



WING ON COMPANY INTERNATIONAL LIMITED

永安國際有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 289)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT
2024

Table of Contents

- 1. Introduction**
- 2. Corporate culture**
- 3. Integrated sustainability governance structure**
- 4. Stakeholder engagement and materiality assessments**
- 5. Environment**
- 6. Social**
- 7. Charters, awards, and recognitions**
- 8. Performance summary**
- 9. ESG Reporting Code Content Index**

1. Introduction

Wing On Company International Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) are pleased to present the annual Environmental, Social and Governance Report (the “**Report**”) for the year ended 31 December 2024 (the “**Year**”). The Group considers environmental, social, and governance (“**ESG**”) practices to be integral to its business objectives and remains committed to integrating sustainability practices across its operations. This Report outlines the Group’s ESG strategies, initiatives, and achievements during the Year.

The scope of this Report covers the Group’s core operations, which include its department stores and property investment, that have a significant impact on its ESG performance. Specifically, the Report includes operations at the Group’s department stores, corporate office, godown office, investment properties and property management office in Hong Kong, investment properties in Melbourne, Australia, and the department stores buying office in Guangzhou, Mainland China.

This Report has been prepared in accordance with the principles and requirements outlined in Part B and Part C of the Environmental, Social and Governance Reporting Code (the “**Code**”), as stipulated of Appendix C2 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). For ease of reference, an index summarising the “comply or explain” provisions of the Code, along with relevant disclosures, is included at the end of this Report.

The preparation of this Report adheres to the following key reporting principles:

- **Materiality:** The Group identifies material ESG issues based on a materiality assessment (detailed in the “Materiality assessments” section below). These issues are disclosed in this Report to reflect their impact on the Group’s operations.
- **Quantitative:** The Report provides measurable data on the Group’s ESG performance, supported by explanatory notes where necessary.
- **Balance:** Efforts are made to present an objective and unbiased account of the Group’s ESG performance.
- **Consistency:** Consistent methodologies are applied to ensure meaningful year-on-year comparisons. Any changes impacting comparability are clearly explained.

This Report was prepared in English and approved by the board of directors of the Company (the “**Board**”) on 25 March 2025. A Chinese translation of this Report is provided for reference purposes. In the event of any discrepancies, the English version shall prevail. For further information on the Group’s corporate governance practices, please refer to the Corporate Governance Report included in the Group’s 2024 Annual Report.

2. Corporate culture

Since our establishment in 1907, “Wing On” has grown to become a trusted household name and a leader in the department store industry in Hong Kong. For over a century, we have evolved alongside the communities we serve, guided by our vision to strengthen our core business operations while seeking opportunities for sustainable growth. Our corporate culture is centred on fostering sustainable development and delivering long-term value to our stakeholders. It is shaped by our purpose and core values, which guide everything we do and form the foundation of our organisation.

2.1 The Group’s purpose

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

2.2 The Group’s core values

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

The Board, in collaboration with senior management, defines and upholds the Group’s purpose, core values, and strategic objectives. By exemplifying high standards of integrity, the Board ensures the corporate culture is effectively communicated and embraced across all levels of the organisation.

This culture is embedded into in-house policies, practices, and procedures, including human resources, corporate governance, and sustainability. The Group’s Code of Conduct, outlined in the Employee Handbook, is clearly communicated to align employees with the Group’s values and expectations.

To maintain alignment with its strategy, the Board has established a framework of internal policies, implemented and monitored by senior management. Regular reviews ensure these policies remain effective, relevant, and adaptive to the Group’s evolving direction.

2.3 ESG mission

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

3. Integrated sustainability governance structure

3.1 The Board

The Board has overall responsibility for the Company's ESG strategy, climate strategy, and reporting. It evaluates, prioritises, and manages ESG-related issues and risks while ensuring that robust risk management and internal control systems are in place. ESG risks are identified and monitored in accordance with the Group's Risk Management Policy, which provides a consistent framework for risk identification, evaluation, management, and reporting across all organisational levels. This approach ensures that ESG risk monitoring is fully aligned with the Group's enterprise risk management framework, integrating ESG considerations into the broader risk landscape and strategic decision-making processes. Management is responsible for implementing remedial actions to address any material internal control deficiencies identified during risk monitoring, with progress reported to the Board to ensure timely resolution.

The Board has established risk appetite statements to define tolerance levels for various types of risks. Department heads continuously review and monitor key risks, escalating concerns to senior management or the Board if tolerance thresholds are at risk of being exceeded. To mitigate risks, measures such as risk transfer, elimination, or control are employed, with designated risk owners overseeing and evaluating the effectiveness of these measures. Management has confirmed, and the Board concurs, that the Group's risk management and internal control systems are effective and adequate. The Board's annual review of these systems, as outlined in the Corporate Governance Report, includes a thorough assessment of significant ESG risks and the effectiveness of management's monitoring efforts. Additionally, an external consultant engaged by the Group has verified that no material internal control deficiencies were identified for the Year.

3.2 ESG Committee

The Board serves as the highest governing body overseeing ESG-related matters and is supported by the ESG Committee, which is responsible for managing sustainability initiatives. The ESG Committee develops ESG policies and strategies, identifies and evaluates ESG risks and opportunities, sets goals and targets, implements action plans, and monitors progress. Chaired by the Group's Chief Accountant and Company Secretary, the ESG Committee comprises management from various departments and coordinates the Group's sustainability efforts. It provides regular updates to the Board on key performance indicators ("**KPIs**"), progress against targets, and developments in regulatory requirements. During the Year, the ESG Committee held four meetings to address areas such as compliance with new disclosure requirements, draft and review of ESG-related policies, environmental and supply chain initiatives, materiality assessments, and KPI tracking. The Board convened four times during the Year to review these updates, approve ESG strategies, and evaluate the Group's progress in meeting its ESG objectives.

The ESG Committee also plays a critical role in stakeholder engagement and materiality assessments, ensuring that findings are reported to the Board to align ESG strategies with stakeholder expectations. Insights from these assessments enable the Board to refine its ESG strategies, embed them into operational processes, and integrate them into core decision-making.

The ESG Committee has established a medium-term operational environmental target, addressing key areas such as greenhouse gas (“**GHG**”) emissions, air emissions, electricity and fuel consumption, water usage, and paper consumption. These targets reflect the Group’s commitment to reducing its environmental impact and operating responsibly. Progress towards achieving these targets is reported to the Board by the Chairman of the ESG Committee, alongside discussions on the adequacy of current measures and consideration of potential new initiatives to enhance environmental performance.

4. Stakeholder engagement and materiality assessments

4.1 Stakeholder engagement

The Group places great importance on engaging with stakeholders to better understand their interests and expectations, ensuring their feedback is effectively communicated to our management. Over the Year, we engaged with stakeholders through multiple channels to identify their key concerns and address them appropriately.

Stakeholder group	Engagement channels
Employees and directors	<ul style="list-style-type: none">▪ Training activities▪ Employee performance appraisals▪ Internal newsletters▪ Whistle-blowing system▪ Employee engagement activities
Customers	<ul style="list-style-type: none">▪ Company website and social media platforms▪ Wing On NETshop▪ Wing On Rewards mobile application▪ Customer feedback channels (e.g. phone, email, fax and feedback form)
Tenants	<ul style="list-style-type: none">▪ Tenant satisfaction engagement activity▪ Service hotline▪ Whistle-blowing system▪ Meetings
Suppliers, consignees, and business associates	<ul style="list-style-type: none">▪ Visits and meetings▪ Suppliers' performance reviews▪ Tendering and procurement processes▪ Suppliers' self-assessment survey▪ Whistle-blowing system
Shareholders	<ul style="list-style-type: none">▪ Corporate website▪ Annual general meeting▪ Financial reports, announcements, and circulars▪ Investor relations
Communities and non-governmental organisations	<ul style="list-style-type: none">▪ Participation in charity events▪ Donations and sponsorships
Government and regulatory authorities	<ul style="list-style-type: none">▪ Meetings▪ Industry seminars▪ Company's website and announcements

Building on our stakeholder engagement efforts, we further enhanced our approach during the Year by conducting a comprehensive materiality assessment. This assessment allowed us to identify material ESG issues and develop targeted strategies to address stakeholder concerns. A new materiality matrix, developed based on the results of the survey conducted, will serve as a key reference for guiding the future development of our ESG strategy effective from 2025.

4.2 Materiality assessments

In 2021, the Group undertook its first comprehensive materiality assessment, which involved surveying significant internal and external stakeholders to identify and prioritise key ESG issues. A total of 30 ESG issues were identified and classified under four categories: (a) Environmental; (b) Employment and labour practices; (c) Operating practices; and (d) Community. These issues were then prioritised based on the feedback received from stakeholders. The results of this prioritisation process were reviewed and validated by the ESG Committee and the Board to determine the Group’s material ESG issues. For further details on the approach and methodology used in the 2021 assessment, please refer to the section titled “Materiality assessment” in the Group’s 2021 ESG Report.

