



圓通國際

YTO International Express and Supply Chain Technology Limited

圓通國際快遞供應鏈科技有限公司

Incorporated in the Cayman Islands with limited liability

Stock Code: 6123



2024

Environmental, Social and Governance Report

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ABOUT THE REPORT

This is the ninth environmental, social and governance (“ESG”) report (“Report”) published by YTO International Express and Supply Chain Technology Limited (“YTO International Express” or the “Company”, together with its subsidiaries, the “Group” or “We”). The Report aims to improve stakeholders’ understanding of the Group’s sustainability efforts through disclosure of the environmental, social and governance performance of YTO International Express and its subsidiaries.

This Report is published in Chinese and English. In case of any discrepancies between the two versions, the English version shall prevail. For information on governance, please see the Corporate Governance Report on pages 63 to 90 of the Annual Report 2024 of the Company.

REPORTING GUIDELINES

This Report is prepared in compliance with the Environmental, Social, and Governance Reporting Guide set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). In preparing this Report, we ensured adherence to the Stock Exchange’s Reporting Principles of materiality, quantitative, balance, and consistency, and presented the relevant Sustainability Development Goals as outlined by the United Nations (“UNSDG”).

REPORTING BOUNDARY

The boundary of this Report follows that of the Annual Report 2024 of the Company, which covers the Group’s operations comprising air freight and ocean freight services in Hong Kong and Shanghai in the financial year from 1 January 2024 to 31 December 2024.

FEEDBACK

Your comments and opinions are critical to continuous improvement of our sustainability efforts. If you have any questions or comments, please contact us at:

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WHO WE ARE

The Group is committed to sustainable development and aims to be a leading integrated logistics service provider. We continuously strive to enhance our services, leverage growth opportunities, and explore innovative approaches to create enduring value for our business and customers. Our objective is to deliver efficient and environmentally friendly logistics solutions to stakeholders. The Group remains focused on improving client experience, optimising services, and strengthening brand reputation. Guided by our core values of “Quality, Technology, Green, and Virtue”, we are committed to driving industry leadership.

The Group’s core operations encompass air and sea freight forwarding, logistics services (including warehousing, distribution, and customs clearance), international courier and parcel services, as well as value-added offerings such as consolidation, trucking, general sales agency, and hand-carry rush services. Our primary business is air freight forwarding, which involves managing cargo shipments based on customer bookings, securing cargo slots from airlines, preparing documentation, and overseeing customs clearance, loading, and unloading at destinations.

Widely recognised within the logistics industry, the Group has received numerous accolades from international organisations and airlines since 2000. Notably, we have earned the “Top Agent Award” from Cathay Pacific Cargo every year since 2006. This recognition has established the Group as a preferred business partner for globally renowned companies, particularly those in the apparel, footwear, and e-commerce sectors, specialising in small parcel shipments.



WHO WE ARE

SUSTAINABILITY AWARDS

We actively participate in a wide range of social welfare initiatives, demonstrating our commitment to achieving sustainability for society, the environment, and our company. During the reporting period, the Group was awarded the “2024 CSR Corporate Social Responsibility Award – Greater Bay Area ESG Sustainable Development Enterprise Award”.



2024 Greater Bay Area ESG Sustainable Development Enterprise Award



CHAIRMAN'S MESSAGE



Dear Stakeholders,

2024 marked a pivotal year in our pursuit of the “YTO Dream” and the journey toward building a legacy of “YTO for a Century”. At YTO International Express, our mission “serving society, strengthening the nation” and our commitment to “creating value for our customers” have guided us to steadily advance our environmental, social, and governance commitments, even in a complex and ever-changing business landscape.

We are dedicated to embedding sustainable development principles into our strategic planning and daily operations. This approach not only builds long-term competitive advantages for the company but also enables us to gather invaluable experience in sustainable practices. Our goal is to make robust ESG management the foundation of our growth, fostering a cycle of mutual benefit for both our business and society.

As climate change increasingly captures the attention of our stakeholders, we have enhanced our resilience by thoroughly assessing and managing climate related risks and opportunities. By aligning our business strategy with the low-carbon economic transition — through measures such as energy-efficient lighting, temperature control, and other emissions-reduction initiatives, we have reduced our carbon footprint and established clear environmental targets that are regularly evaluated to ensure lasting benefits.

Our employees are the cornerstone of our sustainable development and overall business success. We place people at the heart of our operations, recognizing our workforce as a vital asset. By cultivating a diverse and inclusive workplace and providing exceptional working conditions and robust health standards, we ensure alignment between our corporate values and those of our employees. Moreover, we maintain open channels of communication, invest continuously in talent development, refine career advancement opportunities, and strive to create pathways to success for every team member.

This Report reflects on our past achievements and reaffirms our commitment to future progress. Guided by our mission and a solid foundation in ESG governance, we will continue to collaborate with our partners to enhance YTO International Express’s competitiveness and influence, driving forward a future where our business, our people, the environment, and society flourish together.

Yu Huijiao

Chairman

YTO International Express and Supply Chain Technology Limited



SUSTAINABILITY GOVERNANCE

BOARD STATEMENT

The board of directors of the Company (the “Board”) has remained actively engaged in environmental, social, and governance matters, holding overall responsibility for overseeing sustainability risk management and identifying related opportunities. The corporate governance committee of the Company (“Corporate Governance Committee”), composed of senior management, formulates ESG strategies, policies, and objectives, conducts regular evaluations of internal controls and risk management systems, and reports annually to the Board and the audit committee of the Company (“Audit Committee”). The Corporate Governance Committee works closely with the Group’s business units to ensure the implementation of effective ESG risk management practices. In addition, the Group integrates key ESG issues into its management system, regularly reviews progress against objectives, and ensures effective risk management practices are in place.

The Board has reviewed and approved the Group’s materiality assessment process and all related disclosures presented in this Report. The Report objectively addresses the identified significant material topics and provides a comprehensive overview of the Group’s approach to and performance in environmental, social and governance management.

MATERIALITY ASSESSMENT

Stakeholder Engagement

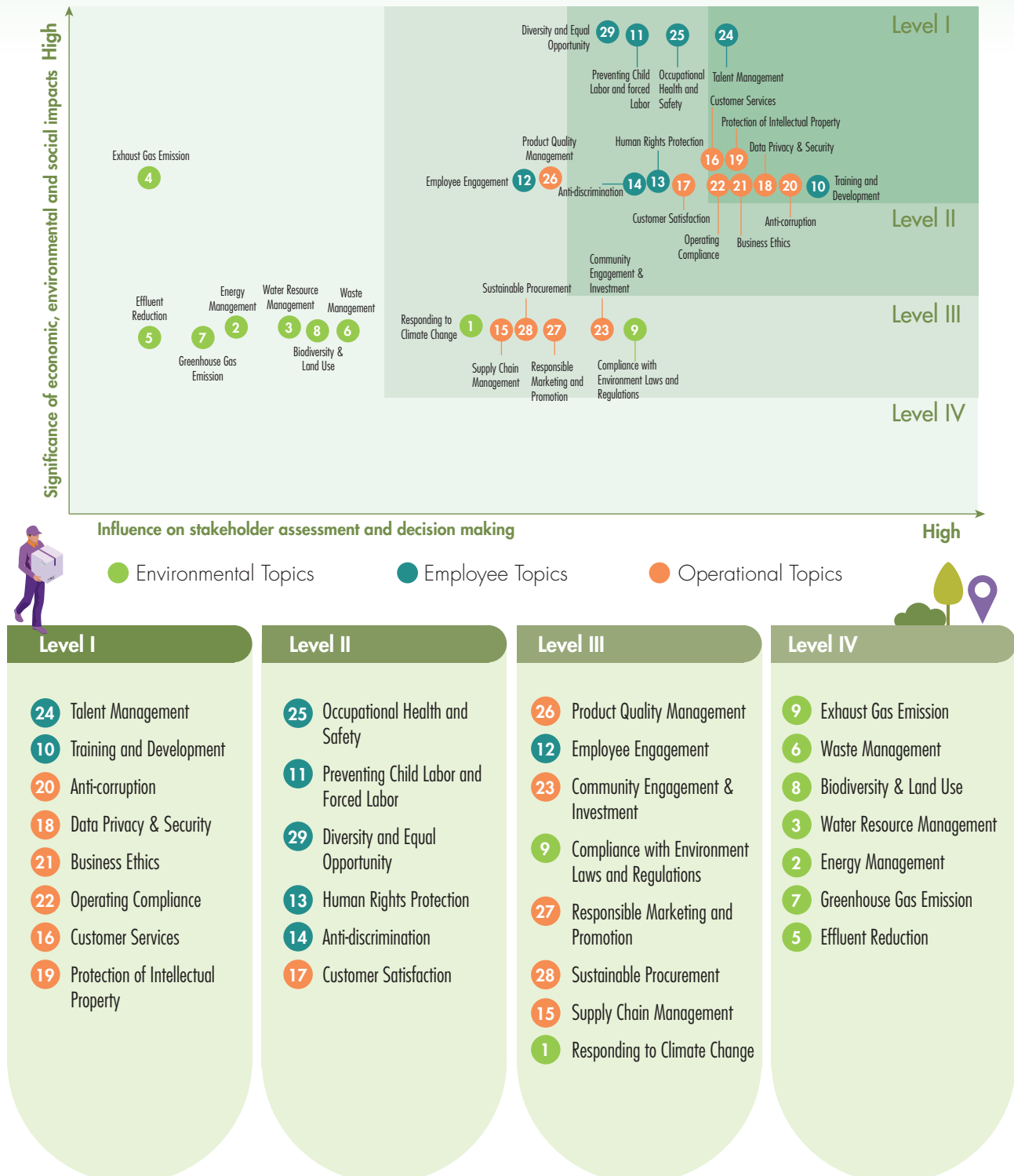
The Group values effective communication with stakeholders and has established multiple channels to engage with employees, customers, suppliers, investors, the government, and partners. These channels enable us to understand the impact of sustainability issues on stakeholders and incorporate their perspectives into our sustainable development strategy. Additionally, we assess the influence of various sustainability topics on stakeholders as a critical factor in shaping our strategies. During the reporting period, we enhanced the effectiveness and timeliness of our communications, promptly addressing stakeholder concerns and strengthening cooperative relationships.

