



# 顺客隆

Simple kind life

## 中國順客隆控股有限公司

CHINA SHUN KE LONG HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock code : 974



# 2024

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



## CONTENTS

ABOUT THIS REPORT	2	OUR PEOPLE	14
BOARD STATEMENT AND ESG GOVERNANCE STRUCTURE	4	B1. EMPLOYMENT	14
STAKEHOLDER ENGAGEMENT	5	B2. HEALTH AND SAFETY	17
MATERIALITY ASSESSMENT	6	B3. DEVELOPMENT AND TRAINING	17
OUR ENVIRONMENT	7	B4. LABOUR STANDARDS	19
ENVIRONMENTAL TARGETS	7	OUR OPERATION	20
A1. EMISSIONS	8	B5. SUPPLY CHAIN MANAGEMENT	20
A2. USE OF RESOURCES	10	B6. PRODUCT RESPONSIBILITY	21
A3. THE ENVIRONMENT AND NATURAL RESOURCES	11	B7. ANTI-CORRUPTION	24
A4. CLIMATE CHANGE	12	B8. COMMUNITY INVESTMENT	24
		THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE	25



## ABOUT THIS REPORT

### REPORT OVERVIEW

This report is the annual environmental, social and governance (“ESG”) report (the “Report”) published by China Shun Ke Long Holdings Limited (the “China Shun Ke Long”, the “Company”, and together with its subsidiaries, the “Group” or “We”) for the disclosure of the Group’s commitments, practices and performance in ESG from 1 January 2024 to 31 December 2024 (the “Reporting Period”, the “Year”, “FY2024”, or “2024”). This Report is available on the websites of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Company.

### REPORTING SCOPE

This report discloses the Group’s ESG performance of its retail and wholesale distribution operations in the PRC, as well as its offices in both the PRC and Hong Kong.

The reporting scope is determined by the financial significance and the materiality of each Group entity to our business and operations as well as their impact on sustainability. We will review and update the reporting scope, where appropriate, on a regular basis to enhance sustainability performance disclosure of the Group.

### REPORTING FRAMEWORK

This Report has been prepared in compliance with all the applicable provisions set out in the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) under Appendix C2 of the Rules Governing the Listing of Securities of The Stock Exchange. Please refer to the Stock Exchange Content Index in this report for information on the location of specific disclosures.

### REPORTING PRINCIPLES

In the process of preparation of this Report, the Group has adhered to the reporting principles stipulated in the ESG Reporting Guide as the following:

<b>Materiality</b>	A materiality assessment was conducted to identify material issues during the Reporting Period, thereby acknowledging the material issues as the focus for preparation of this ESG Report. Please refer to the sections headed “Stakeholder Engagement” and “Materiality Assessment” for further details.
<b>Quantitative</b>	Supplementary notes are added along with quantitative data disclosed in this ESG Report to explain any standards, methodologies, and sources of conversion factors used during the calculation of emissions and energy consumption.
<b>Consistency</b>	The preparation approach of this ESG Report is substantially consistent with the previous year, and explanations were provided regarding data with changes in the scope of disclosure or calculation methodologies.
<b>Balance</b>	This ESG Report is completed based on fact and actual data disclosure to avoid biased judgement and misleading information to the report readers.

## ABOUT THIS REPORT

### FORWARD-LOOKING STATEMENTS

This Report incorporates forward-looking statements founded upon the Group's current expectations, estimates, projections, beliefs, and assumptions concerning its businesses, the markets in which it operates, and its subsidiaries. It is important to note that these forward-looking statements do not guarantee future performance and are susceptible to market risks, uncertainties, and factors beyond the Group's control. As a result, the actual outcomes and returns may differ from the assumptions and statements presented in this Report.

### CONTACT US

We highly value your feedback as it plays a crucial role in our ongoing efforts for improvement. We warmly welcome any comments or suggestions you may have regarding the Report. You are encouraged to share your valuable feedback on the Report and our sustainability performance by emailing us at [ir@skl.com.cn](mailto:ir@skl.com.cn).



## BOARD STATEMENT AND ESG GOVERNANCE STRUCTURE

### BOARD STATEMENT

The Board is fully committed to advancing our Environmental, Social, and Governance initiatives as a fundamental approach of our business strategy. We believe that sustainable practices are essential for long-term success and value creation for all stakeholders. The Group's focus is on enhancing transparency, promoting diversity and inclusion, and reducing environmental impact. Regular assessments of progress ensure compliance with applicable regulations and ethical standards. Engaging with stakeholders remains a priority, as addressing the concerns raised is key to making a positive contribution to our community and the environment. Together, there is a dedication to achieving ESG goals and fostering a sustainable future for the company and the communities served.

#### The Board

- Oversee all of the Group's ESG matters to ensure comprehensive management and accountability
- Develop and implement effective ESG management approaches and strategies, ensuring alignment with the Group's values and long-term objectives
- Review and evaluate the Group's ESG-related goals, ensuring they are ambitious, measurable, and in line with industry best practices
- Monitor the significant developments and performance related to climate-related risks and opportunities

#### The ESG Committee

- Collect, analyze, and evaluate ESG data to gain valuable insights and assess the effectiveness of existing policies and procedures
- Take proactive measures to ensure the successful implementation of plans aimed at achieving ESG goals
- Ensure strict adherence to ESG-related laws and regulations
- Provide regular reports to the Board, highlighting ESG performance and progress, and compile the annual ESG report
- Oversee the setting of, and monitors progress towards, targets related to climate-related risks and opportunities

### BOARD'S OVERSIGHT OF ESG ISSUES

At the highest level of the organisation, the Board sets the direction for sustainable development and takes full responsibility for the Group's ESG matters. To demonstrate our commitment to transparency and accountability, the Group has created an ESG Committee. The Board has delegated a variety of powers to this committee, which are outlined and clarified in its terms of reference. The Board, assisted by its ESG Committee, conducts careful assessments of the Group's key priorities, such as occupational health and safety, employee rights protection, anti-corruption and emissions and waste management. It formulates relevant strategic guidelines, operational objectives, and development directions in response to this. The Board assumes the crucial role of overseeing and supervising the Management, ensuring the accurate achievement of goals and the effective implementation of sustainable development practices.

The existing management system will undergo a thorough review and enhancement to ensure the effective implementation of the evaluation mechanism. Scrutiny of target implementation progress and goal performance will be conducted, and if progress falls short of expectations, appropriate rectification measures will be taken. Establishing effective communication channels with key stakeholders regarding the goal process is crucial. This fosters their engagement in the implementation process and integrates them as active participants in the desired targets of the company.

The Board affirms that it has reviewed and endorsed this Report. To the best of its knowledge, this Report accurately discloses the identified material issues and presents the Group's ESG management approach and performance.

### THE ESG COMMITTEE

The ESG Committee plays a crucial role in managing and implementing ESG issues. During the FY2024, The committee consists of an executive director, deputy CEO, chief financial officer, and company secretary. Their responsibilities encompass various tasks, including providing the Board with updates on ESG targets, strategies, and initiatives, assisting in preparing comprehensive ESG reports, monitoring and documenting environmental and social data, and evaluating and responding to stakeholders' expectations. Regular reports on relevant ESG outcomes and significant issues are consistently presented to the Board for review, ensuring effective oversight. By establishing strategic objectives for the next three to five years, the Group can develop a practical roadmap and concentrate on achieving its long-term vision. This process requires the ESG Committee to meticulously assess the feasibility of these targets, considering the Group's ambitions and goals.