In 2022, the Group conducted an internal review to reassess the 30 material ESG issues, ensuring their continued relevance. The review considered factors such as local reporting standards, industry benchmarks, and stakeholder perspectives. As no significant changes in these factors were observed compared to prior years, the ESG Committee determined that these 30 ESG issues remained relevant for 2024. These issues were evaluated in terms of their “Importance to the interest of stakeholders” and “Importance to the business continuity and development of the Group”. The rankings of these 30 issues remained unchanged and this assessment was confirmed by the Board. The results of the 2021 materiality assessment are presented in the following matrix:



Environmental

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

Employment and labour practices

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

Operating practices

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

Community

- 30. Charity and volunteer service

The upper-right section highlighting the 15 ESG issues deemed most material by the Group. Many of these highly material issues fall under the categories of “Employment and labour practices” and “Operating practices”. Follow-up actions addressing these top 15 ESG issues are detailed in the relevant sections of this Report.

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

This systematic approach to stakeholder engagement and materiality assessment underscores the Group’s commitment to aligning its ESG strategy with the expectations of its stakeholders and ensuring the long-term sustainability of its operations.

5. Environment

The Group recognises the environmental impacts of its operations, particularly in relation to the emissions of GHG and the generation of non-hazardous waste. Energy consumption, primarily through the use of electricity and fuel, remains the dominant source of the Group's GHG emissions, accounting for 99.2% of total emissions for the Year. Additional sources of GHG emissions include the disposal of paper waste, which produces emissions as organic matter decomposes in landfills, water usage, and air travel for business purposes. The Group is committed to addressing these impacts through measures aimed at improving energy efficiency and reducing overall emissions.

Non-hazardous waste generated by the Group primarily consists of disposed paper waste and discarded electrical appliances and accessories. These wastes are handled responsibly and in accordance with the measures outlined in the Group's internal policy on waste management to ensure compliance with environmental regulations. Due to the nature of the Group's business activities, which include department stores operation and property investment, only immaterial amounts of hazardous waste are generated. The main types of hazardous waste include fluorescent light tubes and uninterruptable power supply (UPS) batteries. All hazardous waste is handled strictly in accordance with regulatory requirements. Given the immaterial quantities produced, hazardous waste levels are not collected or disclosed in this Report, and no specific reduction targets have been set.

The Group is not engaged in water-intensive industries, and as such, water consumption is not considered material to its operations. Similarly, sourcing water fit for purpose is not regarded as a significant issue, and discharges into water and land are minimal, with no material impact on the environment. The Group's air emissions, which include nitrogen oxides ("NO_x"), sulphur oxides ("SO_x"), and particulate matter ("PM"), largely arise from its vehicle fleet. These emissions are regularly monitored to ensure compliance with regulatory standards, and the Group continues to seek opportunities to reduce air emissions by adopting cleaner technologies and improving operational practices.

While the Group considers its overall environmental impact—spanning emissions, resource consumption, and waste generation—to be insignificant and immaterial to its operations, it remains committed to reducing its footprint and ensuring full compliance with all applicable local environmental laws and regulations. These include, but are not limited to, the Air Pollution Control Ordinance (Cap. 311 of the Laws of Hong Kong), the Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong), the Product Eco-responsibility Ordinance (Cap. 603 of the Laws of Hong Kong), the Product Eco-responsibility (Plastic Shopping Bags) Regulation (Cap. 603A of the Laws of Hong Kong), and the Buildings Energy Efficiency Ordinance (Cap. 610 of the Laws of Hong Kong).

During the Year, the Group was not aware of any incidents of non-compliance with local laws and regulations related to air and GHG emissions, discharges into water and land, or the generation of hazardous and non-hazardous waste.

In 2021, the Group had set a medium-term operational environmental target to gradually reduce its emissions and resources consumption by 5% across its operations by 2024 based on a 2019 baseline. The 2024 environmental targets applied to the Group's department stores operation and property investment business in Hong Kong and Guangzhou, encompassing GHG emissions, air emissions, electricity and fuel consumption, water usage, and paper consumption. However, no specific environmental targets were set for hazardous waste or the disposal of electrical appliances and accessories due to the immaterial quantities generated.

The Group is pleased to report that it has successfully achieved all of its 2024 environmental targets, with the exception of its water usage target. Water consumption had increased since October 2023 when the Group commenced the renovation of its Wing On *Plus* Store, and during which the chilled water systems on the affected floors had to be repeatedly drained and refilled. The renovation has been completed at the date of this report.

Emissions/ consumption type	2019 baseline	2024 target	2024 performance	2024 performance vs 2024 target
GHG emissions	12,319 tCO ₂ e	11,703 tCO ₂ e	8,492 tCO ₂ e	-27.4%
Air emissions				
▪ NO _x	405,096 g	384,841 g	275,041 g	-28.5%
▪ SO _x	608 g	578 g	426 g	-26.3%
▪ PM	28,030 g	26,629 g	18,493 g	-30.6%
Electricity consumption	18,958 Mwh	18,010 Mwh	15,877 Mwh	-11.8%
Fuel consumption	403 Mwh	383 Mwh	283 Mwh	-26.1%
Water usage	23,025 m ³	21,874 m ³	25,578 m ³	+16.9%
Paper consumption	10.3 tonnes	9.8 tonnes	6.7 tonnes	-31.6%

This achievement underscores the effectiveness of the various policies and measures implemented to reduce emissions, discharges, and waste generation, while ensuring the efficient use of resources and minimising impacts on the environment and natural resources. Looking ahead, the Group will review the trends in historical performance data, consider the pace of economic recovery, and benchmark against peer groups to establish new environmental targets for 2025.

To achieve these results, the Group continued to implement its Policy on ESG – Environment, alongside measures introduced in previous years and several new initiatives during the Year. These efforts were supported by operational improvements, resource optimisation strategies, and effective waste management practices. The Group remains committed to embedding sustainability within its operations, striving to minimise its environmental footprint while upholding its commitment to responsible business practices.

Air emissions and fuel consumption	
1.	Encouraged employees to travel by high-speed rail instead of private vehicles when undertaking business travel in Mainland China.
2.	Regularly reviewed the delivery routes of the truck fleet to optimise delivery and fuel efficiency.
3.	Installed GPS tracking system on trucks to monitor driving behaviour and manage fuel consumption.
4.	The truck fleet comprised Euro V-compliant vehicles to reduce exhaust emissions.
5.	Installed four charging stations for electric vehicles at the carpark of Wing On Centre to promote low carbon transportation.
Electricity consumption	
1.	Progressively replaced the aged air-conditioning systems installed at wing on <i>Plus</i> Store.
2.	Progressively replaced the aged air handling units installed at Main Store.
3.	Adopted energy saving lighting fixtures at department stores, corporate office, godown office, property management office and common lobbies and corridors of investment properties.
4.	Progressively replaced the heat exchangers for the chiller plant system at Wing On Centre.
5.	Implemented a five-day work week in the corporate office and property management office.
6.	Installed centralised multi-functional printers, instead of multiple standalone devices, to handle all printing, scanning and fax requests.
7.	Signed up for the “Charter on External Lighting” launched by the Environment and Ecology Bureau to switch off external lighting from 10:00 p.m., 11:00 p.m. or midnight to 7:00 a.m. since 2016 to reduce light pollution and electricity consumption.
Water usage	
1.	Progressively replaced all old chilled water pipes at wing on <i>Plus</i> Store to avoid water leakage.
2.	Regularly inspect and promptly repair leaking water facilities.
3.	Installed automatic on/off sensor water taps.
4.	Always remind employees to be aware of water conservation.
Paper consumption	
1.	Implemented an online leave management system to process leave applications.
2.	Preset targets to reduce paper consumption. Individual operating units which failed to achieve the preset targets were required to provide explanations.
3.	Increased the use of electronic marketing channels, such as “Wing On Rewards mobile application”, electronic direct mail (eDM), short message service (SMS) and multimedia messaging service (MMS), QR code, company website, social media platforms and in-store digital advertising displays to disseminate promotional news and reduce promotional materials printing.
4.	Most of the marketing and promotion materials were printed on Forest Stewardship Council (“FSC”) certified paper sourced from well-managed forest and the printing volume were regularly reviewed and carefully estimated.
5.	Implemented an enterprise resource planning system for our department stores operation, which allowed users to send electronic purchase orders to suppliers via email, use data to create the desired reports, and reduce and consolidate the types of pre-defined regular reports. The amount of physical paperwork was reduced.
6.	Use of electronic greeting cards instead of paper greeting cards during festive seasons to economise the use of paper and envelopes.

Non-hazardous waste management	
1.	Engaged a contractor to recycle shredded paper.
2.	Handed over obsolete computers and equipment to qualified recyclers.
3.	Returned empty toner cartridges to suppliers for recycling.
4.	Handed over carton boxes to recyclers. Reused carton boxes for customer delivery orders and internal merchandise transfers.
5.	Donated unsold merchandise to charities.

Attributed to the above-mentioned measures undertaken and the declining business of department stores operation during the Year, our fuel consumption, electricity consumption and paper waste disposal decreased by 18 Mwh (or 6.0%), 802 Mwh (or 4.8%) and 0.1 tonne (or 2.1%), respectively. In contrast, water usage and air travel increased by 1,193 m³ (or 4.9%) and 119,470 km (or 49.4%), respectively. The modest increase in water usage was mainly due to the replacement of heat exchangers at Wing On Centre, for which the chilled water and condensing water had been drained off and refilled. The substantial increase in air travel was due to increase in business trips and buying trips.

The total GHG emissions decreased by 528 tCO₂e (or 5.9%) during the Year. However, the GHG emissions intensity of the Group (being a measure of the amount of GHG emissions per HK\$1 million of revenue generated) increased by 0.77 tCO₂e (or 9.0%) during the Year. This was because the reduction in total GHG emissions was offset by a larger percentage decrease in the Group's revenue.