Materiality Analysis

The Group is committed to identifying sustainability issues that have significant effects on its long-term development, as well as the environment and the society. We follow four steps — identification, prioritization, validation, and review — to identify issues that may have a potential impact on the Group’s sustainable operations and long-term development, while incorporating the key concerns of various stakeholders.

SUSTAINABILITY GOVERNANCE

To ensure the continuity of our sustainability strategy, the Group's management has confirmed that the 29 material topics identified in previous years, including 8 key material topics, are still relevant. The Group's sustainability materiality matrix is presented below:



SUSTAINABILITY GOVERNANCE




Material Topics	Actions taken by the Group	Stakeholders	Communication channels
<ul style="list-style-type: none"> Talent Management 	<ul style="list-style-type: none"> Recruiting talents according to rules and regulations to ensure fairness, transparency and consistency Offering competitive salaries, benefits and holidays to attract outstanding talents Regularly commend and reward dedicated employees 	<ul style="list-style-type: none"> Employees 	<ul style="list-style-type: none"> Feedback Channels
<ul style="list-style-type: none"> Training and Development 	<ul style="list-style-type: none"> Develop Training and Development policy and designate responsible persons Establish employee training programmes for employees Provide internal and external training, and have a corresponding assessment system 	<ul style="list-style-type: none"> Employees 	<ul style="list-style-type: none"> Training Courses Feedback Channels
<ul style="list-style-type: none"> Anti-corruption 	<ul style="list-style-type: none"> Update and improve the anti-corruption policy of the Group Provide anti-corruption training Establish a whistle-blowing mechanism and protect the privacy of whistle-blowers 	<ul style="list-style-type: none"> Shareholders/Investors 	<ul style="list-style-type: none"> Employee Reporting Procedures External Personnel Reporting Procedures
<ul style="list-style-type: none"> Data Privacy and Security 	<ul style="list-style-type: none"> Comply with relevant privacy protection policies in the operating regions Formulate the Code of Conduct and require employees to strictly protect customer information 	<ul style="list-style-type: none"> Clients 	<ul style="list-style-type: none"> Regularly review the network security within the company and report the results
<ul style="list-style-type: none"> Business ethics 	<ul style="list-style-type: none"> Fair competition Establish communication channels with stakeholders to avoid conflicts of interest Maintain good relationships with partners and suppliers 	<ul style="list-style-type: none"> Shareholders/Investors Partners Suppliers 	<ul style="list-style-type: none"> Feedback channels Investor Conference General Meeting
<ul style="list-style-type: none"> Operating compliance 	<ul style="list-style-type: none"> Full compliance with all applicable laws and regulations 	<ul style="list-style-type: none"> Government/regulatory agency 	<ul style="list-style-type: none"> Feedback channels Policy Advocacy Supervision and Inspection

SUSTAINABILITY GOVERNANCE


Material Topics	Actions taken by the Group	Stakeholders	Communication channels
<ul style="list-style-type: none"> Customer services 	<ul style="list-style-type: none"> Conduct safety inspection before delivery of products and establish and follow relevant procedures and guidelines Provide detailed product information on products Expand market share and diversify services 	<ul style="list-style-type: none"> Clients 	<ul style="list-style-type: none"> Customer satisfaction survey Complaint Handling Mechanism
<ul style="list-style-type: none"> Protection of Intellectual Property 	<ul style="list-style-type: none"> Full compliance with all applicable laws and regulations Improve the standardised management of intellectual property rights and related patents The Company's Human Resources Department is responsible for providing intellectual property guidelines 	<ul style="list-style-type: none"> Management 	<ul style="list-style-type: none"> Feedback Channels

SUSTAINABLE DEVELOPMENT GOALS

The Group is committed to advancing the United Nations Sustainable Development Goals (UNSDGs) by aligning our contributions across environmental, community, and economic initiatives with the relevant SDGs. To ensure strategic focus and maximize impact, the Group has identified specific SDGs that closely align with our business operations and prioritized these goals to guide our sustainability strategy effectively.

Sustainability Pillars	UNSDG Targets	Actions Taken by the Group
Environmental Stewardship With the goals of energy conservation, emissions reduction and "dual carbon", we reduce the negative impact of operations on the environment, and strengthen the ability to resist and adapt to climate change.	<div>  11.5-Reduce the adverse effects of natural disasters 11.6-Reduce the environmental impact of cities </div> <div>  12.2-Sustainable management and use of natural resources 12.5-Substantially reduce waste generation </div> <div>  13.1-Strengthen resilience and adaptive capacity to climate related disasters 13.3-Build knowledge and capacity to meet climate change </div>	<ul style="list-style-type: none"> Obtained ISO 14001 Environmental Management System Certification Promote green office policy Educate and train employees on energy conservation and emission reduction to reduce the impact on the environment Develop and update policies to address climate change Reduction of business travel

SUSTAINABILITY GOVERNANCE

Sustainability Pillars	UNSDG Targets	Actions Taken by the Group
Team Member Engagement Create a diverse, equal, healthy and safe working environment to attract and nurture talents.	 5.5- Ensure full participation in leadership and decision-making  8.5- Full employment and decent work with equal pay 8.6- Promote youth employment, education and training 8.8- Protect labour rights and promote safe working environments	<ul style="list-style-type: none"> • Compliance with labour standards and relevant laws and regulations • Establish the Recruitment and Hiring Policy to ensure equal, diversified and fair recruitment • Provide competitive remuneration and benefits and recognise outstanding employees • Provide diversified employee activities and training • Protect employees' occupational health and safety
Operation Excellence Improve the supply chain and product management system to ensure better procurement and service processes, develop community engagement by reducing all forms of corruption.	 12.7- Promote sustainable public procurement practices  16.5- Substantially reduce corruption and bribery	<ul style="list-style-type: none"> • Communicate with stakeholders regularly to maintain good relationship • Ensure product quality and protect intellectual property rights and data privacy • Develop anti-corruption related policies and provide relevant training to employees • Actively participate in community activities and investment to fulfil corporate social responsibility

ENVIRONMENTAL STEWARDSHIP

The Group upholds the core principle of sustainable development and actively promotes environmental management, focusing on reducing air pollutant and greenhouse gas emissions, minimizing waste generation, and improving the efficiency of energy, water, and material usage. Environmental management-related work is overseen by the Environmental, Social, and Governance Committee, and we have established a robust Environmental Management System ("EMS"), which has been certified by a third party in accordance with the ISO 14001 standard. This ensures that our environmental protection measures comply with regulatory requirements and align with international best practices.

During the reporting period, the Group was not aware of any non-compliance with laws and regulations¹ that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

ADDRESSING CLIMATE CHANGE

The Group fully recognizes the challenges and opportunities that climate change poses to the global environment and business operations, and actively addressing climate change has been identified as a key strategy for achieving sustainable development. We continuously enhance our climate change response policies, integrating climate-related risk management into the Group's governance framework to ensure it becomes a vital part of corporate decision-making.