## STAKEHOLDER ENGAGEMENT

The Group is dedicated to upholding its role as a responsible corporate citizen by consistently delivering value and positively impacting society. We deeply respect and prioritise our stakeholders, considering their expectations vital to shaping our ESG strategy and management approach. These stakeholders include shareholders and investors, customers, employees, suppliers, local communities, the general public, and government and regulatory bodies.

We are committed to fostering more robust relationships with our stakeholders through proactive and ongoing dialogues and collaboration. To facilitate effective communication, we utilise various online and offline channels, such as meetings, face-to-face interactions, interviews, and opinion surveys. We place great importance on the perspectives of our stakeholders when it comes to enhancing our public response to the key issues that affect our business growth. We actively gather feedback through these channels to inform our decision-making and develop appropriate improvement measures.

### Major Stakeholders

### Engagement Channels

Shareholders and Investors

- Annual General meetings
- Financial reports
- Announcements and circles
- Company websites

Customers

- Customer service hotline
- Customer complaint mechanism
- Social media
- Satisfaction Questionnaires

Employees

- Training, seminars, and briefing sessions
- Performance reviews
- Employee complaint mechanism
- Internal communication

Suppliers

- Supplier evaluation meeting
- Supplier audit
- Tender selection
- Regular communication

Communities and NGOs

- Community activities
- Volunteer activities
- Sponsor and donation

Media and the Public

- ESG Report
- Company website
- Social media platforms

Government and Regulatory Authorities

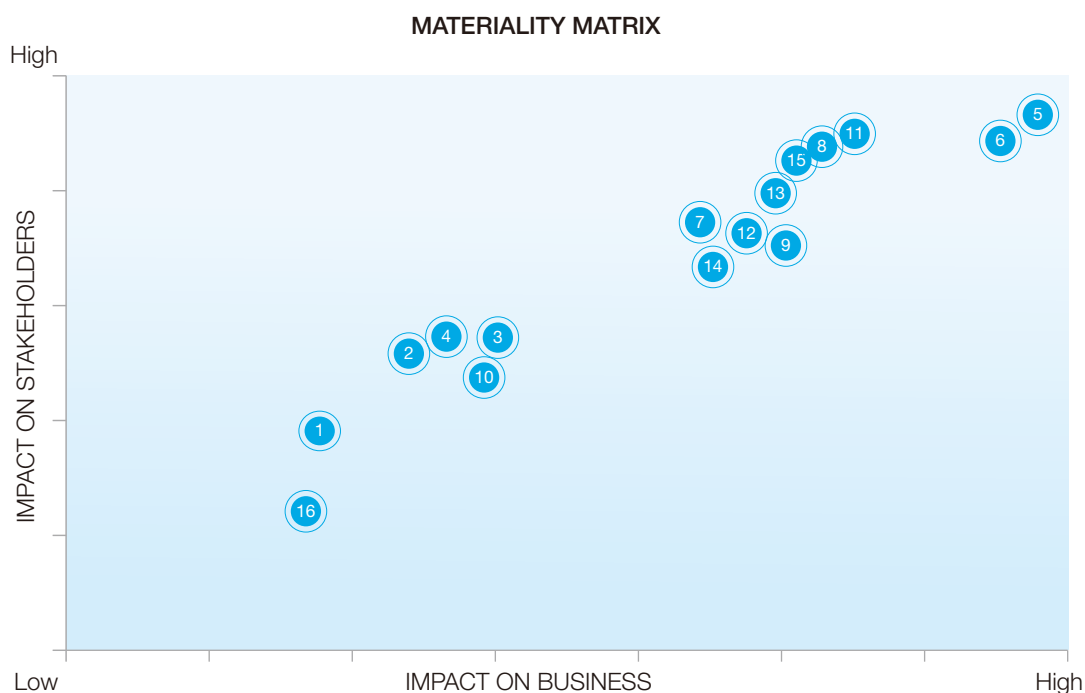
- Written or electronic correspondence
- Regular performance report
- Information disclosure

## MATERIALITY ASSESSMENT

We are actively engaged in identifying and prioritising a range of significant issues. Our continuous efforts are directed towards enhancing our management practices to minimise any adverse impact on stakeholders and to ensure their interests are fully safeguarded.

The Board identified the 16 most relevant ESG issues for the Year after considering the overall market trends and reviewing stakeholders' views. We meticulously analysed the responses from the questionnaire to determine the significance of each ESG issue about the Group's sustainable operations and the interests of its stakeholders. The ESG Committee thoroughly reviewed the materiality assessment results to ensure that all essential aspects were duly considered. Following internal discussions, the validated ESG issues were approved for adoption.

To manage ESG risks associated with each material issue effectively, we have seamlessly integrated them into the Group's overall risk management process. The results of these efforts are briefly summarised in the matrix provided below:



### No. Material Issues

1. Climate change adaptation
2. Emissions and waste management
3. Use of resources
4. Protection of environment and natural resources
5. Compliance with employment regulations
6. Occupational health and safety
7. Employee development and training
8. Employee rights protection

### No. Material Issues

9. Supply chain management
10. Green and sustainable procurement
11. Product responsibility and safety
12. Anti-corruption and anti-bribery
13. Customer service and complaints
14. Responsible marketing
15. Business ethics
16. Community investment



## OUR ENVIRONMENT

The Group regards environmental protection as a core mission of our sustainable development. As a leading retail enterprise, the Group is committed to minimising daily operational impact on the environment while promoting green procurement and a circular economy. Meanwhile, all employees actively engage in environmental protection initiatives and implement energy-saving and emissions-reduction measures to optimize resource utilization. The Group firmly believes that effective environmental management enhances the corporate image and fulfills its responsibility to society and future generations.

### ENVIRONMENTAL TARGETS

Active participation and unwavering support of the entire community are imperative to achieve carbon neutrality. As a responsible corporate citizen who recognises the urgency of addressing climate change, the Group has set clear and measurable environmental KPIs, designating 2025 as the target year. These KPIs serve as reference points for monitoring our advancement. The latest update on our advancements is as follows:

Aspects	2021 (Base Year)	2025 Targets (Against Base Year)	2024 (Results)
Energy consumption intensity MWh/employee	19.66	↓ 5%	19.78
Energy consumption intensity MWh/mil revenue	30.54	↓ 5%	26.15
Water consumption intensity m <sup>3</sup> /employee	96.20	↓ 5%	89.70
Water consumption intensity m <sup>3</sup> /mil revenue	149.44	↓ 5%	118.61
GHG emissions intensity tCO <sub>2</sub> e/employee	15.91	↓ 5%	10.36
GHG emissions intensity tCO <sub>2</sub> e/mil revenue	24.70	↓ 5%	13.70
Waste production intensity tonnes/employee	0.21	↓ 5%	0.27
Waste production intensity tonnes/mil revenue	0.32	↓ 5%	0.36

While the Group's business activities may not significantly impact on the environment or natural resources, it places great importance on responsible environmental management. We are fully committed to fulfilling our obligations towards the well-being of society. To this end, we have implemented an ISO 14001:2015 accredited Environmental Management System (EMS) and have adopted relevant environmental policies based on the principles of "Reduce, Reuse, Recycle, and Replace" (4R Principles). By applying these principles, we effectively manage emissions and resource utilisation across its various business operations, striving to minimise its environmental footprint and align with the principles of green development.