For the same reasons leading to the decrease in fuel consumption, the air emissions of NO_x, SO_x and PM from our vehicle fleet decreased by 16,374 g (or 5.6%), 27 g (or 6.0%) and 1,280 g (or 6.5%), respectively, during the Year.

Air emissions (Notes 1, 2 & 3).

	2024	2023	Year-on-year variance
NO _x (in g)	275,041	291,415	-16,374 (-5.6%)
SO _x (in g)	426	453	-27 (-6.0%)
PM (in g)	18,493	19,773	-1,280 (-6.5%)

Notes:

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

Department stores operation

The Group is dedicated to integrating sustainability into its department stores operation through various ESG initiatives aimed at minimising environmental impact. To promote sustainable packaging practices, the Group uses shopping bags made from FSC-certified paper, ensuring materials are responsibly sourced. These bags are primarily used for packing merchandise sourced by the Group, while concession and consignment counters have the option to purchase them. Customers are encouraged to bring their own reusable bags, and the Group ensures that only appropriately sized and necessary quantities of bags are provided to reduce excessive packaging. Due to the declining business of department stores operation, shopping bag consumption decreased by 11 tonnes (or 14.1%) during the Year compared to 2023. However, as revenue decreased at a greater percentage than shopping bag consumption, the shopping bag consumption intensity remained the same as in 2023.

Shopping bags consumption (Notes 1, 2 & 3)

	2024	2023	Year-on-year variance
Shopping bags consumed (in tonnes)	67	78	-11 (-14.1%)
Intensity per HK\$1 million revenue <small>(Note 4)</small>	0.12	0.12	0.0%

Notes:

1. All data is provided and verified by the respective department heads.
2. The amount of shopping bags consumed related to the Group's department stores operation only.
3. The consumption data is presented in tonnes, and is calculated in accordance with "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.
4. The Group's revenue from department stores operation is used as the denominator to calculate shopping bag consumption intensity. The Group's revenue from department stores operation for 2023 and 2024 was approximately HK\$639 million and HK\$543 million, respectively.

The Group also participated in the "Lai See Reuse and Recycle Program" organised by Greeners Action, collecting 189 kg of used red packets in good condition during the Year. These were handed over to sheltered workshops for sorting and redistribution to the public for reuse in the next Chinese New Year. Additionally, the Group received a certificate of appreciation from Greeners Action for signing the "Green Lai See Packets Charter," which supports eco-friendly red packet designs and reduced printing. To further encourage sustainable practices, all of the Group's department stores and investment properties are equipped with umbrella dryers, helping customers reduce the use of plastic bags and paper towels.

Promoting sustainable living among employees remained a key focus of the Group's ESG initiatives during the Year. To reduce reliance on disposable tableware, the Group distributed customised stainless steel reusable cutlery sets to all full-time employees, encouraging them to adopt the habit of bringing their own tableware. Also, a green Christmas party was organised during the Year, where employees were motivated to use their reusable cutlery, and lucky draw prizes were intentionally left unwrapped to eliminate unnecessary packaging.

Property investment business

Since 2021, the Group's investment properties in Hong Kong have been recognised with the prestigious "Hong Kong Green Organisation Certification" awarded by the Environmental Campaign Committee, the Environment and Ecology Bureau, and major chambers of commerce in Hong Kong, in recognition of its efforts to adopt effective environmental practices. To further enhance environmental management, the Group has engaged a reputable professional property management agent, reporting directly to the Leasing Division, to oversee its investment properties. The agent has implemented and continues to monitor the ISO 14001 Environmental Management System, an internationally recognised framework that helps organisations systematically manage their environmental responsibilities. This system enables the Group to establish environmental objectives and targets, evaluate performance, and drive continuous improvement, contributing meaningfully to the environmental pillar of sustainability.

The Group's commercial investment properties in Melbourne, Australia, continue to demonstrate strong environmental performance, achieving a 4-star rating on the National Australian Built Environment Rating System ("NABERS") 6-star scale for energy, GHG emissions, and environmental impact during the rating period from 1 December 2023 to 30 November 2024 (1 December 2022 to 30 November 2023: 4.5-star rating). NABERS is a nationally recognised framework that evaluates the environmental performance of buildings, where a 6-star rating represents market-leading performance.

To support renewable energy, the Group began purchasing 50% GreenPower for electricity usage in September 2022, increasing this to 75% in March 2023, a commitment sustained throughout 2024. GreenPower, a government-accredited renewable energy product, has significantly reduced the Group's associated GHG emissions, which would have been considerably higher without this initiative. Further showcasing its commitment to energy efficiency, the Group's properties are assessed under the Commercial Building Disclosure Programme for tenancy lighting energy efficiency, achieving a "Very Efficient" rating on the most recent Building Energy Efficiency Certificate, surpassing the Australian national average of "Somewhat Efficient."

The property management services for the Group's overseas properties are outsourced to reputable local property management agents, who ensure operational excellence through comprehensive tenant services, including air-conditioning, water treatment, electrical systems, lifts, recycling, and waste management, while also handling billing, accounting, and other administrative functions. These results reflect the Group's dedication to sustainability, high energy efficiency standards, and delivering quality property management.

Through these initiatives and its continued engagement with sustainable practices and professional service providers, the Group remains committed to reducing the environmental impact of its property investment business and supporting broader sustainability goals.

Climate change

Climate change poses significant challenges to businesses worldwide, with its escalating impacts demanding urgent attention and action. Recognising the increasing frequency and severity of extreme weather events, such as the super typhoons and devastating rainstorms experienced in Hong Kong in recent years, the Group has prioritised strengthening its resilience to climate-related risks. Since 2021, the Group has undertaken internal assessments to evaluate the impact of climate change on its operations and in 2023 developed a Climate Change Policy to formalise its commitment to addressing these challenges. Climate risks were embedded within the Group's risk management framework to ensure a structured and proactive approach to mitigation and preparedness. To ensure our disclosure compliance to the enhanced climate-related disclosure requirements introduced by the Stock Exchange effective from 1 January 2025, the Group has engaged a third-party consultant to assist us on assessing and reporting climate change issues according to the new Listing Rules requirements.

Climate-related risks and opportunities

During the Year, the Group reviewed and refined its previously identified climate risks and resilience strategies to ensure that they remain effective and relevant. This process focused on assessing the potential threats and opportunities posed by climate change, evaluating their impact on operations and assets, and implementing effective measures to mitigate risks and enhance adaptive capacity. By incorporating climate considerations into its strategic and operational planning, the Group is committed to safeguarding its business continuity and strengthening its long-term resilience in the face of climate challenges.


Major risks and opportunities of climate change, their corresponding impacts and mitigation strategies:

Physical risk	Potential impact	Mitigation measures
Department stores operation		
<ul style="list-style-type: none"> ▪ Rising temperature ▪ Extreme weather events (e.g. super typhoons, floods, extreme temperature fluctuations) 	Potential financial impact <ul style="list-style-type: none"> ▪ Disrupt supply chain. Supply shortage reduces merchandise offerings. Shipment delays miss best-selling times and leads to stack up of inventory. ▪ Unstable weather makes it difficult to predict sales. Affect open-to-buy planning and inventory management. ▪ Shorten selling period of heating and heavy thermal merchandise. Affect revenue and trim profit margin. ▪ Affect wood supply which increase the production cost of paper promotional and display materials. 	<ul style="list-style-type: none"> ▪ Diversify supplier base and expand global sourcing network. ▪ Review inventory more frequently to avoid inventory stock up. Reserve budget for see-now-buy-now collection to meet the demand due to sudden weather changes. ▪ Reduce order quantities of heating and heavy thermal merchandise. Increase the proportion of spring/summer and rainy/windy weather merchandise. ▪ Increase the use of electronic marketing channels. Reuse display materials and simplify the design.

Physical risk	Potential impact	Mitigation measures
	Potential operational impact <ul style="list-style-type: none"> Reduced capacity and decreased productivity due to potential risks to employees' safety, health and physical attendance at work. Temporary closure of stores and offices and suspension of services provided. 	<ul style="list-style-type: none"> Operational policies, instant communication channels and manpower contingent plans in place.

Physical risk	Potential impact	Mitigation measures
Property investment business		
<ul style="list-style-type: none"> Rising temperatures Extreme weather events (e.g. super typhoons, floods, extreme temperature fluctuations) Rising sea levels Acid rain 	Potential financial impact <ul style="list-style-type: none"> Increased operational demand on building facilities and systems. Increased water and power consumption and increased operating expenses. Increased expenses on repair, maintenance and replacement work. Increased insurance premium. Potential operational impact <ul style="list-style-type: none"> Risk of water flooding. Damage to building facilities and structures. Affect outdoor building works. Hasten the spread of diseases across the globe and increase the spread of virus and bacteria. Endanger the health and safety of building personnel and users. 	<ul style="list-style-type: none"> Arrange regular repair, maintenance and replacement work for building facilities and fixtures. Perform periodic energy audit to formulate enhancement plans. Install equipment and perform drills to prevent flooding. Implement a building automation system (e.g. building management system and CCTV system) to enhance responses to changes in environmental and emergency conditions. Formulate plans and contingency measures for extreme weather events and pandemic conditions. Implement enhancement plans (e.g. employee trainings and drills, facilities replacement, repair and inspection works) to demonstrate determination to reduce risks so as to reduce insurance premium.