During the reporting period, the Group adopted the framework recommended by the International Sustainability Standards Board ("ISSB") and adhered to the Hong Kong Stock Exchange's *Climate Disclosure Guidance* to comprehensively identify and assess climate-related risks. We systematically analysed the potential impacts of climate change on business operations and financial performance while proactively seeking mitigation measures, ensuring that the Group capitalises on transitional opportunities amidst climate challenges, driving the integration of business growth with sustainable development.

Risk Types	Risk Name	Risk description	Potential Financial Effects
Physical risks			
Acute risks	Cyclones/typhoons, floods	<ul style="list-style-type: none"> Extreme weather events such as typhoons and floods can cause certain damage to YTO International Express's infrastructure such as warehouses, office buildings, transportation facilities and equipment Extreme weather events such as typhoons and floods have a certain degree of impact on normal operations and efficiency of logistics and transportation business of YTO International Express 	<ul style="list-style-type: none"> Increase in equipment maintenance costs Increase in transportation costs
	Extremely high temperature and extremely cold weather	<ul style="list-style-type: none"> Rise in temperature may reduce the work efficiency of YTO International Express's employees and negatively affect their health and safety 	<ul style="list-style-type: none"> Increase in operating costs
	Sea level rise	<ul style="list-style-type: none"> Rising sea level may directly affect the operation of YTO International Express in coastal areas, resulting in relocation of facilities, equipment and business 	<ul style="list-style-type: none"> Increase in operating costs

¹ Please refer to the section headed "Appendix 1 Applicable Laws and Regulations" for related laws and regulations.

ENVIRONMENTAL STEWARDSHIP

Risk Types	Risk Name	Risk description	Potential Financial Effects
Transition risks			
Policies and Regulations	Tougher laws and regulations related to climate change	<ul style="list-style-type: none"> Regulations impose more stringent requirements in various aspects such as vehicle emissions and energy consumption in logistics process of YTO International Express, leading to a need for more investment in resources for compliance assurance 	<ul style="list-style-type: none"> Increase in compliance costs
Marketplace	Changes in preferences of customers and consumers	<ul style="list-style-type: none"> Logistics services with low carbon attributes are recognised and preferred by the market. If YTO International Express fails to continuously enhance sustainability of logistics services, it may lose consumers' favor and suffer loss of customers 	<ul style="list-style-type: none"> Decrease in revenue
Reputation	Stakeholders are asking the Group to raise the bar on climate change action	<ul style="list-style-type: none"> Loss of competitive advantage if competitors can better address climate action, resulting in loss of customers and investors 	<ul style="list-style-type: none"> Decrease in revenue and investments
Technology	Use of green technology or equipment	<ul style="list-style-type: none"> YTO International Express needs to invest more resources in the low-carbon transformation process (e.g. using low-carbon energy and technology, purchasing low-carbon equipment) 	<ul style="list-style-type: none"> Increase in operating costs

Climate change presents not only challenges but also numerous opportunities for the Group. We firmly believe that integrating climate response strategies with business innovation not only helps mitigate risks but also creates long-term value for our stakeholders.

Opportunity category	Opportunity description and countermeasures	Potential Financial Effects
Resource efficiency	Through energy conservation and emissions reduction measures, such as reducing paper and water consumption, improve resource use efficiency	Decrease in operating costs
Product and service	The use of green products and technologies to provide customers with green and low-carbon services, such as the use of clean energy in transportation, can enhance competitive advantages and improve customer retention	Increase in revenue
Marketplace	Insist on the low-carbon development path, provide customers with green and low-carbon services, and attract more customers and investors who have high environmental protection requirements	Increase in revenue

ENVIRONMENTAL STEWARDSHIP

Metrics and Targets

Aspect	Goals
Greenhouse Gas ("GHG") Emissions	Implement emissions reduction measures annually.
Energy Efficiency	Prefer to acquire electric equipment with energy efficiency label.

The Group's GHG emissions from business operations encompass direct emissions ("Scope 1"), including fuel consumption; indirect emissions ("Scope 2"), primarily from electricity usage; and other indirect emissions ("Scope 3"), such as those generated from business travel, disposal of wastepaper in landfills, and emissions from wastewater treatment. Additionally, the Group has established annual environmental targets to implement emission reduction measures, encouraging employees to adopt low-carbon practices in daily operations and reduce the frequency of business travel through online communication.

During the reporting period, the total GHG emissions² of the Group were 210.1 tCO₂e, with an emission density of 0.06 tCO₂e per square meter of floor area. GHG emissions mainly come from the use of electricity, accounting for approximately 55.1% of the total GHG emissions.

GHG Emissions Type (Unit: tCO ₂ e)	2024	2023
Scope 1 Direct emissions	25.0	40.0
Scope 2 Indirect emissions	115.8	118.7
Scope 3 Other indirect emissions	69.3	87.0
Total GHG emissions	210.1	245.7
GHG intensity by floor area (tCO ₂ e/m ²)	0.06	0.06

² The Group's GHG emission calculation standards and emission factors are based on the Hong Kong Stock Exchange's How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs, the GHG Protocol: Corporate Accounting and Reporting Standard, the sustainability reports of local utility providers (Hong Kong electricity company), and the data published by Ministry of Ecology and Environment of the People's Republic of China.

ENVIRONMENTAL STEWARDSHIP

ENERGY MANAGEMENT

The Group is committed to promoting various energy-saving measures to enhance energy efficiency and reduce GHG emissions generated during business operations, thereby achieving sustainable resource utilisation and minimising environmental impact.



Energy Conservation

- Adopt more energy-efficient processes and green technologies to reduce the use of carbon-based energy and other natural resources.
- Implement energy-saving modes on all electronic devices and lighting systems, and turn off idle equipment to conserve energy.



Internal Training and Guidelines

- Provide employees with guidelines on saving energy, water, and paper to enhance their environmental awareness.
- Display water-saving labels to remind employees to use water responsibly.



Green Office

- Promote paperless internal meetings and electronic communications to reduce paper usage.
- Encourage the use of recycled paper and double-sided printing to minimize the environmental impact of paper consumption

Energy Consumption

The Group's energy consumption primarily consists of purchased electricity, along with petrol and diesel used by its vehicles. During the reporting period, the Group consumed a total of 315.9 MWh of energy, with an energy consumption intensity of 0.08 MWh per square meter of floor area. Electricity accounted for 230.7 MWh, representing 73% of the total energy consumption.

Energy Consumption (Unit: MWh)	2024	2023
Petrol	73.3	76.6
Diesel	11.9	62.1
Electricity	230.7	283.7
Total Energy Consumption	315.9	377.4
Energy intensity by floor area (MWh/m ²)	0.08	0.09

EMISSIONS MANAGEMENT

Air Emissions

To further reduce air emissions, the Group has implemented a series of vehicle management measures, including requiring vehicles to shut off their engines when idle, conducting regular maintenance and servicing, and actively encouraging employees to use public transportation to lower emissions. We will continue to monitor the implementation of these measures, regularly review and refine related policies, and ensure effective control of air emissions, thereby minimizing the environmental impact of our operations.

The Group's operations generate a minimal amount of exhaust emissions, primarily originating from the combustion of petrol and diesel fuels in vehicles. During the reporting period, the Group's operations emitted 0.1 kg of SO_x, 7.8 kg of NO_x, and 0.6 kg of RSP.

ENVIRONMENTAL STEWARDSHIP

Air Emissions Type (Unit: kg)	2024	2023
Sulphur Oxides (SO _x)	0.1	1.1
Nitrogen Oxides (NO _x)	7.8	53.4
Respiratory Suspended Particles (RSP)	0.6	5.5

Waste Management

The Group actively promotes waste reduction education and training to enhance employees' awareness of sustainable waste management, continuously driving efficient resource utilization and environmental protection. To ensure proper waste disposal, the Group has implemented a range of measures, including:

- Engaging licensed and qualified waste collectors to regularly collect and properly handle hazardous waste
- Disposing of non-hazardous waste at designated landfills
- Placing multiple recycling bins in offices to facilitate the collection of reusable materials such as paper and plastics, and
- Encouraging employees to recycle and reuse materials before disposal, thereby reducing waste generation at the source.

The waste generated during the Group's operations includes both hazardous waste (such as toner cartridges and fluorescent lamps) and non-hazardous waste (such as domestic waste). During the reporting period, the Group generated 0.06 tons of hazardous waste and 9 tons of non-hazardous waste. The density of hazardous waste, calculated per floor area, was 0.016 tons per thousand square meters, while the density of non-hazardous waste was 0.002 tons per square meter.