## OUR ENVIRONMENT

### A1. EMISSIONS

During the Year, the Group was not aware of any material non-compliance with environmental-related laws and regulations about exhaust gas and greenhouse gas (“GHG”) emissions, water and land discharge, and the generation of hazardous and non-hazardous waste that would have a significant impact on the Group. Such relevant laws and regulations include but are not limited to the Environmental Protection Law of the PRC, the Water Pollution Prevention and Control Law of the PRC, the Air Pollution Control Ordinance of Hong Kong.

#### Air Emissions

The Group’s air emissions are sourced from nitrogen oxides, sulphur oxides and particulate matter generated from company vehicles.

Types of Air Emissions	Unit	FY2024	FY2023
Nitrogen Oxides (NO <sub>x</sub> )	kg	1,194.41	1,571.75
Sulphur Oxides (SO <sub>x</sub> )	kg	1.28	1.53
Particulate Matter (PM)	kg	80.22	106.11

The Group’s air emission indicators have generally shown a downward trend this year, primarily due to the widespread use of electric vehicles and effective control of vehicle usage. These guidelines encompass several key measures, such as controlling the usage and speed of vehicles, implementing engine shutdown protocols upon parking, and enhancing routine maintenance practices for company vehicles, generators, and other fuel equipment to ensure effective emissions control. Moreover, the Group has committed to utilising eco-friendly unleaded petrol exclusively and mandated that all internal transportation adheres to the most up-to-date emission standards.

#### GHG Emissions

GHG is considered one of the major contributors to climate change and global warming. Within the Group, Scope 1 emissions encompass direct emissions arising from vehicle fuel usage and refrigerants. Scope 2 emissions comprise indirect emissions stemming from purchased electricity and the electricity consumed by electric vehicles.

During the Reporting Period, the Group’s GHG emissions amounted to 8,124.58 tonnes of carbon dioxide equivalent (“tCO<sub>2</sub>e”), representing a decline in our total emissions. The reduction can be primarily attributed to a strategic initiative we undertook to replace our outdated fleet of vehicles. By retiring old cars and acquiring new electric vehicles, we have made strides in reducing carbon emissions. This transition to electric vehicles aligns with our sustainability goals and contributes to global efforts to mitigate climate change.

Scopes of GHG Emissions <sup>1</sup>	Unit	FY2024	FY2023
Scope 1	tCO <sub>2</sub> e	258.70	304.92
Scope 2	tCO <sub>2</sub> e	7,865.88	11,891.45
Total GHG emissions (Scope 1 and 2)	tCO <sub>2</sub> e	8,124.58	12,196.37
GHG Emissions Intensity	tCO <sub>2</sub> e/employee <sup>2</sup>	10.36	12.82
GHG Emissions Intensity	tCO <sub>2</sub> e/mil revenue <sup>2</sup>	13.70	18.27

*Notes:*

1. GHG emission data is presented in terms of carbon dioxide equivalent and are based on, but not limited to, “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” issued by the World Resources Institute and the World Business Council for Sustainable Development, “How to prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs” issued by the HKEX and the latest released average carbon dioxide emission factor for national electricity in China, published by the Ministry of Ecology and Environment on December 2024.
2. In FY2024, the intensity of the environmental KPIs is calculated based on the number of the Group’s employees (2024: 784; 2023: 951) and recorded revenue (2024: RMB\$592.94 mil; 2023: RMB\$667.41 mil).

### Sewage Discharge

The Group’s business activities do not consume a significant volume of water; therefore, the Group did not generate a material portion of sewage during daily operations. The water consumption information is detailed in the below section – Water Resources.

### Waste Management

The Group is deeply committed to promoting optimal resource utilisation across all operational locations as part of our waste reduction efforts. Given the nature of our retail and wholesale business, the Group’s overall consumption of hazardous waste is relatively minimal. Nevertheless, we remain committed to responsible waste management practices and have implemented comprehensive guidelines to handle any hazardous waste that may arise. If any hazardous waste is produced, the Group must engage a qualified chemical waste collector to handle such wastes.

Store managers are required to establish a waste disposal management system, enhance the management of waste disposal, and designate specific personnel to oversee waste handling, transportation, and record-keeping. Dedicated containers or designated areas for waste storage should be provided, clearly labeled to distinguish different types of waste. Liquid waste and waste with volatile odors must be stored in sealed containers. Waste disposal should follow a daily clearance routine to ensure that waste is processed and removed each day.

Most of our non-hazardous waste stems from cardboard boxes used for packaging by our suppliers and paper used in office administrative activities. Our key strategy involves actively recycling these boxes and finding alternative uses to extend their service life. These recycled boxes are repurposed for various purposes, such as storage and internal transportation. The Group generated 211.52 tonnes of non-hazardous waste, among which 208.00 tonnes of cardboard boxes were recycled during the Year.

Types of Waste Disposal	Unit	FY2024	FY2023
Total Hazardous Waste Produced	tonnes	–	–
Total Non-hazardous Waste Produced	tonnes	211.52	218.68
Non-hazardous Waste Intensity	tonnes/employee <sup>2</sup>	0.27	0.23
Non-hazardous Waste Intensity	tonnes/mil revenue <sup>2</sup>	0.36	0.33
Recycled Non-hazardous Waste	tonnes	208.00	215.00



## OUR ENVIRONMENT

### A2. USE OF RESOURCES

The Group cherishes all resources, including energy, water, and raw materials, to strengthen its sustainable and responsible business in its operation. Under the guidance of the Group's Energy and Resources Policy, we are also exploring energy-saving and green management measures for our business to reduce resource consumption as much as possible.

#### Energy Management

The Group's most significant energy consumption in day-to-day operations can be attributed to electricity used in our retail stores and offices. We recognise the importance of optimising our energy consumption to reduce environmental impact and improve energy efficiency.

Types of Energy Consumption	Unit	FY2024	FY2023
Total Direct Energy Consumption	MWh	847.87	1,014.32
– Diesel	MWh	333.83	361.06
– Petrol	MWh	514.04	653.26
Total Indirect Energy Consumption	MWh	14,658.74	14,786.68
– Purchased Electricity	MWh	14,626.29	14,767.40
– Electric Vehicles	MWh	32.45	19.28
Total Energy Consumption	MWh	15,506.61	15,801.00
Total Energy Consumption Intensity	MWh/employee <sup>2</sup>	19.78	16.62
Total Energy Consumption Intensity	MWh/mil revenue <sup>2</sup>	26.15	23.68

In line with our commitment, we have implemented robust energy management practices and regularly track our energy consumption performance. To ensure energy efficiency, we have implemented various measures such as using energy-efficient lighting systems, optimising HVAC (Heating, Ventilation, and Air Conditioning) settings, and installing smart metering systems to monitor and manage energy usage. These initiatives have helped reduce our energy consumption and created a more comfortable shopping environment for our customers. We employ energy-efficient appliances and equipment in our office spaces, promote the use of natural light, and implement power management strategies. Air-conditioners are set according to weather conditions and are not set below 26 degrees Celsius in summer. Our employees are encouraged to adopt energy-conscious behaviours, such as turning off lights and equipment when not in use and actively participate in energy-saving initiatives.