Transition risk	Potential impact	Mitigation measures
Department stores operation and property investment business		
More stringent laws and regulations to <ul style="list-style-type: none"> reduce carbon emissions regulate the sale of existing products enhance climate related governance and reporting requirements 	Potential financial impact <ul style="list-style-type: none"> Higher compliance costs. Reduced demand on regulated products. 	<ul style="list-style-type: none"> Set targets and develop initiatives to reduce carbon emissions. Actively monitor the regulatory changes and respond to changing market demand. Enhance climate-related disclosures.

Opportunities	Potential financial impact
Department stores operation	
<ul style="list-style-type: none"> Customers demand for eco-friendly merchandise and manufacturers provide more sourcing choices. 	<ul style="list-style-type: none"> Revenue generated from eco-friendly merchandise. Reputational benefits brought by the Group's contribution to environmental protection.
How we seize opportunities	
<ul style="list-style-type: none"> To seize the opportunity of responding to the increasing demand of eco-friendly merchandise, we actively source merchandise and offer for sale merchandise with eco-friendly features. A dedicated tag in the online shopping portal for eco-friendly, "Green Lifestyle" merchandise is established for simplifying the access of eco-friendly merchandises. 	
Opportunities	Potential financial impact
Property investment business	
<ul style="list-style-type: none"> Quality tenants demand for properties adapted to climate change. Change the building operation mode from manual to automation. 	<ul style="list-style-type: none"> Attract quality tenants and increased rental values of properties. Better operational management and reduced operating cost.

For the Group's Australian properties, the Group has engaged a third-party consultant to conduct a scenario-based climate risk assessment to better understand the potential impact of climate change on the business operations since 2021. Physical risks such as rising temperatures and solar radiation, floods and hail, bushfires and drought were identified as risks which could cause damages, injuries and operational disruptions. Except for the risk of flooding at one property site (a car park) which was identified as high priority, all risks identified were classified as low or medium priority. In December 2024, the Melbourne Planning Scheme updated the flood mapping. After the amendments, a portion of the above-mentioned car park site remains in the flood overlays. To address the flooding issue, the bottom level car park features a pit designed to collect excess water in emergencies. Stormwater pumps have been installed there and they are regularly maintained and inspected to ensure optimal performance. Transition risks such as changes in policies and regulations, market expectations, insurance and financing were identified as risks which could potentially increase operating costs and affect business.

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

Risk Management

The oversight of climate risk assessment is entrusted to our ESG Committee, encompassing key business operations aligned with the reporting scope. We are actively integrating the identified risks into our strategic planning and exploring climate-related mitigation strategies to bolster resilience across our operations. Guided by the findings of the climate risk assessment, we prioritise critical pain points characterised by high risk levels and urgency. In evaluating these risks, we carefully assess our current preparedness, as well as our capacity to develop and implement mitigation measures. The assessment has provided us with robust insights into projected future climate scenarios, enabling us to strengthen our climate resilience planning.

Metrics and Targets

To effectively measure and manage climate-related risks and opportunities, the Group has established energy and GHG emission reduction targets. We disclose our energy and GHG targets and performance annually in our ESG report, including details of our fuel consumption and Scope 1 and Scope 2 GHG emissions.

6. Social

6.1 Employment and labour practices

As the signatory of the “Good Employer Charter” for three consecutive terms (2018, 2020 and 2024) and a “Supportive Family-friendly Good Employer”, the Group is committed to fostering an inclusive and supportive work environment that promotes employee engagement, workforce stability, and long-term business success. Recognising that our loyal and skilled employees are the cornerstone of our operations, we prioritise attracting, developing, and retaining a talented and committed team. By investing in comprehensive training, career development opportunities, and promoting diversity and inclusion, we empower our employees to deliver exceptional customer service and enriched product knowledge. This dedication to our workforce not only enhances customer satisfaction but also strengthens the Group’s reputation and ensures sustainable growth.

6.1.1 Employment and labour standard

The Group recognises that the long-term success of its business relies heavily on the dedication, competence, and engagement of its workforce. As such, cultivating, developing, and retaining a committed team of employees remains a top priority. Human resources matters are overseen by the Human Resources Division, with all activities guided by the policies and procedures outlined in the Employee Handbook. The Group adheres strictly to relevant local laws and regulations about labour in the regions where it operates, including but not limited to the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), Employees’ Compensation Ordinance (Cap. 282 of the Laws of Hong Kong) and Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong). Regulatory guidelines are effectively communicated to all employees through induction programmes and the Employee Handbook to ensure compliance and awareness across the organisation.

Employment decisions are made based on merit, qualifications, and competence. The Group has implemented a comprehensive framework for people development, succession planning, promotions, and performance reviews. Promotions are offered to employees demonstrating the readiness and potential to take on greater responsibilities, while dismissals are handled in accordance with annual performance evaluations and recommendations from supervisors. Any material breach of the Group’s policies may also result in dismissal. Throughout the Year, the Group recorded no instances of non-compliance with laws or regulations related to compensation, dismissal, recruitment, promotion, or employee benefits.

The Group strictly complies with the relevant local laws and regulations regarding remuneration package and retirement scheme as stipulated in the regions where it operates, including but not limited to the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong), the Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong), and the Labour Law of the People’s Republic of China. The remuneration package we offered exceeded regulatory minimums. Additional fringe benefits including extra rest days, birthday leave, medical and life insurance, education allowances, performance bonuses, and special leave for family-related matters, such as marriage or compassionate reasons. Human resources policies are routinely benchmarked against market standards to ensure that the Group remains an employer of choice.

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

At 31 December 2024, the Group employed 585 employees across its Hong Kong operations, including permanent, temporary, and part-time employees. Among the permanent full-time employees, 525 were based in Hong Kong and five in Mainland China. The Group's Australian property investment business employed one permanent full-time employee based in Australia. During the Year, the Group's department stores operation was recognised for their achievements and received several awards, underscoring the importance of employee excellence in delivering value to customers and stakeholders.

Looking ahead, the Group remains committed to creating a workplace that prioritises employee satisfaction, diversity, and professional growth while ensuring compliance with all regulatory standards. These initiatives will continue to strengthen the Group's position as a responsible and preferred employer.

6.1.2 Diversity, equity, and inclusion

As an equal opportunity employer, the Group is committed to fostering a workplace that values diversity, inclusion, and respect. Employees are treated equally regardless of age, gender, marital status, pregnancy, family responsibilities, disability, ethnicity, religion, sexual orientation, or other non-job-related factors.

We strictly abide by relevant local legislation and regulations in the regions where we operate, including but not limited to the Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong), the Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong), the Family Status Discrimination Ordinance (Cap. 527 of the Laws of Hong Kong), and the Race Discrimination Ordinance (Cap. 602 of the Laws of Hong Kong). Anti-discrimination, diversity, and equal opportunity policies are embedded in all aspects of human resources management, with strict measures in place to prohibit discrimination, harassment, bullying, or abusive behaviour. To strengthen our commitment to diversity, the Group has introduced employees with varied abilities and backgrounds into senior management roles, enhancing decision-making agility and organisational resilience.

Given the challenges of an ageing workforce and rising competition for talent, succession planning is a key focus for the Group to ensure operational continuity. Critical roles and their associated skills are regularly assessed, and qualified employees over the age of 65 are invited to remain with the Group on a contract basis, contributing their expertise. These efforts are complemented by proactive employee engagement initiatives to foster positive employer-employee relationships.

The Group was honoured to receive a “Certificate of Appreciation” for its commitment to promoting the “Breastfeeding Friendly Workplace” initiative, organised by the Department of Health and UNICEF. This recognition highlights the Group’s dedication to supporting the needs of working mothers while actively fostering a workplace culture that upholds gender equality and respects the rights of all employees.

6.1.3 Occupational health and safety

The Group is unwavering in its commitment to maintaining robust health and safety standards across all business operations. A comprehensive Code of Practices for Safety at Work has been established to ensure a secure working environment, reduce occupational risks, and comply fully with relevant local legislation and regulations in the regions where we operate, including but not limited to the Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong) and the Occupational Safety and Health Regulation (Cap. 509A of the Laws of Hong Kong). These policies, guidelines, and procedures are meticulously monitored and enforced by the Human Resources Division to ensure their effectiveness and adequacy in safeguarding employees. All designated safety officers are required to complete occupational safety training and undergo formal assessments organised by the Occupational Safety and Health Council. Reporting directly to the Human Resources Division, these safety officers conduct regular inspections of department stores and office premises, proactively identifying and addressing potential hazards in compliance with safety regulations. During the Year, the safety officers performed a total of 48 safety inspections across different locations, ensuring that all work processes and environments adhered to health and safety standards.

To further strengthen workplace safety, certified first-aiders are assigned to all department stores and office premises, ensuring immediate medical assistance is available in case of injuries or sudden illnesses. The Group also conducts regular fire drills to prepare employees for emergency situations, with additional support from its property management agent, who organises fire drills at each premises and encourages tenant participation. These initiatives reflect the Group’s proactive efforts to protect the well-being of its workforce and stakeholders.