Waste Type (Unit: tonnes)	2024	2023
Hazardous Waste	0.06	0.07
Hazardous Waste intensity by floor area (tonnes/thousand m ²)	0.016	0.018
Non-hazardous Waste	9.0	19.4
Non-hazardous Waste intensity by floor area (tonnes/m ²)	0.002	0.005

ENVIRONMENTAL AND NATURAL RESOURCES

The Group is committed to minimizing the environmental impact of its business operations and reducing resource consumption by continuously implementing measures to conserve natural resources and protect the environment. Through a range of energy-saving, emission reduction, water conservation, and paper-use reduction initiatives, we actively contribute to sustainable development. The resources consumed in our operations include electricity, petrol, diesel, paper, and water, while packaging materials are not utilized.

Aspect	Targets
Water Use	Prefer to acquire water related equipment with Grade 1 efficiency label
Waste	Increase the use of recycled paper



ENVIRONMENTAL STEWARDSHIP

Water Consumption

The Group places great emphasis on the effective management of water resources, striving to minimize the impact of daily operations on water usage. We have posted water-saving signs in our offices to raise employees' awareness of water conservation and prioritize the procurement of water-efficient equipment with Grade 1 efficiency labels, further promoting the sustainable use of water resources. Additionally, we actively encourage employees to adopt water-saving habits, such as turning off taps when not in use, reporting leaks, and utilizing low-flow flushing devices, to further enhance water use efficiency.

During the reporting period, the Group consumed 89 cubic meters of municipal water, with a water usage density of 0.02 cubic meters per square meter.

Paper Consumption

The Group's primary paper consumption comprises A4 office paper and sanitary paper. During the reporting period, the Group consumed 7,691.65 kg of office paper and 565 kg of sanitary paper. To mitigate paper usage, we have implemented recycling initiatives for used paper.

Encouraging double-sided printing and e-office
Provision of waste paper recycling bins in offices to promote paper recycling
Prioritise the procurement of recycled paper as the main office paper
Reducing unnecessary printing and copying requirements, implementing paperless meetings and electronic signatures

TEAM MEMBER ENGAGEMENT

TEAM MANAGEMENT

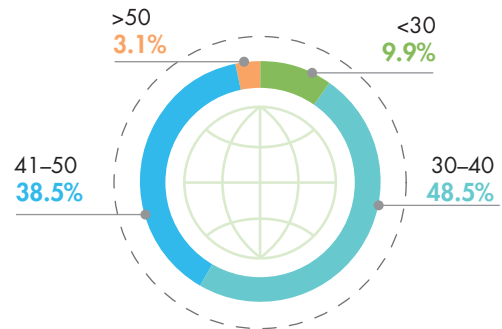
Employee Profile

During the reporting period, the Group employed 192 full-time employees, with a male-to-female ratio of 0.9. Of these employees, 83 (43.2%) were based in Hong Kong, while 109 (56.8%) were located in Shanghai, China. In terms of age distribution, 48.5% of our employees were between 30 and 40 years old, and 9.9% were below 30. Additionally, approximately 28.1% of employees were classified as management, with the remaining 71.9% categorized as non-management employees.

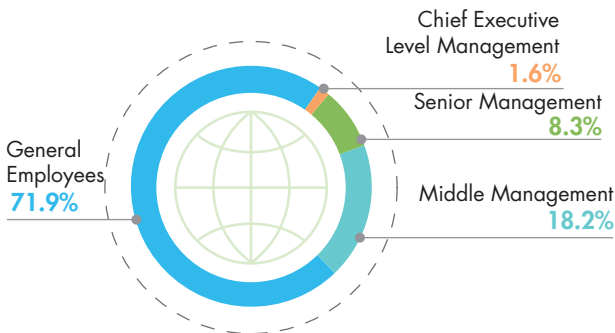
By Gender



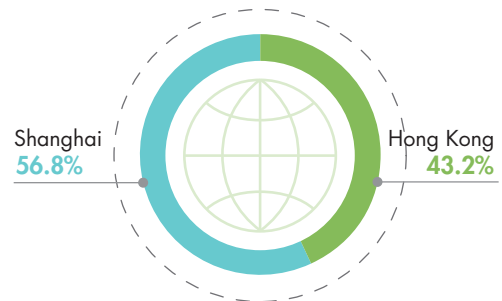
By Age



By Function

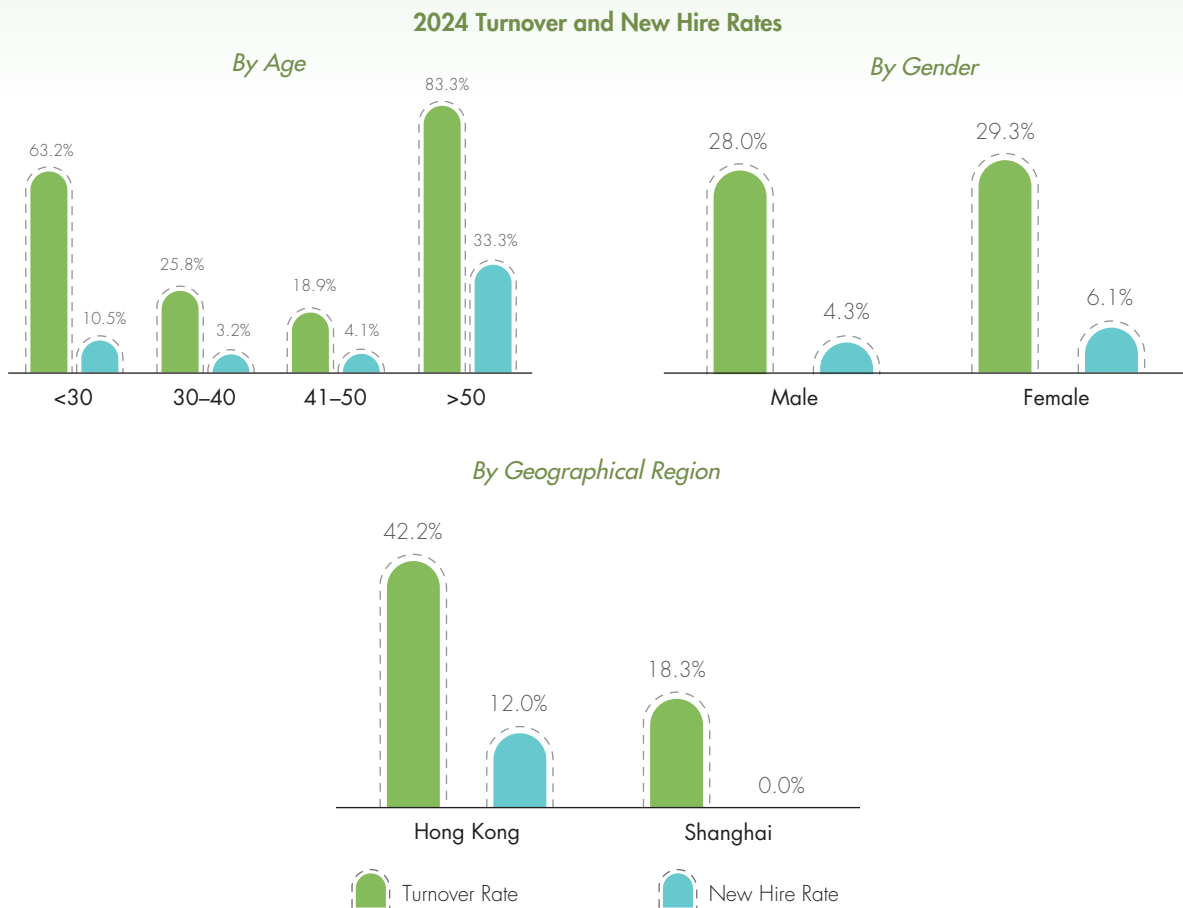


By Geographical Region



TEAM MEMBER ENGAGEMENT

During the reporting period, the Group's employee turnover rate was 28.6%, and the new hire rate was 5.2%. Employee turnover and new hire rates, segmented by gender, age, and region, are illustrated in the following chart.



Labour Standards

The Group strictly adheres to the relevant labour laws and regulation³ in the locations where it operates, and has established a series of internal policies, including the Background Check Policy, OTEL Employee Handbook, Recruitment and Employment Policy, Employee Termination Management Policy, and Corporate Travel and Expense Policy and Procedures, to guide the Group's human resources management practices.

