management
	B5.3 Description of the practices relating to identifying environmental and social risks at each stage of the supply chain, and how they are implemented and monitored.	7. Sustainable Supply Chain Management
	B5.4 Description of the practices that promote the use of environmental protection products and services when selecting suppliers and how they are implemented and monitored.	7. Sustainable 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, labelling and privacy matters relating to products and services provided and methods of redress.	6. Product Innovation and Responsible Marketing
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	APPENDIX I: SUSTAINABILITY DATA STATEMENTS
	B6.2 Number of products and service-related complaints received and how they are dealt with.	APPENDIX I: SUSTAINABILITY DATA STATEMENTS
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	6.5 Intellectual Property Rights
	B6.4 Description of quality assurance process and recall procedures.	6.1 Product Quality Management
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	6.2 Data Security and Privacy Protection
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.	5.2 Business Ethics and Anti-Corruption
	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.	APPENDIX I: SUSTAINABILITY DATA STATEMENTS
	B7.2 Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	5.2 Business Ethics and Anti-Corruption
	B7.3 Description on anti-corruption trainings provided to the directors and the employees.	5.2 Business Ethics and Anti-Corruption
B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	9. Community Engagement
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	9. Community Engagement
	B8.2 Resources contributed to the focus area.	9. Community Engagement