The Group’s commitment to occupational safety has delivered a slight increase in reported work injury cases and lost working days during the Year as compared to 2023. Specifically, there were 14 reported injuries during the Year (2023: 11), while lost working days due to injuries increased by 362.5%. The Group enhances employee awareness through training, workshops, and interactive activities. In the event of an incident, thorough investigations are conducted to identify root causes, implement corrective measures, and refine safety protocols. Findings are shared with employees to ensure adherence to best practices and maintain the highest standards of occupational health and safety.

During the Year, the Group experienced no incidents of non-compliance with health and safety laws or regulations that could have had a significant impact on its operations. This record highlights the Group’s steadfast commitment to providing a safe working environment and protecting employees from occupational hazards. By continuously improving safety measures and promoting a culture of health and well-being, the Group ensures its workforce remains supported, resilient, and prepared for future challenges.

6.1.4 Employee well-being

Employee well-being is a fundamental component of the Group's human capital management strategy and enhanced support on employee well-being and work-life balance can help retaining and attracting talents. Our dedication to provide a work-life balanced workplace is recognised by the "Happy Company" awarded by Promoting Happiness Index Foundation and The Chinese Manufacturers' Association of Hong Kong for five consecutive years.

To ensure employees can get a balance between their family and career development, on top of the remuneration package, all employees including front-line staff can enjoy public holiday instead of statutory holiday, front-line staff are entitled to an additional paid monthly rest day, and all employees are entitled special leaves for their need such as birthday, marriage or compassion. Meanwhile to safeguard employees' health amidst increasing risks such as seasonal flu and respiratory infections, the Group has prepared prevention supplies, including medical masks, rapid antigen test kits, and hand sanitisers for those in need. Also, stringent cleaning and sanitisation protocols for public facilities are maintained to protect the health of employees, customers, and tenants alike.

During the Year, "Pandan Red Bean Mooncakes Vegan Cookery Class" was organised for employees at the Green Hub, an educational centre for sustainable living in the heritage site of Old Tai Po Police Station. During the class, participating employees not only learnt the techniques for making pastry dough and tips for sustainable living and low carbon dining, but also enjoyed the beauty of the heritage site.

6.1.5 Development and training

As a "Manpower Developer" awarded by the Employees Retraining Board, the Group is dedicated to supporting the professional growth and personal development of its employees through comprehensive training initiatives. Guided by its Training and Development Policies and Procedures, the Group ensures that training activities are structured, goal-oriented, and aligned with organisational objectives. These policies outline strategies for employee development and clarify the roles and responsibilities of those involved in the training process, fostering a culture of continuous learning.

All new employees participate in induction training, where they are introduced to the Group's core values, business objectives, job roles, work routines, and code of conduct. This onboarding process ensures they are well-prepared for their roles. To maintain high standards and reinforce employee awareness, refresher training sessions are conducted regularly throughout the Year. These cover essential topics such as emergency handling, work health and safety, data privacy and personal integrity. Store staff also receive specialised training in customer service and communication to enhance their skills and deliver exceptional service. Our exceptional customer service is acknowledged by the "Quality Tourism Services (QTS) Scheme" administered by the Hong Kong Tourism Board for over twenty years.

To encourage ongoing learning, the Group offers a variety of engaging initiatives, including workshops, training camps, short video tutorials, audio materials, and inter-departmental knowledge-sharing activities. Employees are also provided with self-learning resources, allowing them to learn at their own pace and explore topics of personal and professional interest. These initiatives aim to inspire creativity, innovation, and skill enhancement in their daily work.

The Group also recognises the importance of external learning opportunities. Employees are encouraged and sponsored to attend workshops, seminars, conferences, and other industry events to stay updated on market trends, technological advancements, and regulatory developments. These experiences enable employees to bring fresh perspectives and insights back to the organisation. Through its commitment to diverse training formats and opportunities, the Group ensures its workforce remains skilled, adaptable, and motivated to contribute to the organisation's long-term success and sustainability.

6.2 Operating practices

6.2.1 Supply chain management

The Group remains committed to integrating ESG considerations into its supply chain management processes, ensuring that environmental, social, and governance aspects are prioritised throughout its operations. A Supply Chain Policy has been established to mitigate risks and guide the management of supplier relationships. This policy requires procurement departments to assess suppliers' adherence to ESG standards and remain vigilant to any adverse reports concerning environmental or social misconduct. If concerns arise, suppliers are promptly required to implement corrective actions. In instances where issues persist, the procurement teams, in consultation with department heads, evaluate whether to continue or terminate the relationship. Department heads oversee the implementation of these practices and report challenges or issues to the ESG Committee, which periodically reviews the effectiveness and adequacy of all related policies and practices.

To ensure continuous improvement, the Group has developed a Supplier Code of Conduct applicable to its department stores operation and property investment business. This code sets clear expectations for suppliers in areas such as legal compliance, labour and human rights, health and safety, environmental stewardship, and ethical conduct. Responsibility for enforcing the code lies with the Merchandising and Concession Administration Division ("MCD") and the Leasing Division. The Group prioritises partnerships with suppliers who actively pursue sustainable and responsible operations.

To monitor supplier performance, the Group conducts periodic self-assessment questionnaires for all active suppliers in its department stores operation and property investment business. These assessments evaluate suppliers' policies, control systems, and compliance with regulations in key areas such as environmental conservation, occupational health and safety, employment practices, and business ethics. The results of these assessments are reviewed annually to identify trends, measure improvements, and address gaps. For the Year, the findings were analysed and compared with those for 2023 to ensure progress and alignment with the Group's sustainability objectives.

By embedding ESG considerations within its supply chain and fostering accountability among suppliers, the Group ensures that its procurement practices contribute to a sustainable and responsible value chain. This approach not only minimises risks but also reinforces the Group's commitment to promoting long-term sustainable development across its operations.

	Department stores operation ^(Note)		Property investment business	
	2024	2023	2024	2023
No. of response / response rate	540 / 59%	692 / 69%	12 / 100%	7 / 88%
Percentage of respondents that confirmed compliance with relevant local laws and regulations	99.8%	99.9%	100%	100%
Percentage of respondents that have policies and control systems in all environmental and social responsibility areas	54%	53%	100%	57%

Note: Covers suppliers of the Group's own sourced merchandise, and concession and consignment counters.

The Group continues to prioritise responsible procurement practices by integrating ESG considerations across its operations. Based on the latest self-assessment questionnaire, nearly all suppliers confirmed their compliance with relevant local laws and regulations, while over half of suppliers of department stores operation and all suppliers of property investment business reported having policies and control systems in place to address environmental and social responsibilities. These results highlight the progress suppliers are making in aligning with the Group's sustainability goals.

The Group is committed to ensuring that its procurement processes are responsible, fair, impartial, and fully compliant with relevant laws and regulations, including but not limited to the Competition Ordinance (Cap. 619 of the Laws of Hong Kong). For its property investment business, building management services are outsourced to a reputable professional property management agent, which reports directly to the Group's Leasing Division. Procurement for building-related expenses is managed by the property management agent in accordance with its procurement policies. Contractors authorised to perform work must be on the agent's approved contractor list, which undergoes rigorous vetting to ensure contractors possess the necessary qualifications and meet the Group's requirements.

Major building works are awarded through a competitive tendering process, with progress and quality monitored closely by the property management agent, its consultants, or authorised personnel. To ensure that the property management agent meets the Group's standards, its performance is continuously evaluated by the Leasing Division through regular meetings, performance reviews, and satisfaction engagement activities.

For the department stores operation, supplier selection is managed by the MCD. The MCD ensures due diligence is conducted by obtaining relevant licences and certifications, reviewing company backgrounds, and conducting online research. Onsite visits to suppliers' offices and factories are carried out when necessary, providing an additional layer of assessment to identify potential environmental and social risks when engaging new suppliers. Beyond the initial selection process, the MCD conducts ongoing performance evaluations of suppliers through regular meetings and standardised reviews. These evaluations consider factors such as business performance, legal compliance, and the number of customer complaints received in the previous year. This systematic approach allows the Group to monitor risks along the supply chain while selecting quality suppliers to optimise its merchandise mix and services.

During the Year, the majority of merchandise suppliers for the department stores operation were located in Hong Kong and European countries, while all suppliers for the property investment business were based in Hong Kong. The Group applies consistent supplier selection and management practices across all geographic locations, ensuring that ESG principles are upheld regardless of location.

By maintaining a structured and transparent supply chain management framework, the Group ensures suppliers meet its high standards while mitigating environmental and social risks. This approach promotes responsible business practices, enhances supply chain resilience, and supports the Group's broader sustainability objectives.

Number of suppliers by geographical region

	Department stores operation ^(Note)	Property investment business
Total number of suppliers	625	12
Hong Kong	397 (64%)	12 (100%)
Europe	168 (27%)	0
Asia (excluding Hong Kong)	53 (8%)	0
America	5 (1%)	0
Others	2 (0.3%)	0

Note: Covers suppliers of the Group's own sourced merchandise.

To strengthen the integration of environmental principles into office supply procurement practices, the Green Procurement Policy continues to guide employees in selecting sustainable products and services. Emphasis is placed on purchasing alternatives that minimise harm to the environment and human health. For instance, FSC-certified paper is consistently used for printing envelopes, letterheads, and most marketing and promotional materials, reflecting a commitment to responsible sourcing and reducing deforestation-related risks.