The Group is committed to upholding labour standards and prohibits all forms of unethical behaviour, which also applies to our suppliers and contractors. We implement strict measures to eliminate the risk of child labour and forced labour. In line with the Background Check Policy, the Human Resources department is required to conduct background checks on all job applicants and verify their identity and age during the recruitment process. If any instance of child labour is identified, we will immediately terminate the relevant contract.

³ Please refer to the section headed "Appendix 1 Applicable Laws and Regulations" for related laws and regulations.



TEAM MEMBER ENGAGEMENT

Recruitment and Dismissal

The Group is committed to creating a fair and ethical work environment and actively ensures that all employees are provided with equal opportunities. We strictly comply with the labour laws and regulation⁴ of the regions where we operate. In recruitment, we adhere to the principles of equal employment opportunity, following fair and just recruitment standards without any form of discrimination based on gender, region, ethnicity, religion, economic status, or other factors.

In the recruitment process, candidates are selected based solely on their qualifications, experience, and individual abilities. We ensure fairness, transparency, and consistency through internal guidelines, such as the Recruitment and Employment Policy. When relatives of employees apply for positions, the process is governed by clear conditions and restrictions, and applicants are required to provide a written declaration to avoid any preferential treatment.

The Group is dedicated to providing diverse career development opportunities for employees. We have established standardized guidelines for the promotion process, ensuring consistency and fairness in promotion cycles. Through regular employee performance evaluations, we have created a framework for adjusting compensation, including base salary and promotion plans, and fostering effective communication between employees and management regarding work requirements and performance.

The Employee Termination Management Policy outlines the procedures for employee termination to ensure fairness. The Human Resources department will conduct exit interviews with departing employees to understand the reasons for their departure and collect feedback. Involuntary termination will only occur in cases of serious misconduct or violations of the Group's policies.

Remuneration and Benefits

The Group recognizes that employees are its most valuable asset and fully respects their fundamental rights. Our business development and long-term success rely heavily on the hard work and contributions of our employees. To attract and retain top talent, we offer competitive compensation and benefits packages, including annual leave, marriage leave, maternity leave, and paternity leave.

We are committed to understanding the genuine needs of our employees, helping them resolve practical issues, and enhancing their sense of belonging and well-being, which strengthens employee cohesion and engagement. The company also provides a comprehensive medical insurance plan to ensure employees have access to full medical coverage.

In addition, we offer overtime allowances to employees, which may include monetary compensation or paid time off, standby allowances, and taxi subsidies. Every year, we establish the "Outstanding Employee Award" to recognize employees who have made exceptional contributions to their work. The selection of winners is based on their performance and contributions.

To express our appreciation for dedicated employees, we have also established an employee share incentive program, allowing employees to purchase Group shares at a price lower than the market value, encouraging them to grow together with the company.

Every March 8, we join our female employees in celebrating International Women's Day with a variety of events. For instance, we express our gratitude for their contributions to our daily operations by presenting them with greeting cards and flowers. This celebration not only reaffirms our steadfast commitment to gender equality but also helps cultivate an inclusive, diverse, and respectful corporate culture.

TEAM MEMBER ENGAGEMENT



We celebrated International Women's Day on March 8th

Equal Opportunities and Diversity

The Group is committed to creating an equal and inclusive working environment. We strictly adhere to all applicable laws and regulations⁵, and uphold a zero-tolerance policy towards any form of discrimination based on age, gender, race, or religion. The company firmly opposes all forms of unfair or discriminatory employment practices. In promoting workplace diversity, our Board Diversity Policy focuses on evaluating the composition of the board from a diversity perspective, encompassing gender, age, cultural and educational backgrounds, and professional experiences.

The Group has established clear standards for employee-related activities, covering aspects such as compensation, benefits, termination, recruitment, promotion, working hours, and rest periods. During the reporting period, we are not aware of any violations of laws and regulations regarding compensation and termination, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, or other related benefits and treatment that had a material impact on the Group.

As a strong advocate of equal opportunities, we will continue to provide equal opportunities for all employees in all aspects, ensuring that we not only comply with customary practices but also adhere to the principles of fairness and ethics while respecting the fundamental human rights of each employee.

⁵ Please refer to the section headed "Appendix 1 Applicable Laws and Regulations" for related laws and regulations.



TEAM MEMBER ENGAGEMENT

OCCUPATIONAL HEALTH AND SAFETY

The Group has always placed the highest priority on occupational health and safety, ensuring that employee well-being remains at the core of our operations. Our health and safety policies are deeply integrated into our ESG framework and ISO management systems, ensuring that our business operations meet and exceed the highest occupational health and safety standards. We are committed to providing a safe and conducive working environment for all employees.

To further enhance occupational health and safety awareness, the Group regularly conducts safety training programs covering a wide range of safety knowledge and skills. During the reporting period, a total of 192 employees participated in safety training, achieving a 100% participation rate and accumulating a total of 387 training hours.

These sessions not only strengthen employees' safety awareness but also equip them with practical skills to handle potential workplace hazards. Additionally, we provide specialized hazardous materials handling training for air transport employees, ensuring they possess the necessary professional qualifications and capabilities for the safe transportation of dangerous goods.

In terms of fire safety, we maintain a rigorous approach by conducting comprehensive inspections of fire safety equipment and emergency exits every six months. Furthermore, we organize annual fire drills for all employees, particularly frontline workers, to enhance their fire safety awareness and emergency response capabilities.

We remain fully committed to complying with all occupational health and safety laws and regulations⁶, ensuring that our operations are always conducted within a legal and regulatory framework. During the reporting period, the Group maintained an excellent occupational health and safety record, with no work-related fatalities or injuries reported. Additionally, no violations of laws and regulations related to employee safety and occupational hazard prevention, which could have a significant impact on the Group, were identified.

TALENT DEVELOPMENT

The Group is committed to employee development and training, recognizing it as a key driver in enhancing employee capabilities, unlocking potential, and ensuring the company's long-term growth. We have established a comprehensive training and development strategy, clearly defining the responsibilities of various stakeholders and departments to effectively integrate training initiatives into our daily operations.

Site managers and department heads are responsible for coordinating and overseeing training programs within their respective departments, ensuring alignment with the Group's strategic objectives. To implement our training strategy effectively, we have developed detailed training and development policies, assigning clear responsibilities to relevant personnel and departments. The Human Resources Manager is responsible for documenting and periodically reviewing departmental training programs, ensuring their smooth execution while gathering input from different departments on training and development needs. This approach enables us to provide employees with the necessary guidance and support to achieve their professional goals, thereby fostering the Group's continuous growth.

⁶ Please refer to the section headed "Appendix 1 Applicable Laws and Regulations" for related laws and regulations.

TEAM MEMBER ENGAGEMENT

We offer the following internal training programs:

Mandatory Training

- A New Employee Orientation programme is provided to all newly hired regular full-time staff to get an overall view on the Group and the job position. The contents include the history of the Group, the structure of the local station and own department, introduction to all departments and the employees' job responsibility.

On-the-job Training

- Offered by related department and led by department heads. The learning status, such as quality and quantity of work, familiarity with in-house systems is supervised by senior staff.

Training on In-house Systems

- The IT Department and the Accounts Department provide training classes for employees regarding various in-house IT systems whenever appropriate.

Other Training

- Including but not limited to ESG reporting and carbon disclosure training.

We carefully select employees for targeted external courses, seminars, and specialized workshops based on their job requirements and personal development needs. This year, we have systematically planned a range of internal and external training programs covering key topics such as hazardous materials handling, cargo operations, warehouse entry and exit management, and the regulated agent regime.

Additionally, employees may apply for external courses and training programs relevant to their current roles or future career paths, with access to training subsidies and reimbursement policies. To ensure the relevance and effectiveness of our training initiatives, we conduct evaluations after each internal and external training session. During the reporting period, we provided employees with a diverse array of training programs, offering in-depth coverage of hazardous materials management, cargo handling techniques, warehouse operations, and regulatory compliance mechanisms.

Dangerous Goods Regulation Training:



Reference IATA Dangerous Goods Regulations



Choose the appropriate container for air transportation



Pack dangerous goods correctly



Prepare documentation and labelling

TEAM MEMBER ENGAGEMENT

During the reporting period, the Group provided a total of 337 training hours and 125 employees were trained, covering 65.1% of the total workforce.