## OUR ENVIRONMENT

### Water Resources

The Group's wastewater is mainly generated from cleaning and sanitation work. During the Reporting Period, the Group consumed 70,328 cubic metres of water. The decline was primarily attributable to the closure of some retail outlets in 2024.

Water Consumption	Unit	FY2024	FY2023
Total Water Consumption	m <sup>3</sup>	70,328	70,525
Total Water Consumption Intensity	m <sup>3</sup> /employee <sup>2</sup>	89.70	74.16
Total Water Consumption Intensity	m <sup>3</sup> /mil revenue <sup>2</sup>	118.61	105.67

The Group has implemented an array of measures to improve the utilisation efficiency of water resources. Regular maintenance on the water taps, water pipelines, and water storage has been strengthened in the operational premises. Leakage tests on water taps and other defects in the water supply system have been carried out. We advocate preserving water and instil the "Water Preservation" concept in employees. Emphasis is also placed on the supply chain regarding water conservation for a high-quality and water-friendly supply chain. The Group prioritises suppliers who have obtained environmental management system certification.

### Packaging Materials

The Group acknowledges the harmful effects of plastic bags on the environment. Due to our business nature, the primary packaging material utilised is plastic roll bags, which serve as a convenient solution for customers to store fresh vegetables, fruits, and frozen food items. To avoid excessive use of packaging materials, saving reminders have been posted in retail stores to encourage customers to use plastic bags reasonably.

Use of Packaging Materials	Unit	FY2024	FY2023
Total Packaging Materials Consumption	tonnes	35.24	36.11
Packaging Materials Consumption Intensity	tonnes/employee	0.045	0.038
Packaging Materials Consumption Intensity	tonnes/mil revenue	0.06	0.05

## A3. THE ENVIRONMENT AND NATURAL RESOURCES

The Group has always been concerned about its impact on the environment and natural resources and is committed to reducing the negative impacts of daily operations. Therefore, the Group implements a series of efficient environmental protection measures and strictly complies with laws and regulations regarding environmental protection, striving for a shared success between humanity and nature.

## OUR ENVIRONMENT

### Working Environment

The Group strongly emphasises maintaining high indoor air quality and has implemented stringent control measures for air quality management. Smoking is strictly prohibited in all areas of our shops and offices to ensure a healthy and clean environment. Any individuals found violating this rule will be subject to appropriate disciplinary action. We have installed air purification equipment throughout our facilities to enhance air quality further. Our air-conditioning systems are regularly cleaned to effectively filter pollutants and dust, ensuring the continuous maintenance of superior indoor air quality. We incorporate green plants into our offices and shops. The presence of these plants not only adds aesthetic value but also contributes to improving the air quality by naturally purifying and refreshing the surrounding environment.

## A4. CLIMATE CHANGE

Climate change is one of the most significant challenges of our time, profoundly affecting all regions of the world and all sectors of society. Recognising the gravity and immediacy of the climate crisis, governments worldwide have intensified their efforts to combat it. Notably, China has announced its goal of attaining carbon neutrality by 2060, while Hong Kong has pledged to achieve net-zero carbon emissions by 2050. In response to these urgent calls for action, companies must actively contribute to the solution by managing physical and transition risks. We have incorporated climate change-related risks into our enterprise risk management.

### Climate Change Governance

We are integrating climate change considerations into our corporate governance and strategic frameworks. This entails devising suitable pathways to reduce carbon emissions, strengthening the management of climate change risks, formulating viable policy to combat climate change, transparently disclosing climate-related information, and assessing the efficacy of our climate strategies and actions. By doing so, we are actively contributing to carbon peaking and neutrality.

The Board assumes the ultimate responsibility for addressing climate change risks and opportunities. To ensure a comprehensive approach, the Board appoints the ESG Committee tasked with overseeing various aspects, including the identification, assessment, and management of climate risks. This robust governance structure ensures that climate-related concerns are effectively addressed and that the Group remains proactive in its sustainability efforts.

### Climate Risk Assessment and Strategy

We have undertaken a comprehensive assessment of climate change risks, categorising them into two main categories: physical risks and transition risks. To effectively address these identified risks, we have developed robust countermeasures and strategies. Simultaneously, we have proactively identified the potential opportunities from climate change, allowing us to capitalise on these prospects and align our business practices with the evolving market.

We have consistently refined our business development strategy and resource allocation by analysing climate-related risks and opportunities. This has led to the formulation of sustainable development strategies. We are firmly dedicated to addressing potential risks stemming from climate change while capitalising on opportunities for low-carbon growth. Our unwavering commitment is to promote green development within our operations and contribute to the betterment of society.



## OUR ENVIRONMENT

The following chart illustrates the Group's identification of potential climate risks we may face in the future and outlines relevant strategies to minimise the impact of climate change.

Risks/ Opportunities	Descriptions	Impact	Strategies
Physical Risks	<ul style="list-style-type: none"> <li>Heat</li> <li>Extreme wind</li> <li>Extreme precipitation</li> <li>Flooding</li> <li>Fires</li> </ul>	<b>Retail stores</b> <ul style="list-style-type: none"> <li>Increased cooling cost</li> <li>Damage to buildings and inventory</li> </ul>	<ul style="list-style-type: none"> <li>Disaster preparedness and response</li> <li>Refrigeration maintenance and conversions</li> <li>Resilient produce sourcing</li> <li>Sustainable commodities initiatives</li> <li>Public policy advocacy</li> </ul>
		<b>Supply chain</b> <ul style="list-style-type: none"> <li>Commodity shortage due to temporary or permanent yield reduction</li> <li>Disruption in the production and distribution of products reliant on agriculture</li> </ul> <b>Communities</b> <ul style="list-style-type: none"> <li>Physical and mental health impacts</li> <li>Financial well-being</li> </ul>	
Transition Risks	<ul style="list-style-type: none"> <li>Regulation and legislation</li> <li>Technology</li> <li>Market</li> <li>Reputation</li> </ul>	<ul style="list-style-type: none"> <li>Changes to carbon pricing regimes</li> <li>Policy targets, fuel and engine standards, subsidies and incentives associated with increasing usage of zero-emissions vehicles and infrastructure</li> <li>Changes in energy and commodity prices driven by climate related weather events, consumption behaviours and policies, resulting in higher costs</li> <li>Changes in consumer demand for low carbon products and services</li> <li>Stakeholder perception of the Group's response to climate-related crisis</li> </ul>	<ul style="list-style-type: none"> <li>Policy monitoring and integration into business and financial planning</li> <li>Monitoring and assessing regulations and legal risks on an ongoing basis</li> <li>Monitoring market trends</li> <li>Report climate and environmental performance to investors</li> <li>Monitoring customer, investor and stakeholder sentiment via digital and traditional media engagement and coverage</li> </ul>

## OUR PEOPLE

The Group's success relies on the efforts, dedication, and contributions of all employees. We believe how we treat our employees and support their growth will affect how they serve our customers and communities and determine how sustainably we can develop as a company. The Group has been committed to building an equal, dignified, and inclusive work environment with fair compensation and abundant career opportunities so our employees can best use their talents.