Efforts to encourage sustainable consumption extend to the sourcing and provision of eco-friendly merchandise at department stores. Products incorporating organic, natural, or recycled materials, as well as those with resource-efficiency attributes, are available. Packaging reduction initiatives for house-brand merchandise further contribute to waste minimisation. During the Year, the MCD actively expanded the range of eco-friendly merchandise to address growing market demand. Key targets for the number of stock-keeping units (SKUs) were set at the start of the year, with the ESG Committee tracking progress and evaluating the performance of these products at year-end. While eco-friendly merchandise still accounts for a relatively small portion of the Group's overall inventory, its availability and diversity have been steadily increasing. Challenges such as limited local supply, higher costs, inconsistent quality, and a lack of certification remain, but efforts are underway to explore new supply chains and improve sourcing capabilities to provide customers with a more extensive range of affordable, high-quality eco-friendly merchandise. By continuously supporting sustainable office supply procurement and expanding eco-friendly product offerings, these measures reflect a firm commitment to fostering sustainable consumption and minimising environmental impact.

6.2.2 Product responsibility

Ensuring the quality and safety of merchandise remains a cornerstone of the Group's operations. Robust policies and procedures have been implemented to ensure that only reliable and compliant products are offered at our department stores. The MCD and Store Operations Division oversee the execution of the Supply Chain Policy and associated operational guidelines, continuously monitoring their effectiveness and adequacy. Suppliers are required to provide quality and safety registration certificates, as well as laboratory reports, to confirm compliance with applicable laws and regulations. To further ensure product integrity, the MCD conducts quality inspections on private-label merchandise and requires factories to submit pre-production and shipping samples for review. In addition, department stores staff perform label checks on specific merchandise to ensure compliance with regulatory requirements. To support consistent adherence, front-line staff receive video training to reinforce their knowledge of labelling standards and related regulations.

When product safety, health concerns, or labelling non-compliance issues are identified — whether through suppliers, customers, government departments, or the media — the Group takes immediate action by withdrawing the affected merchandise from the trading floor. Collaborative efforts are made with suppliers to address and resolve these issues, and only once compliance is restored will the merchandise be reintroduced for sale. In line with maintaining customer trust, the Group also accepts returns for affected merchandise to ensure customer satisfaction and uphold accountability.

Customer feedback is a critical tool for driving improvement and meeting evolving expectations. Through a variety of channels, including feedback forms, company website, and social media platforms, the Group actively engages with customers to collect their comments and enquiries. All feedback is managed in accordance with internal guidelines, which clearly define responsibilities, handling procedures, and follow-up actions. Feedback is reviewed by designated departments, and all complaints are thoroughly investigated and promptly resolved. During the Year, the Group received 358 (2023: 323) customer compliments and 17 (2023: 39) customer complaints regarding merchandise and services at its department stores. All of these complaints were settled with the customers amicably. Compared with the previous year, the number of compliments increased by 11% and the number of complaints decreased by 56%. This is attributable to our continuous effort in enhancing service quality.

For the property investment business, the Group ensures high service standards for tenants and visitors by engaging a reputable professional property management agent. The Group has adopted ISO 9001 standards for its customer service and complaint handling processes, ensuring a structured approach to addressing tenant concerns. Regular tenant satisfaction engagement activities are conducted to identify areas for service improvement. During the Year, three (2023: three) written complaints were received from tenants regarding facility-related issues, and all were resolved satisfactorily.

6.2.3 Responsible marketing and labelling

Strict measures about our marketing and advertising practices are in place to prevent the dissemination of false or misleading information in advertisements. Guidelines have been developed to assist teams responsible for preparing marketing materials in understanding and adhering to legal requirements. All marketing and advertising content is thoroughly reviewed by the responsible departments before publication to ensure accuracy, compliance, and transparency. These guidelines are regularly evaluated to ensure they remain effective and adequate in preventing any breaches or misrepresentation.

If any breaches relating to product safety, labelling, advertising, or privacy are identified, the Group conducts thorough investigations and takes immediate corrective action. Preventative measures and process enhancements are implemented to mitigate the risk of recurrence and ensure compliance.

Our department stores operation strictly comply with relevant laws and regulations, including but not limited to the Sale of Goods Ordinance (Cap. 26 of the Laws of Hong Kong), the Food Adulteration (Metallic Contamination) Regulations (Cap. 132V of the Laws of Hong Kong), the Food and Drugs (Composition and Labelling) Regulations (Cap. 132W of the Laws of Hong Kong), the Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong), the Electrical Products (Safety) Regulation (Cap. 406G of the Laws of Hong Kong): Declaration of Conformity, the Toys and Children's Products Safety Ordinance (Cap. 424 of the Laws of Hong Kong), the Consumer Goods Safety Ordinance (Cap. 456 of the Laws of Hong Kong), the Supply of Services (Implied Terms) Ordinance (Cap. 457 of the Laws of Hong Kong), and the Food Safety Ordinance (Cap. 612 of the Laws of Hong Kong).

During the year, two of our own-sourced pre-packaged food items were found to be in breach of labelling and food safety regulations, resulting in a total fine of HK\$8,620. The labelling issue involved an inappropriate food durability label, while the food safety issue related to a metallic contaminant exceeding the legal limit. Upon discovering these breaches, we immediately removed the affected merchandise from the trading floor and required the relevant supplier to replace the products with compliant labels.

To prevent similar incidents from occurring, we enhanced employee training on label inspections and ensured that food safety-related merchandise is sourced only from reputable and reliable suppliers. Apart from these incidents, the Group did not encounter any other cases of non-compliance with local laws and regulations related to product safety, advertising, marketing, or labelling that had a significant impact on its operations.

6.2.4 Intellectual property

Intellectual property rights are also a priority for the Group. To ensure compliance with relevant laws and regulations, such as the Copyright Ordinance (Cap. 528 of the Laws of Hong Kong) and the Trade Marks Ordinance (Cap. 559 of the Laws of Hong Kong), the Group prohibits the unauthorised use of copyrighted materials, including software, music, and images, which could result in copyright infringement. Suppliers are required to provide signed declarations confirming that their merchandise does not infringe on third-party intellectual property rights, while authorised dealers must present proof of distribution rights. To safeguard its own intellectual property, the Group registers its proprietary brands and trademarks related to its department stores operation.

6.2.5 Data security and privacy

The Group is committed to safeguarding personal data by strictly adhering to relevant local laws and regulations in the regions where it operates, including but not limited to the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong), and respecting the rights of individuals through the implementation of robust policies and procedures. These policies comprehensively govern the collection, storage, access, and disposal of personal information in full compliance with legal requirements. Employees responsible for handling personal data are required to sign declarations confirming their understanding of and adherence to these policies, ensuring accountability and compliance across the organisation. The Group further guarantees that personal information is used solely for the purposes disclosed to customers and obtains prior written consent before using such data for direct marketing purposes.

To protect customer privacy, we collect only the minimum amount of personal information necessary for our operations. All personal data obtained through the Wing On NETshop website and the Wing On Rewards mobile application is securely stored on a highly protected platform, equipped with advanced anti-virus software and robust security protocols to guard against potential threats and unauthorised access. For example, sensitive data including names, addresses and phone numbers is encrypted and all data is backed up periodically. Additionally, we have implemented SMS One-Time Password (OTP) authentication for customer logins on the Wing On Rewards mobile application to ensure user access is secure and authorised.

The Group's commitment to transparency is reflected in the publicly available Wing On NETshop Personal Data Protection and Privacy Policy, which details the measures we have taken to ensure the protection of personal data. Additionally, customers can easily update their direct marketing subscription preferences at any time through the Letter of Intent Related to Direct Marketing, also available on the Wing On NETshop website. For the Wing On Rewards mobile application, a hyperlink to the Personal Information Collection Statement and Privacy Policy is prominently placed on the registration page, ensuring that potential users are fully informed about the terms and conditions governing personal data collection before signing up for the rewards program.

By implementing these rigorous measures, the Group reinforces its unwavering commitment to safeguarding customer privacy and maintaining the highest standards of data protection. In recognition of our efforts in protecting data privacy, the Group received the "Silver Award" in the biennial Privacy-Friendly Awards 2023, organised by the Office of the Privacy Commissioner for Personal Data Hong Kong. This award underscores the Group's commitment to upholding the highest standards of data protection.

6.2.6 Anti-corruption

The Group upholds the highest standards of ethics and integrity with a zero-tolerance policy for fraud and corruption, with the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) and Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong), or any relevant local laws or regulations in the regions where it operates strictly abided. A strong corporate governance framework ensures ethical practices across all levels of the organisation, with employees and directors expected to act with honesty and fairness in their business activities. By fostering transparency, accountability, and ethical business practices, the Group ensures its operations are conducted with integrity and in full compliance with laws and regulations.

A Code of Conduct, Anti-Corruption Policy, and Whistleblowing Policy guide employees on handling conflicts of interest, preventing corruption, and reporting irregularities such as bribery, fraud, or money laundering. The Whistleblowing Policy provides confidential reporting channels for employees and stakeholders, with all cases investigated by the Company's Audit Committee, which oversees corrective actions and recommends improvements to the Board. Policies are regularly reviewed to ensure effectiveness and compliance with evolving standards.

During the Year, no incidents of non-compliance with laws or regulations related to bribery, extortion, fraud, or money laundering were reported, reflecting the effectiveness of the Group's governance framework.