Percentage of employees trained (%)	2023	2024
By Gender		
Male	56.3%	69.9%
Female	58.7%	60.6%
By Position Level		
Top Executive Officer	33.3%	33.3%
Senior Management	37.5%	37.5%
Middle Management	31.6%	42.9%
General Employees	65.2%	74.6%

Average training hours (hour/person)	2023	2024
By Gender		
Male	1.56	2.73
Female	0.58	0.84
By Position Level		
Top Executive Officer	0.33	0.33
Senior Management	0.67	0.56
Middle Management	1.47	0.60
General Employees	1.05	2.22

OPERATIONAL EXCELLENCE

RESPONSIBLE SUPPLY CHAIN

Effective supply chain management is critical to the Group's sustained development. In order to build a sustainable supply chain, we continuously strengthen and optimize our supplier management system. To achieve this goal, we have established a series of internal policies, including the Environmental and Social Responsibility Policy, Supplier Management Policy, and Code of Conduct, all aimed at mitigating ESG-related risks within the supply chain and providing guidance for third-party procurement services.

The Group drives the achievement of sustainable development goals through efficient supplier management. We have established a comprehensive Supplier Committee, responsible for overseeing and ensuring the smooth selection and appointment of suppliers. The Supplier Committee consists of senior management, department heads, on-site management leaders, and department heads from various functional areas, ensuring effective supply chain management and collaboration.

In 2024, the Group collaborates with 669 suppliers, covering airlines, shipping companies, carriers, container loaders, transport companies, and related business agents. Among these, 351 are air cargo suppliers, 317 are ocean freight suppliers, and 1 are warehousing service suppliers. We are committed to maintaining the stability and sustainability of our supply chain, ensuring a solid foundation for the Group's long-term development.

Supplier Selection and Risk Management

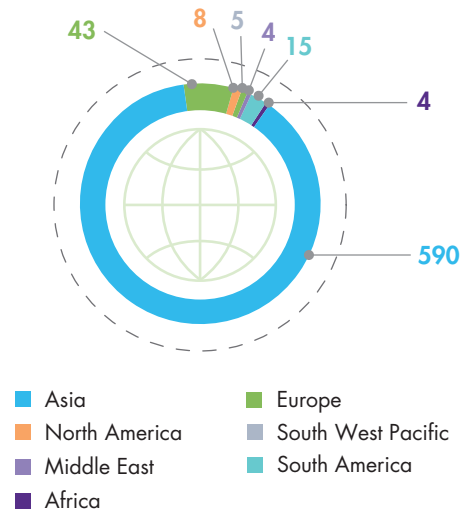
To mitigate ESG risks in our supply chain, we have established a rigorous supplier selection process that requires multiple suppliers to submit quotations and undergo comprehensive background checks. We evaluate their performance in critical areas such as environmental protection, occupational health and safety, and quality assurance. Furthermore, we encourage suppliers and contractors to integrate ESG considerations into their risk management practices in accordance with the Group's policies and Code of Conduct.

To ensure our suppliers consistently meet the Group's standards and expectations for service and product quality, we conduct annual assessments and reviews. Additionally, department managers are tasked with the ongoing monitoring of supplier performance to foster long-term, stable partnerships. These measures enable us to effectively manage ESG risks while ensuring that our suppliers' services and products align with the Group's high standards.

Sustainable Procurement

The Group is committed to promoting sustainable procurement and actively communicates with suppliers, encouraging them to assume environmental and social responsibilities. We proactively urge our suppliers to comply with the Group's Environmental and Social Responsibility Policy and to conduct business in a manner that is accountable to both society and the environment. Moreover, we encourage and support suppliers in adopting innovative technologies that not only enhance operational efficiency but also deliver long-term environmental benefits, further advancing the green transformation of the entire supply chain.

Suppliers by Geographical Distribution





OPERATIONAL EXCELLENCE

PRODUCT RESPONSIBILITY

To improve service quality, the Group has developed and revised the Operating Procedures Manual, which outlines the management processes for air and sea freight. The associated management system has been certified to ISO 9001:2015 for quality management, ensuring that we maintain high standards of quality management in our business operations.

Quality Assurance

To ensure the safe transportation of goods and merchandise, we are dedicated to enhancing the operational efficiency of our quality control processes. We commit to meticulously inspecting all packages to prevent the inclusion of any potentially hazardous items and strictly adhere to all restrictions and controls regarding dangerous goods to safeguard public safety. Additionally, we have established a comprehensive set of procedures and guidelines specifically for handling special cargo, including dangerous goods, batteries, temperature-sensitive shipments, and wooden packaging materials.

Air Freight Management regulations

Dangerous Goods ("DG")	<ul style="list-style-type: none">• At least 2 persons with appropriate licenses handle DG cargos• Only license holders are allowed to handle the documentation and cargos• Labelling, packing instructions and markings on the cargos should strictly follow the specific requirements
Commodities (including batteries etc.)	<ul style="list-style-type: none">• Check battery nature and the corresponding safety information before handling• Only DG Regulations certified persons to handle it as DG cargos

Sea Freight Management regulations

Dangerous Goods ("DG")	<ul style="list-style-type: none">• Ensure all documentation, handling procedures and ability of the carrier meet our DG handling requirements
Temperature sensitive cargos	<ul style="list-style-type: none">• Check carefully the type of cargos and the temperature required• Arrange refrigerated containers when needed, ensure good and precise control on the temperature for the entire voyage
Wooden packing material	<ul style="list-style-type: none">• Appoint certified vendors for fumigation• Obtain fumigation certificate from vendors before delivering the cargo to sea freight warehouse

Product Sales and Labelling

When receiving goods, we use appropriate labels for identification that include detailed product information such as quantity, origin, and destination. We ensure that these labels are clearly visible and do not obscure any existing labels or markings provided by our customers. Additionally, we are committed to avoiding deceptive advertising and always provide consumers with accurate and truthful product and service information.

Understanding our customers' needs and enhancing their satisfaction is a key priority for the Group. We continuously monitor customer requirements and regularly gather feedback on service quality, time management, and employee performance through various channels such as on-site visits, email, and telephone. We periodically review all customer feedback and implement improvements accordingly to continually enhance the quality of our customer service.



OPERATIONAL EXCELLENCE

Number of products and/or service related complaints	Number of recalls for safety and health reasons	Number of confirmed cases of customer data leakage, theft or loss
0	0	0

During the reporting period, the Group was not aware of any non-compliance with laws and regulations⁷ relating to health and safety, advertising, labelling and privacy matters and remedies in respect of the products and services provided which materially affected the Group.

INTELLECTUAL PROPERTY RIGHTS PROTECTION

The Group places great importance on and respects its own intellectual property rights as well as those of third parties. We are committed to intellectual property protection and continuously enhance our internal management systems for intellectual property. Guidelines for the protection and management of intellectual property assets, including domain names, software and hardware copyrights, patents, trademarks, and service marks, are overseen by the Corporate Human Resources Department. This department is also responsible for approving all permissions to use materials copyrighted by the Group. During the reporting period, the Group was not involved in any lawsuits related to intellectual property infringement.

PRIVACY PROTECTION

The Group consistently places privacy and data security at its core, continuously strengthening its information and network security framework. We have established a multi-layered security response system and corresponding measures, strictly adhering to all relevant laws and regulations⁸ in mainland China and Hong Kong to ensure compliant operations. To better safeguard personal information, we continuously optimize the processes for data collection, access, and management, ensuring that the privacy rights of customers, employees, and other stakeholders are fully respected.

Internally, all employees are required to strictly comply with the Code of Conduct and diligently uphold confidentiality obligations regarding customer and third-party personal information. Any employee authorized to handle sensitive information must implement stringent safeguards to prevent data misuse, abuse, or leakage. Additionally, we enforce strict confidentiality management on all collected data, with all discarded documents undergoing professional shredding to ensure that information is not compromised.

Through continuous improvement and innovation, we are committed to building a more secure and reliable data protection system, providing superior service and assurance to all stakeholders.

⁷ Please refer to the section headed "Appendix 1 Applicable Laws and Regulations" for related laws and regulations.

⁸ Please refer to the section headed "Appendix 1 Applicable Laws and Regulations" for related laws and regulations.

OPERATIONAL EXCELLENCE

ANTI-CORRUPTION

We strictly comply with the laws and regulations in the jurisdictions where we operate, including the Anti-Money Laundering and Counter-Terrorist Financing Ordinance, the Competition Ordinance, as well as other regulatory requirements. We have developed and continually refined our management systems and operating procedures, and established a robust risk management and auditing framework to effectively oversee business ethics issues — such as anti-corruption, responsible marketing, and anti-monopoly practices — and mitigate business ethics risks.



Anti-corruption policy

The Code of Conduct is applicable to all directors, senior officers and employees of the Group.