### B1. EMPLOYMENT

#### **Recruitment, Promotion, and Dismissal**

The Group has formulated key human resources management practices in the Employee Handbook. The Group promises to provide all candidates with fair access to information and resources and adhere to a robust, open, and merit-based recruitment process through multiple recruitment channels such as website, employment agencies, internal recommendation, and campus recruitment. The Human Resources Department and the recruitment team are responsible for the candidate selection and interviews. During the interviews, candidates are informed of the working environment, job duties, remuneration, and welfare. Factors such as capabilities, academic qualifications, practical working requirements, functional knowledge, and language proficiency are considered recruitment standards under a transparent and friendly atmosphere.

The Group prioritises the promotion of an employee who has demonstrated outstanding performance as a kind of reward through an open and fair assessment system. Staff appraisals that form the basis of promotion and salary adjustment are conducted regularly to assess employees' job performance under the principle of merits, talents, and competitiveness.

The Group respects and protects the rights and interests of employees following the Employee Handbook. We have no tolerance for unfair dismissal and ensure the dismissal procedure is fair and open. The Employee Handbook has formulated the procedures and conditions of dismissal and contract termination.

#### **Working Hours and Rest Periods**

The Group has clearly outlined the schedule for employees' workdays and hours in the Employee Handbook and strongly opposes any form of forced labor. All overtime work is voluntary and is subject to appropriate overtime compensation and allowance covering meal and travelling expenses. Apart from annual leaves, the Group has provided employees with all kinds of holidays, including statutory holidays and other paid leaves such as marriage leave, maternity leave, paternity leave, compassionate leave, etc. All information related to attendance, holidays and benefits has been clearly stated in the employment contract.

The Group advocates a work-and-life balance culture by organising year-end parties, birthday parties and sports activities to boost their well-being. During festivals such as Women's Day, Mid-autumn Festival and Spring Festival, the Group organises recreational activities to ensure that employees experience joy and happiness.

### **Equal Opportunity, Diversity, Anti-discrimination**

The Group is committed to creating and maintaining an inclusive and collaborative workplace culture. The Group treats employees of different nationalities, races, ages, genders, religious beliefs, and cultural backgrounds fairly and equitably and protects the legitimate rights and interests of female employees. The Group shall not tolerate discrimination and harassment at work and is committed to preventing it. We let employees equally enjoy their legal rights to labour remuneration, rest and leave, access to labour safety and health protection, social insurance, welfare, etc.

The Group is devoted to building a diversified working team. Anyone who is intimidated, humiliated, bullied, or harassed, including sexual harassment, may report to the employee's representative or file complaints directly to the management representative or the general manager, and we will take serious approaches to resolve the issues upon receiving the said complaints.

### **Remuneration and Benefits**

The Group has established fair, reasonable, and competitive employee remuneration. All qualified employees are entitled to competitive wages, comprehensive insurance coverage, and medical benefits. By the Social Insurance Law of the PRC, the Group pays "five social insurance and one housing fund" for all Mainland employees, namely, endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance, and housing provident fund. The Group also pays the Mandatory Provident Fund for employees in Hong Kong under the Mandatory Provident Fund Scheme Ordinance of Hong Kong. The Group reviews the remuneration packages annually to ensure they meet the market standards to attract and retain talent.

### **Employee Communication**

To enhance employees' communication, the Group has established an array of communication channels, such as work reporting and assessments, staff satisfaction surveys, and suggestion boxes, to understand their opinions on corporate development, employment relationships, work remuneration, responsibilities, and obligations. All the information received from employees is kept confidential.

During the Reporting Period, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group. Such laws and regulations include but are not limited to the Labour Law of the PRC, the Labour Contract Law of the PRC, the Employment Ordinance in Hong Kong.



## OUR PEOPLE

### Employee Composition

As of December 31, 2024, the Group had a workforce comprising a total of 784 employees. The employee breakdown is as follows:

Breakdown of Employees	FY2024	FY2023
<b>Total</b>	<b>784</b>	951
<b>By Gender</b>		
Male	254	271
Female	530	680
<b>By Age</b>		
Below 30	97	85
30-50	570	677
Above 50	117	189
<b>By Geographical Location</b>		
Mainland China	776	942
Hong Kong	8	9
<b>By Employment Type</b>		
Full-time	632	737
Part-time	152	214
<b>By Employment Categories</b>		
Management Staff	99	118
General Staff	685	833

During the Reporting Period, the overall employee turnover rate of the Group was approximately 42%. Figures below present details:

Employment Turnover Rate <sup>3</sup> (%)	FY2024	FY2023
<b>By Gender</b>		
Male	35%	36%
Female	45%	33%
<b>By Age</b>		
Age 30 or below	37%	80%
Age 31-50	31%	26%
Age above 50	97%	39%
<b>By Geographical Location</b>		
Mainland China	42%	34%
Hong Kong	13%	22%
<b>Overall</b>	<b>42%</b>	34%

Note:

- Employee turnover rate is calculated by the number of employees left during the Reporting Period/Total number of employees as of 31 December 2024×100%.

## OUR PEOPLE

### B2. HEALTH AND SAFETY

The Group attaches great importance to providing a healthy and safe work environment and cares deeply about our employees' well-being and comfort. The Group has been certificated with OHSAS 18001 Occupational Health and Safety Management System. Risk assessments have been conducted regularly by third parties to reduce our employees' potential safety hazards. The Group reviews and, if necessary, revises the relevant measures and practices annually to ensure its health and safety standards continuously improve. The Group has also formulated a range of occupational health and safety measures and guidelines, including providing personal protection equipment and complimentary drinks and breaks during the hot season.

To raise employees' safety awareness, the Group provides compulsory induction safety and health training to new hirers and occupational safety education for existing employees in response to emergencies such as traffic accidents and epidemic prevention and control. The Group has formulated fire safety systems under the Fire Protection Law of the PRC. The Group has trained employees in using fire equipment such as fire extinguishers and conducted fire drills periodically. Fire evacuation plans are also formulated and evaluated regularly to ensure fire safety.

In addition, the Group organises physical examinations for all qualified employees. We have insured labour, industrial injury and commercial insurance for our employees. In case of work-related accidents, the insurance department would assist employees in supporting employee recovery and other living expenses as soon as possible. The employees were given paid sick leave for their recovery. The Group has also continued to organise work-life balancing activities for employees and other activities to promote healthy living practices.

The Group has maintained a zero work-related fatality rate for three consecutive years. During the Reporting Period, there were seven work-related injuries. The increase in the lost working days is due to a limited number of traffic accidents reported while relevant employees are commuting to stores or at work. The Group fully supports injured employees and gives them enough time to rest. We were also not aware of any material noncompliance with employment-related laws and regulations that would have a significant impact on the Group. Such laws and regulations include but are not limited to the Law of the PRC on the Prevention and Control of Occupational Diseases, the Production Safety Law of the PRC, the Occupational Safety and Health Ordinance of Hong Kong. In the future, we will remain our commitment to lowering the work-related injury rate and enhancing both traffic safety education and workplace safety.