6.2.7 Promoting awareness and training

To foster a culture of integrity, the Group provides mandatory online training on workplace ethics and relevant legislation for all employees, including new joiners, who must complete the training during their probation period. Self-learning material such as short video clips and microfilms concerning integrity issue in workplace, were delivered to employees to promote their awareness on the topic.

For Board members, we timely dispatch reading materials to update the latest development about corporate governance and anti-corruption.

6.3 Community investment

The Group is committed to making a positive social impact and fostering a culture of care by actively engaging in charitable initiatives through sponsorships, donations, and in-kind contributions. By collaborating with charitable organisations, the Human Resources Division and Marketing Division work together to identify community needs and implement initiatives that address these challenges. To strengthen its approach, the Group has formalised policies related to community investment, ensuring a structured and sustainable framework for its efforts. Our contribution over decades have been acknowledged by "The Caring Company Scheme" administered by the Hong Kong Council of Social Service and the "Heart to Heart Company" administered by The Hong Kong Federation of Youth Groups.

Recognising the importance of employee involvement, the Group encourages its workforce to participate in community service and contribute to the betterment of society. This Year, the Human Resources Division proactively reached out to charitable organisations to organise meaningful volunteering opportunities for employees. These activities not only supported the community but also fostered a sense of teamwork and fulfilment among employees. In total, the Group's employees dedicated approximately 72 hours (2023: 750 hours) to volunteering services during the Year and contributed HK\$34,100 (2023: HK\$63,800) to various charitable organisations supporting social initiatives. The decrease in volunteering services was due to the participation of "Project My Future" workplace internship program in 2023, but the program was cancelled during the Year. These efforts reflect the Group's dedication to giving back to the community and addressing diverse social needs.

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

- collaborated with Food Angel by Bo Charity Foundation in "Food Angel Preparing Cook-Chill Meals";
- placed donation boxes from different charitable organisations (including Suicide Prevention Services Limited, Christian Action, The End Child Sexual Abuse Foundation and Yan Oi Tong) at our department stores;
- participated in the "Lai See Reuse and Recycle Program" organised by Greeners Action;
- participated in the "Love Teeth Day", "Green Low Carbon Day" and "Skip Lunch Day" organised by the Community Chest of Hong Kong;
- participated in "World Sight Day 2024" of Orbis; and
- donated unsold merchandise of 452 boxes of clothes and sundries to Salvation Army.

Community engagement and recognition

The Group and its employees actively participated in numerous community activities and events throughout the Year, demonstrating a strong commitment to social responsibility. These initiatives covered a range of causes, from youth development to supporting underprivileged communities, reinforcing the Group's role as a socially responsible organisation.

Strengthening community contributions

The Group remains dedicated to expanding its community investment initiatives by actively identifying areas of need and developing impactful programmes. By encouraging employee participation, collaborating with charitable partners, and providing resources to support social causes, the Group seeks to build a cohesive and compassionate society. Through ongoing efforts and recognition from respected organisations, the Group underscores its commitment to creating long-term, meaningful contributions to Hong Kong's communities.

On behalf of the Board
Sin Kar Tim
Company Secretary

Hong Kong, 24 April 2025

7. Charters, awards, and recognitions

Name of charters, awards, and recognitions		Organiser
A. Environmental		
1.	Hong Kong Green Organisation Certification	Environmental Campaign Committee, Environment and Ecology Bureau and major chambers of commerce
2.	National Australian Built Environment Rating System (“NABERS”) ▪ 4-star energy rating	New South Wales Government, Australia
3.	Commercial Building Disclosure Program ▪ Rating of “Very Efficient” in the assessment of tenancy lighting energy efficiency	Department of Climate Change, Energy, the Environment and Water of the Australian Government
4.	Signatory of “Green Lai See Packets Charter”	Greeners Action
5.	Signatory of “Charter on External Lighting” ▪ Diamond Award - Main Store ▪ Diamond Award - Tsimshatsui East Store ▪ Platinum Award - Wing On Centre ▪ Platinum Award - Wing On <i>Plus</i> Store ▪ Gold Award - Wing On Kowloon Centre	Environment and Ecology Bureau
B. Social		
Employment and labour practices		
6.	Signatory of the “Good Employer Charter” for three consecutive terms (2018, 2020 and 2024)	Labour Department
7.	Supportive Family-friendly Good Employer	Labour Department
8.	ERB Manpower Developer Award Scheme ▪ Manpower Developer	Employees Retraining Board
9.	Happiness-at-Work Promotional Scheme ▪ Happy Company for five consecutive years	Promoting Happiness Index Foundation and The Chinese Manufacturers’ Association of Hong Kong
10.	Breastfeeding Friendly Workplace	Department of Health and UNICEF Hong Kong
Operating practices		
11.	Privacy-Friendly Awards 2023 (biennial award) ▪ Silver Award	Office of the Privacy Commissioner for Personal Data Hong Kong
12.	Quality Tourism Services Scheme Retail Shop	Hong Kong Tourism Board
Community investment		
13.	The Caring Company Scheme ▪ 20 years+	The Hong Kong Council of Social Service
14.	Heart to Heart Company ▪ 2005 – 2024	The Hong Kong Federation of Youth Groups

8. Performance summary

A. Environmental (Notes 1, 2 & 3)	FY2024	FY2023	Year-on-year variance (%)
Scope 1 and 2 - Total emissions			
GHG emissions (in tCO ₂ e)	8,427	8,999	-6.4%
Intensity per HK\$1 million revenue (in tCO ₂ e) (Note 6)	9.271	8.554	+8.4%
Scope 1, 2, and 3 - Total emissions			
GHG emissions (in tCO ₂ e)	8,492	9,020	-5.9%
Intensity per HK\$1 million revenue (in tCO ₂ e) (Note 6)	9.34	8.57	+9.0%
Total Energy consumption			
Total Energy consumption (fuel and electricity) (in Mwh)	16,160	16,980	-4.8%
Total Intensity per HK\$1 million revenue (in Mwh) (Note 6)	17.778	16.141	+10.1%
GHG emissions			
Scope 1 – Direct emissions			
Fuel consumption (Note 4)			
Diesel and petrol by vehicles (in Mwh) (Note 5)	283	301	-6.0%
Diesel and petrol by vehicles (in tCO ₂ e)	73	73	0.0%
Intensity per HK\$1 million revenue (in Mwh) (Notes 5 & 6)	0.311	0.286	+8.7%
Scope 2 – Energy indirect emissions			
Electricity consumption (Note 7)			
Purchased electricity (in Mwh)	15,877	16,679	-4.8%
Purchased electricity (in tCO ₂ e)	8,354	8,926	-6.4%
Intensity per HK\$1 million revenue (in Mwh) (Note 6)	17.47	15.85	+10.2%
Scope 3 – Other indirect emissions			
Paper consumption (in tonnes) (Note 8)	6.7	7.0	-4.3%
Paper consumption (in tCO ₂ e)	32	34	-5.9%
Non-hazardous waste generation			
Paper waste disposal (in tonnes) (Note 8)	-4.8	-4.7	-2.1%
Paper waste disposal (in tCO ₂ e)	-23	-22	-4.5%
Intensity per HK\$1 million revenue (in tonnes) (Note 6)	-0.005	-0.004	-25%
Waste recycled			
Paper (in tonnes) (Note 8)	11.5	11.7	-1.7%
Paper (GHG avoided in tCO ₂ e)	55	56	-1.8%
Electrical appliances/accessories (in pieces) (Note 12)	467	112	+317.0%
Intensity per HK\$1 million revenue (in pieces) (Note 6)	0.514	0.106	+384.9%
Cardboard (in tonnes) (Note 13)	143	N/A	-
Intensity per HK\$1 million revenue (in tonnes) (Note 6)	0.157	N/A	-
Unsold merchandise (in boxes)	425	0	-
Intensity per HK\$1 million revenue (in boxes) (Note 6)	0.468	0	-
Water usage (Notes 9 & 10)			
Total water consumption (in m ³)	25,578	24,385	+4.9%
Total water consumption (in tCO ₂ e)	17	16	+6.3%
Intensity per HK\$1 million revenue (in m ³) (Note 6)	28.14	23.18	+21.4%
Air travel by employees (Note 11)			
Air travel by employees (in km)	361,236	241,766	+49.4%
Air travel by employees (in tCO ₂ e)	71	27	+163.0%
Intensity per HK\$1 million revenue (in km) (Note 6)	397.4	229.8	+72.9%

8. Performance summary (continued)

B. Social		Unit	FY2024	FY2023
B. Social – Employment and labour practices <small>(Notes 1, 14 & 16)</small>				
Profile of workforce				
Total workforce	Number	585	583	
By gender				
All employees				
Male	Number (%)	148 (27.90%)	143 (27.03%)	
Female	Number (%)	382 (72.10%)	386 (72.97%)	
Corporate manager				
Male	Number (%)	15 (68.20%)	15 (62.50%)	
Female	Number (%)	7 (31.80%)	9 (37.50%)	
By employment type				
Permanent and full-time	Number (%)	530 (90.60%)	529 (90.74%)	
Temporary and/or part-time	Number (%)	55 (9.40%)	54 (9.26%)	
By age group				
Below 31	Number (%)	27 (5.09%)	22 (4.16%)	
31 – 40	Number (%)	64 (12.08%)	67 (12.67%)	
41 – 50	Number (%)	117 (22.08%)	112 (21.17%)	
51 – 60	Number (%)	208 (39.25%)	220 (41.59%)	
Above 60	Number (%)	114 (21.51%)	108 (20.42%)	
By employee category				
All employees except corporate manager	Number (%)	508 (95.85%)	505 (95.46%)	
Corporate manager	Number (%)	22 (4.15%)	24 (4.54%)	
By geographical region				
Hong Kong	Number (%)	525 (99.06%)	524 (99.05%)	
Mainland China	Number (%)	5 (0.94%)	5 (0.95%)	
Employee turnover <small>(Note 15)</small>				
Turnover rate	%	7.05%	9.35%	
Total number of turnover	Number	37	50	
By gender				
Male	Number (%)	29 (5.62%)	10 (7.15%)	
Female	Number (%)	8 (7.59%)	40 (10.15%)	
By age group				
Below 31	Number (%)	2 (9.76%)	3 (13.64%)	
31 – 40	Number (%)	4 (6.02%)	10 (14.20%)	
41 – 50	Number (%)	4 (3.60%)	11 (9.34%)	
51 – 60	Number (%)	12 (5.67%)	15 (6.55%)	
Above 60	Number (%)	15 (13.39%)	11 (11.85%)	