Guidelines have been put in place to govern all staff's acceptance of any kind of gratification and any conflict of interest in the course of carrying out their duties.

Training in anti-corruption is conducted regularly to ensure our people have updated and constant understanding of anti-corruption policy of the Company.



Code of Conduct

Provide instructions regarding legal compliance, soliciting, accepting and offering gratification.

The acts of soliciting or accepting any gratification from clients, suppliers, agents, co-loaders or any persons in connection with the business of the Group are prohibited without obtaining permission from the Group.

Under no circumstance may bribes or similar considerations be offered to any person or company for the purpose of influencing these parties in obtaining or retaining business or directing business to the Group.



Entertainment Policy

Care must be taken to avoid any possible conflict of interest in the provision or acceptance of entertainment or gifts, to prevent the situation from being perceived or construed as providing or receiving an incentive for any commercial transaction.



Policy for Employees to Raise Concerns about Improprieties

Encourage employees to report any suspicious concerns regarding misconduct or malpractices within the Group through the whistleblowing mechanism.

The identity of the whistle-blower is kept confidential in the whole reporting and investigation process.

All cases are reviewed by fair and independent investigation followed by appropriate follow-up actions.



OPERATIONAL EXCELLENCE

The Group consistently upholds the highest ethical and governance standards, resolutely eliminating any form of bribery or corruption. In our business operations, we adhere to the principles of integrity, fairness, and transparency, ensuring that all activities are conducted within a legal and compliant framework.

To effectively prevent and address the risks of fraud and bribery, we have established a comprehensive mechanism that encompasses prevention, monitoring, and reporting, and we actively investigate any related cases. Furthermore, the Group encourages employees to promptly report any suspected corruption, bribery, money laundering, or other illegal activities through our internal reporting channels.

We regularly provide anti-corruption training to our employees, update our related policies, and are committed to fostering a corporate culture centered on integrity — ensuring that every employee upholds the values of ethical conduct and self-discipline in their daily work.

During the reporting period, the Group was not aware of any breaches of laws and regulations⁹ relating to the prevention of bribery, money laundering, or any other illegal activities that would have a material impact on the Group. Additionally, the Group was not involved in any corruption cases.

Whistleblowing Policy

The Group is steadfast in upholding internal integrity and accountability, providing accessible reporting channels for employees and external stakeholders — including customers, contractors, and suppliers — to report any actual or suspected cases of corruption, money laundering, or other illegal activities. To facilitate this, the Group has established the Policy for Employees to Raise Concerns about improprieties which clearly outlines the reporting procedures and investigation process to ensure transparency and proper conduct throughout.

We are committed to maintaining strict confidentiality of whistle-blower information. While we encourage real-name reporting to aid investigations, we also accept anonymous submissions. Any threats or acts of retaliation against whistle-blowers will be dealt with severely. Upon receipt of a report, the Group will confirm and assess its contents within five working days to determine whether an investigation should be initiated. If an investigation is warranted, a special committee will be formed to manage the process, make necessary adjustments during the investigation, and ultimately submit a final report to the Audit Committee. The whistle-blower will receive a written copy of the investigation results, and if they have concerns about the outcome, they may request a review by the Audit Committee, which may, in reasonable circumstances, lead to a reinvestigation.

The Group treats all reports with fairness and impartiality, rigorously protecting the identity and personal information of whistle-blowers, which will not be disclosed without their consent. The Audit Committee will regularly review the effectiveness of this policy, continuously optimize the reporting mechanism, and encourage employees to actively report any suspicious activities, thereby jointly upholding an ethical corporate environment.

Employee Reporting Procedures

- Persons in charge include: heads of relevant departments, Chief Executive Officer, Chief Financial Officer and Chairman of the Board
- If the report involves the relevant person in charge, the report is to be submitted to the person in charge at the first level or submitted to the Audit Committee

External Personnel Reporting Procedures

- Mail to the Group's main office in Hong Kong or direct email to whistle@ytoglobal.com
- If the report involves the Chairman of the Board, raise concerns directly to the Audit Committee and send emails to the main office in Hong Kong

⁹ Please refer to the section headed "Appendix 1 Applicable Laws and Regulations" for related laws and regulations.

COMMUNITY INVOLVEMENT

The Group is consistently committed to engaging in community affairs and events, taking on social responsibilities and contributing to public welfare to promote the sustainable development of our local communities. In addition, we actively encourage our employees to participate in volunteer initiatives and collaborate with various community partners to maximize our positive impact.

Before the Mid-Autumn Festival, YTO International Express employees and their families visited the Tsing Yi Integrated Social Service Centre at Cheung Ching Estate in Tsing Yi, New Territories, to host a mooncake-making event. Local seniors were invited to participate in a snow skin mooncake workshop, karaoke, and lantern riddle games, all designed to strengthen community ties. The event also involved seniors in distributing mooncakes and lucky bags throughout the neighbourhoods, fostering a spirit of shared service. Many seniors enthusiastically took part, with friends and staff exchanging warm greetings and embracing the festive atmosphere.



Looking ahead, we plan to continue exploring opportunities to make even greater contributions to our local communities.

APPENDIX

APPENDIX 1: APPLICABLE LAWS AND REGULATIONS

Aspect	Laws and Regulations	Compliance Status
Environment	<ul style="list-style-type: none"> • Law of the People's Republic of China on Conserving Energy • Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution • Waste Disposal Ordinance • Air Pollution Control Ordinance 	During the reporting period, the Group was not aware of any non-compliance with laws and regulations ¹ that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.
Employment and labour standards	<ul style="list-style-type: none"> • Employment Ordinance in Hong Kong • Labour Law of the People's Republic of China • Labour Contract Law of the People's Republic of China • Law of People's Republic of China on Protection of Disabled Persons • Provisions on the Prohibition of Using Child Labour in China 	During the reporting period, the Group is not aware of any instances of non-compliance with significant impact on the Group regarding laws and regulations related to preventing child labour or forced labour. Furthermore, we have not received any reports concerning child labour or forced labour.
Occupational health and safety	<ul style="list-style-type: none"> • Production Safety Law of the People's Republic of China • Law on Prevention of Occupational Disease of the People's Republic of China • Occupational Safety and Health Ordinance 	During the reporting period, we were not aware of any non-compliance with laws and regulations having a significant impact on the Group relating to occupational health and safety.
Product Responsibility	<ul style="list-style-type: none"> • Personal Data (Privacy) Ordinance • Regulations on Customs Protection of Intellectual Property Rights in the People's Republic of China • Postal Law of the People's Republic of China • Customs Law of the People's Republic of China 	<p>Regarding health and safety, advertising, labelling, privacy, and matters pertaining to goods and services rendered as well as avenues for recourse, the Group was not aware of any violations of applicable laws and regulations during the reporting period that could have materially affected the Group.</p> <p>During the reporting period, the Group was not involved in any litigation relating to infringement of intellectual property rights.</p>
Anti-corruption	<ul style="list-style-type: none"> • Prevention of Bribery Ordinance • Anti-Money Laundering Law of the People's Republic of China 	During the reporting period, the Group was not involved in any corruption cases, nor was it aware of any violations of applicable laws and regulations pertaining to bribery, fraud, or money laundering that would have a substantial effect on the Group.

APPENDIX

APPENDIX 2: PERFORMANCE DATA SUMMARY

ENVIRONMENTAL	2023	2024
A1 Emissions		
Greenhouse gases (tCO₂e)		
Scope 1 Direct emissions	40.0	25.0
Scope 2 Energy indirect emissions	118.7	115.8
Scope 3 Other indirect emissions	87.0	69.3
Total greenhouse gas emissions	245.7	210.1
GHG emissions intensity by floor area (tCO ₂ e/m ²)	0.06	0.06
Air emissions (kg)		
Sulphur oxides	1.1	0.1
Nitrogen oxides	53.4	7.8
Respiratory suspended particles (RSP)	5.5	0.6
Waste (tonnes)		
Hazardous Waste	0.07	0.06
Hazardous waste intensity by floor area (tonnes/thousand m ²)	0.018	0.016
Non-hazardous Waste	19.4	9.0
Non-hazardous waste intensity by floor area (tonnes/m ²)	0.005	0.002
A2 Use of Resources		
Petrol (MWh)	76.6	73.3
Diesel (MWh)	62.1	11.89
Electricity (MWh)	238.7	230.7
Total energy consumption (MWh)	377.4	315.9
Energy intensity by floor area (MWh/m ²)	0.09	0.08
Water Consumption (m ³)	85	89
Water intensity (m ³ /m ²)	0.02	0.02

APPENDIX

SOCIETY	2023	2024
B1 Employment		
B1.1 Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.		
Total number of employees (person)	249	192
Geographical distribution		
Shanghai, the PRC	131	109
Hong Kong	118	83
Age Distribution		
< 30	34	19
30–40	111	93
41–50	88	74
> 50	16	6
Gender Distribution		
Male	126	93
Female	123	99
Position Level Distribution		
Top executive management	3	3
Senior management	24	16
Middle management	38	35
General Employees	184	138
B1.2 Employee turnover rate by gender, age group and geographical region		
Geographical distribution		
Shanghai, the PRC	14.5%	18.3%
Hong Kong	28.8%	42.2%
Age Distribution		
< 30	52.9%	63.2%
30–40	18.9%	25.8%
41–50	11.4%	18.9%
> 50	43.8%	83.3%
Gender Distribution		
Male	19.0%	28.0%
Female	26.0%	29.3%

APPENDIX

SOCIETY	2023	2024
B2 Health and Safety		
Occupational Safety and Health Performance		
Number of work-related injuries	0	0
Number of work-related injuries (person)	0	0
Lost days due to work injury (days)	0	0
Number of work-related fatalities (person)	0	0
B3 Development and Training		
Total training hours of employees (hours)	267	337
Average training hours of employees (hour/person)		
By gender		
Male	1.56	2.73
Female	0.58	0.84
By Position Level		
Top executive management	0.33	0.33
Senior management	0.67	0.56
Middle management	1.47	0.60
General Employees	1.05	2.22
Percentage of employees trained		
By gender		
Male	56%	69.9%
Female	58%	60.6%
By Position Level		
Top executive management	33.3%	33.3%
Senior management	37.5%	37.5%
Middle management	31.6%	42.9%
General Employees	65.2%	74.6%

APPENDIX

SOCIETY	2023	2024
B5 Supply Chain Management		
Total number of suppliers	622	669
By Region		
Asia	531	590
Europe	56	43
North America	12	15
Southwest Pacific	5	5
Middle East	4	4
South America	10	8
Africa	4	4
B8 Community Investment		
Resources contributed to the focus area		
Volunteering work (hours)	100	110

APPENDIX

APPENDIX 3: HKEX ESG CONTENT INDEX

GOVERNANCE

Indicators	HKEX ESG Reporting Guide Requirements	Section/Remarks	Page
Governance Structure			
Mandatory Disclosure	A statement from the Board containing: (i) Disclose the Board's oversight of ESG issues; (ii) the Board's ESG management approach and strategy, including the process of evaluating, prioritising and managing material ESG-related issues (including risks to the issuer's business); and (iii) how the Board reviews progress against ESG-related objectives and explains how they relate to the issuer's business.	Sustainability Governance – Board Statement	6
Reporting Principles			
Mandatory Disclosure	<p>Description or explanation of how the following reporting principles have been applied in the preparation of the ESG Report:</p> <p>Materiality: The ESG Report should disclose: (i) the process for identifying and selecting material ESG factors; and (ii) if the issuer has engaged stakeholders, a description of the identified material stakeholders, and the process and results of the issuer's stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, if any, or any other relevant factors affecting a meaningful comparison.</p>	The Group has fully considered and followed the principles of materiality, quantitative and consistency when preparing the Report.	
Reporting Scope			
Mandatory Disclosure	An explanation of the reporting scope of the ESG Report and a description of how the entities or businesses are selected for inclusion in the ESG Report. If the scope of the report changes, the issuer should explain the differences and the reasons for the changes.	About the Report – Reporting Boundary	2

APPENDIX

ENVIRONMENTAL

Indicators	HKEX ESG Reporting Guide Requirements	Section/Remarks	Page
A. ENVIRONMENTAL			
Aspect A1: Emissions			
General Disclosure	Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste: (a) the Policy; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer information.	Environmental Stewardship	11
KPI A1.1	The types of emissions and respective emissions data.	Environmental Stewardship – Emission Management	14
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	Environmental Stewardship – Addressing Climate Change	11
KPI A1.3	Total hazardous waste produced and intensity.	Environmental Stewardship – Emission Management	14
KPI A1.4	Total non-hazardous waste produced and intensity.	Environmental Stewardship – Emission Management	14
KPI A1.5	Description of emission target (s) set and steps taken to achieve them.	Environmental Stewardship – Addressing Climate Change	11
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target (s) set and steps taken to achieve them.	Environmental Stewardship – Emission Management	14
Aspect A2: Use of Resource			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Stewardship – Energy Management	11
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Environmental Stewardship – Energy Management	11
KPI A2.2	Water consumption in total and intensity.	Environmental Stewardship – Environmental and Natural Resources	15
KPI A2.3	Description of energy use efficiency target (s) set and steps taken to achieve them.	Environmental Stewardship – Energy Management	11
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target (s) set and steps taken to achieve them.	Environmental Stewardship – Environmental and Natural Resources	15
KPI A2.5	Total packaging material used for finished products and with reference to per unit produced.	The Group's operations do not involve any use of packaging materials.	

APPENDIX

Indicators	HKEX ESG Reporting Guide Requirements	Section/Remarks	Page
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuers' significant impact on the environment and natural resources.	Environmental Stewardship – Environmental and Natural Resources	15
KPI A3.1	Description of significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Stewardship – Environmental and Natural Resources	15
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.	Environmental Stewardship – Addressing Climate Change	11
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.	Environmental Stewardship – Addressing Climate Change	11

SOCIETY

Indicators	HKEX ESG Reporting Guide Requirements	Section/Remarks	Page
B. SOCIAL			
Aspect B1: Employment			
General Disclosure	Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare: (a) the Policy; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer information.	Team Member Engagement – Team Management	17
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Team Member Engagement – Team Management	17
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Team Member Engagement – Team Management	17

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Indicators	HKEX ESG Reporting Guide Requirements	Section/Remarks	Page
Aspect B2: Health and Safety			
General Disclosure	Information relating to providing a safe working environment and protecting employees from occupational hazards: (a) the Policy; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer information.	Team Member Engagement – Occupational Health and Safety	21
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	No work-related fatalities were recorded in the past three years.	21
KPI B2.2	Lost days due to work injury.	Team Member Engagement – Occupational Health and Safety	21
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Team Member Engagement – Occupational Health and Safety	21
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Team Member Engagement – Talent Development	21
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Team Member Engagement – Talent Development	21
KPI B3.2	The average training hours completed per employee by gender and employee category.	Team Member Engagement – Talent Development	21
Aspect B4: Labour Standards			
General Disclosure	Relating to preventing child and forced labour: (a) the Policy; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour.	Team Member Engagement – Team Management	17
KPI B4.1	Description of measures to review employment practises to avoid child and forced labour.	Team Member Engagement – Team Management	17
KPI B4.2	Description of steps taken to eliminate such practises when discovered.	Team Member Engagement – Team Management	17

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Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Operation Excellence – Responsible Supply Chain	24
KPI B5.1	Number of suppliers by geographical region.	Operation Excellence – Responsible Supply Chain	24
KPI B5.2	Description of practises relating to engaging suppliers, number of suppliers where the practises are being implemented, how they are implemented and monitored.	Operation Excellence – Responsible Supply Chain	24
KPI B5.3	Description of practises used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Operation Excellence – Responsible Supply Chain	24
KPI B5.4	Description of practises used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Operation Excellence – Responsible Supply Chain	24
Aspect B6: Product Responsibility			
General Disclosure	Information relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: (a) the Policy; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer information.	Operation Excellence – Product Responsibility	25
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Operation Excellence – Product Responsibility	25
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Operation Excellence – Product Responsibility	25
KPI B6.3	Description of practises relating to observing and protecting intellectual property rights.	Operation Excellence – Product Responsibility	25
KPI B6.4	Description of quality assurance process and recall procedures.	Operation Excellence – Product Responsibility	25
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Operation Excellence – Product Responsibility	25

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Aspect B7: Anti-corruption			
General Disclosure	Relating to bribery, extortion, fraud and money laundering: (a) the Policy; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer information.	Operation Excellence – Anti-corruption	27
KPI B7.1	Number of concluded legal cases regarding corrupt practises brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Operation Excellence – Anti-corruption	27
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Operation Excellence – Anti-corruption	27
KPI B7.3	Description of anti-corruption training provided to directors and employees.	Operation Excellence – Anti-corruption	27
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 Involvement	29
KPI B8.1	Focus areas of contribution.	Community Involvement	29
KPI B8.2	Resources contributed to the focus area.	Community Involvement	29