		FY2024	FY2023	FY2022
<b>Fatalities Due to Work Injury</b>	Case	0	0	0
<b>Work Injury</b>	Cases	7	3	7
<b>Lost Days Due to Work Injury</b>	Days	239	0	49

### B3. DEVELOPMENT AND TRAINING

The Group places great importance on developing its personnel and has implemented an internal management training and development system. We aim to address the diverse requirements of our employees through a range of training programs, such as orientation courses, best-practice sharing, and business skill set training. Both general employees and management personnel are offered different training courses and development programs tailored to their specific roles.

## OUR PEOPLE

To ensure that new recruiters are well-prepared for their responsibilities, they are required to participate in induction courses that equip them with the necessary skills. Additionally, we provide regular on-the-job training to existing employees, keeping them up to date with the latest industry practices. We consistently update the training materials to ensure their relevance and effectiveness in enhancing our employees' skills, knowledge, and competency in carrying out their duties and tasks.

The Human Resource Department and the Administrative Department are responsible for planning and evaluating training activities, setting training goals and designing training programs. All training records are meticulously maintained within the Human Resources Department. Upon completion of the training, an evaluation is conducted through employee questionnaire forms, which serve as a foundation for developing future training plans. The Group is committed to continuously enhancing the quality of training by considering employee feedback regarding trainers, training effectiveness, and the overall structure of the programs. This iterative process ensures ongoing improvements to our training initiatives. By investing in staff training, we not only enhance the comprehensive competency of our employees but also identify opportunities for technological and organisational development within the Group.



During the Reporting Period, the Group conducted 4,735 hours (2023: 3,315) of training, with the average training hour being approximately 6.0 hours (2023: 3.5) per employee. The percentage of employees training is as follows:

### Percentage of Employees Received Training<sup>4</sup>

#### Overall

#### By Gender

Male

Female

#### By Employment Category

Management Staff

General Staff

### FY2024

### FY2023

102%

33%

104%

40%

101%

30%

110%

49%

101%

30%

## OUR PEOPLE

The breakdown of total employees by gender and employment categories is as follows:

### Breakdown of Employees Received Training<sup>5</sup>

	FY2024	FY2023
<b>By Gender</b>		
Male	33%	35%
Female	67%	65%
<b>By Employment Category</b>		
Management Staff	14%	19%
General Staff	86%	81%

### Average Training Hours Received per Employee<sup>6</sup>

	FY2024	FY2023
<b>Overall</b>	6.0	3.5
<b>By Gender</b>		
Male	6.2	4.6
Female	6.0	3.0
<b>By Employment Category</b>		
Management Staff	2.8	7.0
General Staff	6.5	3.0

Notes:

- Formula for calculating the percentage of employees trained = number of employees trained/total number of employees at 31 December 2024 \* 100%. Formula for calculating the percentage of employees in relevant categories = Employees in the specified category, who took part in training/total number of employees in the specified category \* 100.
- Formula for calculating the breakdown of employees trained = number of employees trained under x category/total number of employees trained at 31 December 2024 \* 100%. Formula for calculating the breakdown of employees in relevant categories = Employees in the specified category, who took part in training/Employees who took part in training \* 100.
- Formula for calculating average training hours per employee = Total number of training hours/Total number of employees. Formula for calculating average training hours of employees in relevant categories = Total number of training hours for employees in the specified category/Number of employees in the specified category.

## B4. LABOUR STANDARDS

The Group is fully committed to upholding human rights and strictly prohibits the use of child and forced labour. During the recruitment process, we carefully examine candidates' identity documents and conduct comprehensive background screenings to prevent any instances of child labour. It is important to note that individuals under 16 are not permitted to work within the Group.

To ensure that our employees' rights are respected, all personnel are required to enter into voluntary and legally binding labour contracts with the Group. These contracts clearly outline working hours, location, and primary responsibilities to avoid any deviation from their designated tasks. If overtime work is necessary, it is carried out with the employee's consent and is adequately compensated through extra pay or time off by relevant laws and regulations, thus eliminating any forced overtime work.

We have a zero-tolerance policy towards verbal abuse, oppression, and sexual harassment of employees, regardless of the circumstances. Any violation of these regulations will result in immediate dismissal or termination of the probationary period for the individuals involved. Additionally, the Group includes explicit clauses in contracts with cooperative suppliers and subcontractors, clearly stating that illegal labour is strictly prohibited. This ensures that human rights violations are prevented throughout our supply chain.

During the Reporting Period, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations that would have a significant impact on the Group. Such laws and regulations include but are not limited to the Labour Law of the PRC, the Labour Contract Law of the PRC, the Employment Ordinance of Hong Kong.

## OUR OPERATION

The Group's rapid growth in the retail industry is rooted in efficient operational management. The Group prioritises customer-centricity, optimizing supply chain and inventory management to ensure exceptional product quality and service. Through rigorous supplier management and transparent labeling and advertising strategies, the Group strive to offer safe and reliable products that meet consumer expectations and lay the foundation of our sustainable development.

### B5. SUPPLY CHAIN MANAGEMENT

The Group treats every supplier as a vital business partner. The Group specifies its commercial, environmental, and social requirements on suppliers, including compliance with business ethics, human rights protection, environment protection, health and safety.

The Group has implemented a rigorous supplier selection system by ISO 20400:2017 Sustainable Procurement Guidance. In accordance with the Group's internal "Material Procurement Management Regulations," supplier selection is based on several criteria, including compliance, price, quality, supply stability, and after-sales service. However, the Group places utmost priority on food quality, considering it a critical element. As such, suppliers are required to provide regular product testing reports to ensure strict adherence to the Group's quality standards. Through a collaborative effort between the quality management and procurement departments, on-site assessments of suppliers are conducted.

The Group has implemented a unified procurement platform to streamline procurement processes and maintain confidentiality. This platform adheres to the Group's confidentiality rules and includes regulations for supplier withdrawal. A comprehensive supplier database has been established to ensure up-to-date supplier information and regular reviews are conducted for all suppliers. When evaluating potential new suppliers, the Group assesses their basic qualifications, scale requirements, quality systems, business capabilities, and environmental and social responsibilities. This evaluation process ensures that suppliers meet the Group's standards and align with its sustainability and corporate social responsibility values.

The Group significantly emphasises incorporating environmental and social factors into the evaluation criteria during this assessment process. Specifically, the Group scrutinises various aspects, including verifying whether the supplier has obtained environmental management system certification, ensuring compliance with their environmental and sanitation conditions, adherence to relevant laws and regulations, and assessing any past incidents related to environmental pollution, employee gender discrimination, or instances of child labour employment within the last three years.

Suppliers who do not meet the Group's supplier selection criteria or fail to demonstrate a satisfactory standard may be excluded from future engagements. The Group has implemented comprehensive policies and procedures to ensure transparency and fairness in supplier engagement. These measures provide a level playing field for all suppliers. The Group invites suppliers to participate in technical seminars focused on industry and market trends. These seminars serve as platforms for technology-related discussions and information exchange. Furthermore, the Group maintains open communication channels with suppliers through various interactions, including seminars, training courses, on-site visits, meetings, and audits. We will not tolerate any form of discrimination against any supplier nor allow any forms of corruption or bribery. Employees and other individuals interested in the suppliers are not allowed to participate in relevant procurement activities. The Group only selects suppliers with good track records in the past and has no serious violations of business ethics.



## OUR OPERATION

The Group demonstrates its commitment to responsible sourcing practices by adhering to these stringent evaluation indicators. This approach ensures that suppliers are aligned with the Group's sustainability goals and values, promoting environmentally friendly and socially responsible business practices throughout the supply chain. During the Reporting Period, the Group had a total of suppliers 456 (2023: 353), all of which were located in Mainland China. The Group recognises our suppliers to comply with our internal environmental and social standards.

### B6. PRODUCT RESPONSIBILITY

We recognise that responsible corporate practices are essential for driving business growth. We firmly believe that providing high-quality products and exceptional customer service is vital for maintaining a robust and sustainable customer relationship. We have developed a comprehensive set of policies and guidelines to uphold these principles. These measures demonstrate our unwavering commitment to enhancing the quality of its products and services.

#### **Product Quality and Safety**

The health and safety of customers are always our priority. The Group's senior management is responsible for maintaining high-quality food standards and providing a healthy and safe shopping environment, in accordance with the Group's guidance. A Food Safety Management System has been established in which raw materials and food ingredients are sourced primarily from a list of qualified suppliers. When receiving direct deliveries from suppliers, store personnel must verify the supplier's business license, food production license, food business license, and any other legally required permits. They should check the inspection certificates for food according to the type and batch, ensuring that imported food has the necessary entry inspection and quarantine certificates. Those relevant documents, either in electronic or paper form, should be kept on file for reference. The Group examines the freshness and quality of the raw materials and food ingredients and would cease sourcing from those suppliers who fail to provide quality food ingredients as specified.

To ensure a pristine and hygienic environment within the supermarket, strict guidelines are in place to prohibit employees from engaging in activities such as smoking, chewing gum, eating, and drinking while on duty. All staff must undergo training related to food safety regulations and knowledge before starting their positions, and they can only begin work after passing this training. Store managers regularly conduct training sessions for employees on food safety, relevant laws and regulations, and business skills. Employees are required to follow rigorous hygiene protocols when handling raw food ingredients. Before touching any such ingredients, employees must sanitise their hands thoroughly and wear gloves. This practice helps to prevent contamination and ensures the utmost safety and quality of the food products. Sales assistants are subject to additional health-related requirements. They are mandated to provide valid health certificates and undergo annual body checks to verify that they are in good health condition. If any staff members exhibit symptoms that could compromise food hygiene, such as coughing, diarrhea, or fever, they must immediately leave their workstations. They can only return to work after the cause of their illness has been identified and resolved or treated. This stringent measure is implemented to safeguard the well-being of both employees and customers, as sales attendants play a crucial role in handling and preparing food products.

## OUR OPERATION

The Group has implemented a comprehensive Expired Food Management and Food Safety System to demonstrate its commitment to upholding the highest food safety and quality control standards. This policy provides clear instructions and measures to regulate the daily logistics operations of the warehouse, ensuring standardisation and adherence to food safety protocols. The Group has established a practice of daily scanning of food products to verify their expiration dates. This meticulous process helps to prevent the sale or use of expired food products, ensuring the highest level of food safety for customers. Expired food products must be disposed of securely and environmentally by responsible personnel. This ensures that expired products are effectively removed from circulation and prevents any potential risks associated with their consumption. Additionally, the Group maintains detailed records of the quantity of disposed products, facilitating accurate tracking and monitoring of waste management practices.

By implementing these measures, the Group demonstrates its commitment to upholding the highest food safety and quality control standards.

### **Customer Service Quality**

The Group views customer complaints as a crucial aspect of the ongoing efforts to enhance its quality management. Recognising the significance of enhancing the customer experience and minimising potential churn, diverse customer service channels are available to provide comprehensive support. These channels encompass various mediums, including email, phone, social media, and in-person interactions.

To ensure a fair and confidential complaint-handling process, the Group has established dedicated personnel responsible for processing and recording customer complaints. The confidentiality of both the complainant and the complaint itself is strictly maintained, safeguarding the interests of all parties involved. Each complaint is required to be properly submitted and processed through the relevant functions within the Group. When an emergency occurs that has harmed or poses a potential threat to the health and safety of consumers, the operating unit must immediately report to the local relevant administrative departments. The operating unit or individuals must not conceal, misreport, or delay reporting any food safety incidents, nor should they destroy any relevant evidence. To prevent any conflicts of interest, the Group strictly prohibits employees from engaging in private settlements with complainants. This ensures that customer feedback is accurately received and enables the Group to address any underlying issues to improve the overall quality of its business operations.

A specialised service team is assigned to investigate the complaints received thoroughly and address customers' major concerns. If the root cause of the complaints lies within the current internal service processes, the Group proactively updates these processes to make them more streamlined and visible to the team. If necessary, additional training is provided to the team members to equip them with the necessary skills and knowledge to provide high-quality service.

### **Protection of Data and Privacy**

The Group strongly emphasises personal data protection and acknowledges its obligations concerning the collection, storage, processing, and utilisation of customer information. To uphold the confidentiality of sensitive information, the Group has established a comprehensive Business Confidentiality Agreement Policy, which is outlined in detail in the Employee Handbook. This policy serves as a guide for employees on how to handle and safeguard confidential data. All employees are required to adhere to this policy to prevent unauthorised disclosure or misuse of information.

The Group strictly adheres to privacy regulations and best practices when collecting customer data. Personal information is only obtained with the customers' explicit consent, ensuring transparency and respect for their privacy rights. The Group collects and retains personal data solely for designated business purposes, and access to this information is limited to authorised personnel who require it to perform their duties.

To reinforce the protection of confidential data further, the Group has established a dedicated Confidentiality Committee. This committee oversees the implementation and enforcement of confidentiality measures across the organisation. They regularly review and update security protocols, conduct risk assessments, and provide guidance and training to employees to enhance data protection practices.

### **Advertisement and Labelling**

The Group strictly abides by the laws and regulations relating to retail and wholesale services to ensure the advertising content is factual, non-biased, and not misleading or deceptive. The Group has implemented a robust framework that includes regular assessments and updates of applicable laws and regulations. It is prohibited to label false production dates or expiration dates on food products or food additives, or to sell foods and additives that are past their expiration dates.

Unlabeled prepackaged foods and food additives are also not allowed. Foods that have been suspended from sale due to labels, markings, or instructions that do not comply with food safety standards can be returned to the producer. Bulk food should be placed on containers or isolation facilities holding the food, clearly indicating the food's name, ingredient list, production date, expiration date, storage conditions, consumption methods, and the producer's name and contact information. Each product should have a corresponding label, ensuring a one-to-one correspondence between the product and its label. This proactive approach enables the Group to stay abreast of any changes or developments in the legal landscape and adapt its management regulations for advertising accordingly.

### **Intellectual Property Rights**

The Group values and protects intellectual property rights. The Employee Handbook serves as a comprehensive guide for all employees, clearly outlining the Group's expectations regarding handling confidential information. It explicitly prohibits employees from disclosing any confidential information, including but not limited to the Group's strategies, business interests, know-how, inventions, and intellectual property, to any third party during their employment and even after the termination of their employment. Employees are made aware of the significant consequences of breaching this policy, including legal action and damage to the Group's reputation.

The Group's commitment to intellectual property protection extends beyond its assets. When cooperation with an external organisation, the terms of the contract shall be set to ensure that products or services provided by the partner are free from infringement of any intellectual property right.

During the Reporting Period, no products sold or shipped were subject to recall for safety and health reasons. The Group did not receive any complaints regarding products and services. The Group was not aware of any material non-compliance with any laws and regulations concerning health and safety, advertising, labelling and privacy matters in relation to products and services provided and methods of redress that would have a significant impact on the Group. Such laws and regulations include but are not limited to the Law of the PRC on the Protection of Consumer Rights and Interests, the Product Quality Law of the PRC, the Patent Law of the PRC, the Advertising Law of the PRC, the Personal Data (Privacy) Ordinance of Hong Kong.

## OUR OPERATION

### B7. ANTI-CORRUPTION

The Group's Anti-corruption Policy stipulates the daily behaviors of employees, explicitly prohibiting their involvement in acts or activities related to bribery, extortion, fraud, and money laundering. Employees should avoid engaging in any circumstances that might have involved a conflict of interest with the Group or its associated companies. Prior to commencing employment, employees are required to sign an acknowledgement confirming their understanding and commitment to adhere to the code of conduct. In case of any violation, the Group will terminate the labour contracts without paying any compensation. Any losses suffered by the Group due to misconduct would be reimbursed at its discretion. The suspected criminal offence would be transferred to enforcement authorities in accordance with the law.

#### Whistle-blowing Mechanism

The Group has established a transparent and accountable whistleblowing channel to detect and address violations proactively. Employees have the option to report any instances of misconduct or suspected corruption through suggestion boxes or email. All reported cases will be handled confidentially to protect the whistle-blower's identity and privacy. Whistle-blowers will be protected from unfair dismissal or retaliatory disciplinary actions, ensuring the preservation of their legal rights. To enhance bribery prevention awareness among management and general employees, the Group offers self-learning pamphlets to strengthen the staff's ability to manage conflicts of interest and foster a heightened vigilance against corruption.

The Group also requires its trading partners to comply with strict anti-corruption practices. To ensure continuous awareness and compliance, our statement of anti-corruption policies is prominently displayed in all public meeting areas, reminding employees and business partners alike to uphold these practices.

During the Reporting Period, the Group prioritised anti-corruption measures by conducting comprehensive training sessions. A total of 16 hours (2023: 18) of anti-corruption training were provided to both the Board of Directors and employees. There was no concluded legal case regarding corrupt practices brought against the Group or its employees. The Group was also not aware of any material non-compliance with related laws and regulations of bribery, extortion, fraud, and money laundering that would have a significant impact on the Group. Such laws and regulations include but are not limited to the Anti-Unfair Competition Law of the PRC, the Criminal Law of the PRC, the Company Law of the PRC, the Prevention of Bribery Ordinance of Hong Kong, Prevention and the Law Suppression of Bribery in Private Sector.

### B8. COMMUNITY INVESTMENT

In pursuit of business success, contributions to the community are also crucial to building a solid relationship with stakeholders in the operational regions, which stimulates our sustainable development. To show the Group's commitment to fulfilling its corporate responsibility, it has formulated a relevant policy, which properly sets out the work for community investment. We focus on inspiring our employees' sense of social responsibility and encouraging them to participate in activities that contribute to the community. To foster positive relationships with local communities, we actively engage in numerous charitable activities independently or in collaboration with local non-profit organisations. As a testament to our commitment to social responsibility, the Group was honoured with the "25th Anniversary Social Responsibility Benchmark Chain Enterprise of Guangdong Province (廣東省25週年社會責任標桿連鎖企業)" award.

In 2024, the Group actively focused on community contributions, particularly in rural revitalisation development. In response to local needs, we donated CNY25,000 as a fund to support sustainable community growth. In the future, we will continue to focus on community contributions, supporting rural revitalization and sustainable development. We will promote harmonious relationships with residents and charitable organizations through financial support, volunteer activities, and collaboration with local groups, aiming to enhance social welfare. We will also regularly assess and adjust our resource allocation strategies to ensure that each initiative effectively promotes community development and prosperity. Our group believes that through collective efforts, we can build a better community.

## THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE

### Mandatory Disclosure Requirements

Governance Structure

Reporting Principles

Reporting Boundary

### Section

Board Statement and ESG Governance Structure

Reporting Principles

Reporting Scope

### Subject Areas,

### Aspects, General

### Disclosures and KPIs

### Description

### Section/Declaration

#### Aspect A1: Emissions

General Disclosure

Information on:

Emissions

- (a) the policies; and
- (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to Exhaust Gas and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes.

KPI A1.1

The types of emissions and respective emissions data.

Emissions –  
Air Emissions

KPI A1.2

Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity.

Emissions –  
GHG Emissions

KPI A1.3

Total hazardous waste produced (in tonnes) and intensity.

Emissions –  
Waste Management

KPI A1.4

Total non-hazardous waste produced (in tonnes) and intensity.

Emissions –  
Waste Management

KPI A1.5

Description of emission target(s) set, and steps taken to achieve them.

Environmental targets

KPI A1.6

Description of how hazardous and non-hazardous waste are handled, and a description of waste reduction target(s) set and steps taken to achieve them.

Emissions –  
Waste Management

#### Aspect A2: Use of Resources

General Disclosure

Policies on the efficient use of resources, including energy, water, and other raw materials.

Use of Resources

KPI A2.1

Direct and/or indirect energy consumption by type in total and intensity.

Use of Resources –  
Energy Management

KPI A2.2

Water consumption in total and intensity.

Use of Resources –  
Water Resources

KPI A2.3

Description of energy use efficiency target(s) set and steps taken to achieve them.

Use of Resources –  
Energy Management

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.

Use of Resources –  
Water Resources



## THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE

### Subject Areas, Aspects, General Disclosures and KPIs

### Description

### Section/Declaration

KPI A2.5	Total packaging materials used for finished products (in tonnes) and with reference to per unit produced.	Use of Resources – Packaging Materials
----------	---	--

### Aspect A3: The Environment and Natural Resources

General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources

### 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 – Climate Risk Assessment and Strategy

### 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
KPI B1.1	Total workforce by gender, employment type (for example, full-time or part-time), age group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment

### 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.	Health and Safety
--------------------	---	-------------------

## THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the Reporting Period.	Health and Safety
KPI B2.2	Lost days due to work injury	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted and how they are implemented and monitored.	Health and Safety
<b>Aspect B3: Development and Training</b>		
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).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
<b>Aspect B4: Labour Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid the child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
<b>Aspect B5: Supply Chain Management</b>		
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.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	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

## THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE

### Subject Areas, Aspects, General

#### Disclosures and KPIs

#### Description

#### Section/Declaration

### 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
KPI B6.1	Percentage of total products sold or shipped subject to recall for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Product Responsibility – Customer Service Quality
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility – Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility – Product Quality and Safety
KPI B6.5	Description of customer data collection and privacy policies and how they are implemented and monitored.	Product Responsibility – Protection of Data 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.	Anti-Corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures and how they are implemented and monitored.	Anti-Corruption – Whistle-blowing Mechanism
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Corruption

### 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