Health and safety		Unit	FY2024	FY2023	FY2022
Number of work-related fatalities	Number	0	0	0	0
Rate of work-related fatalities	%	0%	0%	0%	0%
Lost days due to work injury <small>(Note 17)</small>	Days	74	16	204	

8. Performance summary (continued)

B. Social		Unit	FY2024	FY2023
B. Social – Employment and labour practices <small>(Notes 1, 14 & 16)</small>				
Development and training <small>(Note 18)</small>				
	Percentage of employees trained	%	67.5%	81.1%
	Number of employees trained	Number	395	473
	By gender			
	Male	Number (%)	67 (17%)	85 (18%)
	Female	Number (%)	328 (83%)	388 (82%)
	By employee category			
	General	Number (%)	268 (67.8%)	332 (70.2%)
	Supervisory	Number (%)	91 (23.1%)	87 (18.4%)
	Managerial	Number (%)	36 (9.1%)	54 (11.4%)
	Total training hours completed by employees	Hours	1,414.95	1,860.3
	Average training hours completed per employee	Hours	2.42	3.19
	By gender			
	Male	Hours	1.55	2.35
	Female	Hours	2.73	3.47
	By employee category			
	General	Hours	1.97	2.53
	Supervisory	Hours	3.17	3.66
	Managerial	Hours	3.59	5.78
B. Social – Operating practices <small>(Notes 1 & 14)</small>				
Supply chain management				
	Total number of suppliers	Number	Department stores operation: 625 Property investment business: 12	Department stores operation: 607 Property investment business: 8
	By geographical region			
	Hong Kong	Number	Department stores operation: 397 Property investment business: 12	Department stores operation: 378 Property investment business: 8
	Overseas	Number	Department stores operation: 228 Property investment business: 0	Department stores operation: 229 Property investment business: 0

8. Performance summary (continued)

B. Social		Unit	FY2024	FY2023
B. Social – Operating practices <small>(Notes 1 & 14)</small>				
Product responsibility				
	Percentage of total products sold or shipped subject to recalls for safety and health reasons	%	0%	0.001%
	Number of product and service-related complaints received	Number	Department stores operation: 17 Property investment business: 3	Department stores operation: 39 Property investment business: 3
Anti-corruption and integrity				
	Number of concluded legal cases regarding corrupt practices brought against the Company or its employees	Number	0	0
B. Social – Community				
	Community investment			
	Total volunteering hours	Hours	72	750
	Total donation amount	\$	34,100	63,800

Notes:

- All data is provided and verified by the respective department heads.
- All environmental KPIs, including GHG emissions, covered the Group's department stores operation and property investment business in Hong Kong. We will consider the feasibility of disclosing environmental KPIs of property investment business in Australia in the future.
- GHG emissions data is presented in tonnes of carbon dioxide equivalent (tCO₂e) and the calculation methodology is based on the "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.
- Fuel consumption included the diesel and petrol fuel used by the Group's delivery trucks, private cars and shuttle bus.
- The consumption data is presented in megawatt hour (Mwh) and is calculated in accordance with "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.
- The Group's revenue from Hong Kong operations is used as the denominator to calculate GHG emissions intensity. The Group's revenue from Hong Kong operations for 2023 and 2024 was approximately HK\$1,052 million and HK\$909 million, respectively.
- Emissions relating to electricity consumption are based on the latest emission factors provided by the two Hong Kong power companies, i.e. The Hongkong Electric Company Limited and CLP Power Hong Kong Limited. For the Group's department store buying office in Guangzhou, the emission factor is based on the "關於發布2022年電力二氧化碳排放因子的公告" published by the Ministry of Ecology and Environment, National Bureau of Statistics.
- Emissions relating to paper waste disposal is equal to emissions from paper consumption minus emissions avoided from recycling waste paper. Paper consumption refers to plain paper used for copying and printing, while the amount of recycled waste paper refers to the paper recorded in recycling vendor's invoices.
- Emissions relating to water usage are based on the latest emission factors provided by the Water Supplies Department and the Drainage Services Department.
- The water usage data covers the common area of the property investment business in Hong Kong and the Main Store only, because no separate water meter has been installed in the Group's other department stores.

8. Performance summary (continued)

11. Emissions relating to air travel by employees are based on the “International Civil Aviation Organisation Carbon Emissions Calculator” provided on the website of the International Civil Aviation Organisation.
12. Electrical appliances/accessories included computers and equipment, as well as empty toner cartridges for recycling. The recycling amount is presented in pieces because the recyclers can only provide the quantity in pieces.
13. Started to collect this figure in 2024. The recycling volume covers wing on *Plus* Store, Main Store and Wing On Plaza.
14. All KPIs of employment and labour practices cover employees employed by the Group’s department stores operation and property investment business in Hong Kong; all KPIs of operating practices cover the Group’s department stores operation and property investment business in Hong Kong. We will consider the feasibility of disclosing KPIs regarding employment, labour practices, and operating practices of property investment business in Australia in the future.
15. The employee turnover rate reflects the number of employees who leave employment with the Group voluntarily or due to dismissal, retirement or death in service during the reporting period. The employee turnover rate is calculated in accordance with “How to prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs” issued by the Stock Exchange, which is equal to the number of permanent employees who leave employment with the Group voluntarily or due to dismissal, retirement or death in service during the reporting year divided by the average number of permanent employees and then multiplied by 100%.
16. All KPIs of profile of workforce (except for by employment type) and employee turnover refer to permanent full-time staff only, while all KPIs of health and safety, development and training and profile of workforce by employment type refer to permanent full-time, temporary and / or part-time staff.
17. Work injuries include incidents requiring sick leave.
18. Training includes all job-relevant internal and external training attended by employees. The difference between internal and external training activities is discussed under the section headed “Development and training” above.

9. ESG Reporting Code Content Index

Subject areas, aspects, general disclosures and KPIs		Corresponding section
A. Environmental		
Aspect 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.	Environment
KPI A1.1	The types of emissions and respective emissions data.	Environment Performance summary
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environment
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance summary
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environment
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environment
Aspect A2: Use of resources		
	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Environment
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Performance summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environment
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environment
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Environment

9. ESG Reporting Code Content Index (continued)

Subject areas, aspects, general disclosures and KPIs		Corresponding section
A. Environmental		
Aspect A3: The environment and natural resources		
	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environment
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment
B. Social – Employment and labour practices		
Aspect B1: Employment		
	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment and labour practices
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Performance summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance summary
Aspect 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.	Occupational health and safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Performance summary
KPI B2.2	Lost days due to work injury.	Performance summary
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational health and safety

9. ESG Reporting Code Content Index (continued)

Subject areas, aspects, general disclosures and KPIs		Corresponding section
B. Social – Employment and labour practices		
Aspect B3: Development and training		
	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance summary
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance summary
Aspect B4: Labour standards		
	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employment and labour standard
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment and labour standard
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employment and labour standard
B. Social – Operating practices		
Aspect B5: Supply chain management		
	General Disclosure Policies on managing environmental and social risks of the supply chain.	Supply chain management
KPI B5.1	Number of suppliers by geographical region.	Performance summary
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply chain management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply chain management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply chain management

9. ESG Reporting Code Content Index (continued)

Subject areas, aspects, general disclosures and KPIs		Corresponding section
B. Social – Operating practices		
Aspect 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.	Product responsibility Responsible marketing and labelling Data privacy and security
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Performance summary
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product responsibility Performance summary
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual property
KPI B6.4	Description of quality assurance process and recall procedures.	Product responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Data security and privacy
Aspect B7: Anti-corruption		
	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Performance summary
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Promoting awareness and training

9. ESG Reporting Code Content Index (continued)

Subject areas, aspects, general disclosures and KPIs		Corresponding section
B. Social – Community		
Aspect 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.	Community investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community investment

Effective 1 January 2025, the Hong Kong Stock Exchange implemented new regulations under the ESG Reporting Code, which repealed Aspect A4 and KPI A4.1 related to climate change, as well as KPI A1.2 related to emissions. However, these aspects and KPIs remain applicable to the Group's reporting requirements for the current reporting year.

Subject areas, aspects, general disclosures and KPIs		Corresponding section
A. Environmental		
Aspect A1: Emissions		
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance summary
Aspect A4: Climate change		
	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate change