



Beijing Tong Ren Tang Chinese Medicine Company Limited 北京同仁堂國藥有限公司 (Incorporated in Hong Kong with limited liability)

(Incorporated in Hong Kong with limited liability) Stock code : 3613 Entering 2024, Hong Kong's economic environment continues to recover and the market is gradually picking up. Against this backdrop, technological advancement, climate change and the trend towards a low-carbon economy continue to bring new challenges and opportunities to the world.

The Chinese medicine industry is increasingly connected to environmental, social and governance concepts. As an important participant in the Chinese medicine industry, the Group increasingly focusing on sustainability in its choice of raw materials, not only focusing on the efficacy of the products, but also actively working on the enhancement of public health. By adopting green production technologies and sustainable sourcing of raw materials, Chinese medicine companies are minimising their environmental impact and promoting social responsibility.

The Group is fully aware of the need for enterprises to fulfill their social responsibilities and promote sustainable development when facing climate change. In order to respond to the "30–60" carbon peak and carbon neutrality targets in China, the Group will further strengthen its environmental management measures and actively promote green production and sustainable development. Through the implementation of a series of environmental management strategies to minimise the impact of its business operations on the environment, the Group will strive to make significant progress in the areas of resource efficiency, emission reduction and waste management. The Group will continue to collaborate with various stakeholders to promote the globalisation of the supply chain of Chinese medicine raw materials and proprietary Chinese medicine products, setting a new benchmark for the industry and working together to achieve the goals of sustainable development and low-carbon transformation.

The Group is committed to prioritising consumer needs. High quality products are the cornerstone of corporate development. Therefore, in terms of production and quality control, as well as technological innovation, the Group has continued to optimise its product supply chain by increasing variety development and enriching product offerings. The Group has also enhanced its sales management capabilities at the retail end to ensure the high standard and professionalism of its services. In addition, the establishment of a professional talent pool is crucial to the sustainable development of the Chinese medicine industry. The Group is committed to enhancing the professionalism and performance of the staff by providing them with systematic training on Chinese medicine knowledge, so as to nurture more Chinese medicine professionals to meet the Group's needs.

The Group firmly believes that the sustainable development of an enterprise is closely related to a favorable community environment. A healthy and harmonious community not only provides a stable operational base for the enterprise, but also creates favorable conditions for the work and life of the employees. Looking back to 2024, the Group carried out a variety of public welfare programs, including health seminars, free medical consultation, donations, etc., with the aim of improving the quality of life and health of the community residents, and promoting the dissemination and popularisation of Chinese medicine culture.

Looking ahead, the Group will strive to build a comprehensive enterprise with integrated development in the research and development, production and sales of pharmaceutical products, promote the development of the global supply chain of raw materials of Chinese medicines and proprietary Chinese medicines, nurture professionals in Chinese medicine, and promote healthy living and the culture of traditional Chinese medicine. We believe that with the concerted efforts of all our employees, we can contribute to the health and well-being of the society and fulfill our core value of "Nurturing kindness and virtue, Preserving tranquility and wellness".

Gu Hai Ou *Chairman*

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This Environmental, Social and Governance Report (the "Report") is the 2024 Environmental, Social and Governance ("ESG") Report of Beijing Tong Ren Tang Chinese Medicine Company Limited (the "Company", together with its subsidiaries, the "Group" or "We"), which is for the purpose of disclosing the Group's policies, measures and performance in relation to corporate social responsibility and sustainable development during the period from 1 January 2024 to 31 December 2024 (the "Year").

REPORTING SCOPE

This Report covers the Group's core businesses (including the manufacturing, retailing and wholesaling of Chinese medicinal products and healthcare products, as well as the business of Chinese medicine consultation services) of the Group's operations relating to the Group's businesses in Asia, Oceania, the Americas and Europe for the Year. The scope covers the operational sites of the Company and the companies listed on pages 208 to 215 of the Company's 2024 Annual Report (the "Annual Report").

REPORTING PRINCIPLES

This Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "Guide") as set out in Appendix C2 to the Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and follows the four reporting principles (materiality, consistency, balance and quantitative) for disclosure.

Quantitative - Interpretation

KPIs relating to historical data should be measurable and, where appropriate, comparable in order to assess and validate the effectiveness of ESG policies and management systems.

The Group's Response

The Group continuously recorded KPIs and made disclosure in a quantitative manner, where practicable. In addition, the Group engaged an independent professional consultant to conduct carbon Quantitative assessments in accordance with international and local standards to ensure the accuracy of the data of KPIs in respect of the environment.

The Group's Response

The Group complies with the principles of impartiality in the preparation of the Report.

Materiality - Interpretation

A report should address ESG issues that have a material impact on the Group and its stakeholders.

The Group's Response

This Year, the Group invited internal and external stakeholders to participate in online questionnaire for materiality assessment to identify material ESG issues and determine the key disclosure content of the Report.

REPORTING PRINCIPLES

A report should provide an unbiased picture of the performance in respect of ESG issues and avoid any possible inappropriate influence on decisions or judgments to be made by the report's reader.

The Group's Response

Unless otherwise stated, the statistical approach used in the Report is consistent with those used previously to ensure comparable data.

A report should use consistent methodologies on statistics to allow for meaningful comparisons of data over time.

Balance - Interpretation

The section headed "Content Index" on the last chapter of the Report is available for quick reference.

ESG REPORT 2024

CONFIRMATION AND APPROVAL

All the qualitative and quantitative information cited in the Report is sourced from the Group's public information, official documents and related statistical data. The Report was confirmed and approved by the board of directors of the Company (the "Board") on 28 March 2025.

STATEMENT OF DATA SOURCES AND RELIABILITY

The financial data in the Report is extracted from the Annual Report. All other data were obtained from the Company's internal data, records of survey interviews and relevant documents. Unless otherwise stated, all figures the Report are expressed in Hong Kong dollars ("HK\$"), the lawful currency of the Hong Kong Special Administrative Region ("Hong Kong") of the People's Republic of China (the "PRC" or "China"). During this Year, due to adjustments in statistical methods, some information has been restated, and where there is inconsistency with the data reported in previous years, please refer to the Report. The Board undertakes that there is no false information or misleading information recorded in this Report and accepts responsibility for the truthfulness, accuracy and completeness of its contents.

FEEDBACK AND OPINIONS

We believe that the opinions of different stakeholders will help strengthen the corporate sustainability performance and lead the Group to continuous improvement. If you have any questions or suggestions about the Group's sustainability related matters, the content of this Report or the form of reporting, please contact the Group by email (ir@tongrentangcm.com).

This Report has been prepared in Chinese and English respectively. In case of discrepancies between the English and Chinese versions, the English version of the Report shall prevail.



2024 TONG REN TANG ESG MILESTONES AT A GLANCE





Capsules on NAFLD" conducted by the Group in collaboration with Hong Kong Baptist University has received funding from the Research Matching Grant Scheme provided by Hong Kong University Grants Committee



daily health preservation practices of TCM focusing on the prevention



Adhere to Righteousness, Build the Cornerstone of Development



MANAGEMENT ON SUSTAINABLE DEVELOPMENT

ESG Governance System

The Group has always adhered to the ideology of "stable development and cultural inheritance", and has established a clear and effective governance system to foster a stable and sustainable corporate development. The Group gradually integrates ESG management principles into all aspects of the production and operations, diligently fulfilling economic, social, and environmental responsibilities. This ensures the interests of stakeholders, including the government, shareholder(s) of the Company ("Shareholder(s)"), staffs, partners, consumers, and the public, are safeguarded. The Group strengthens communication with stakeholders, enhances operational transparency, and increases societal recognition and approval of its sustainable development, achieving a mutually beneficial and win-win situation for the Group and all stakeholders.

The ESG-related businesses and affairs of the Group are led and authorised by the Board, with certain rights delegated by the Board to the management to enable the management to formulate and implement the Group's strategies and operational plans. The Board recognises the importance of balanced development in the three areas of ESG. To this end, the Board is responsible for formulating and overseeing the Group's sustainable development direction and strategy, as well as overseeing the ESG aspects of its operations and climate related matters in order to maintain a high standard of sustainable development governance. The Group is constantly reviewing its performance and looking for improvements to enhance its control system and stability.

Risk Management

Globalisation, technological development and climate change, etc. have brought about risks and opportunities at different levels to the global environment and social development. In order to achieve effective risk management and ensure a timely response, the Group has established a risk management and internal control system which is continuously monitored and reviewed by the Board.

The Board also determines the acceptable range of risk factors, monitors the risk management framework and reviews existing and potential risks and related countermeasures in response to changes in the environment. At the same time, the Group has established a risk management team to monitor the effectiveness of the risk management and internal control system and to monitor

changes in risks, and to report and submit risk management reports to the audit committee of the Company (the "Audit Committee") and the Board on a half-yearly basis.

The Group identifies, evaluates and manages significant risks in accordance with the 5 key elements of the risk management and internal control framework and the "Three lines of defense" model. For details of the risk management and internal control system, please refer to page 92 to 99 of the Annual Report.

In addition, the Group has established a clear risk management process to help identify and respond to relevant risks and opportunities.





| Major risks related to ESG | Impact period | Impact(s) | Major Measure(s) |
|----------------------------------|------------------|---|---|
| Policy risk | Medium- term | The Group's Chinese medicine products, Chinese medicine services, healthcare consultation and food or healthcare products are subject to regulatory control. Failure to comply with the requirements of laws and regulations may give rise to Chinese medicine and Chinese medicine industry regulatory risk or food and healthcare product regulatory risk. | The Group will prevent risks by gathering information on the laws, regulations and policies of the countries/regions in which the projects are located, improving the management system of overseas (namely countries/regions other than Hong Kong and Mainland China, for the purpose of the Report, including The Macao Special Administrative Region of the PRC, "Overseas") companies, strengthening the construction of Overseas product quality control systems, conducting regular audits and supervision, enhancing the awareness of compliance, introducing talents, and being prudent in dealing with the terms of contracts. |
| Quality risk | Long-term | Quality risk can be divided into four main areas, namely procurement, production, testing and sales: 1) Relevant laws and regulations on areas such as quality, inspection methods, import and export restrictions on Chinese medicine herb procurement may increase the difficulties on the quality control for purchased Chinese medicine herbs, or if the quality of raw materials, proprietary Chinese medicine and herbal pieces provided by suppliers does not meet the requirements, risk on quality of procurement may occur; 2) If there is inadequate control over the production process, risk on quality of production may occur; 3) If there is a lack of testing procedures or if the procedures are not stringent, it may result in products in poor quality, or the presence of other prohibited ingredients, and risks on quality of product testing may occur; 4) If there are quality problems on owned products and non-owned products sold by the Group, the responsibility will be borne by the manufacturers and distributors of the products. Failure to promptly cease sales and recall products may lead to risk on quality liability for product sales. | Major measures to address the risk on quality of procurement: Through materials testing, the Group prohibits unqualified raw materials and auxiliary materials from entering the production process; The Group enforces the suppliers on proprietary Chinese medicine to strictly implement product quality standards in various countries and regions, evaluates and reviews export suppliers on herbal pieces to ensure quality; Retail outlets in each regions gradually improve procurement and supplier management procedures to strengthen compliance procedures. Major measures to address the risk on quality of production: The production management of the Group strictly follows relevant regulations, staffs in the production techniques and pass the corresponding examination. Production quality. Each production process is recorded in detail to ensure that it is operated in accordance with established procedures. Major measures to address the risk on quality of production process is recorded in detail to ensure that it is operated in accordance with the laws and regulations of the relevant countries or regions. Processes of product inspection are refined while standard operating procedures for each inspection method are in place and detailed records are made. The Group regularly calibrates measuring instruments to ensure the accuracy and credibility of test results. |

| | related to ESG | Impact period | Impact(s) | Major Measure(s) |
|--|--|------------------|--|---|
| | Business partner risk | Medium- term | The Group may suffer from weak cooperation due to improper selection of partners, poor management coordination, poor communication of information or non-compliance with the cooperation contract, which will affect the Group's business development and adversely affect the results of operational performance and financial condition. In addition, malpractices and management failures of the cooperation partners may also lead to legal disputes, which may increase additional costs and risks and further weaken the Group's competitiveness in the market. | The Group strictly complies with the requirements of various tasks, conducts audit work on suppliers in accordance with the supplier audit system, updates the qualifications of suppliers and ensures that suppliers comply with the relevant requirements of the Group. In addition, for suppliers with whom the Group cooperates for the first time, the Group strictly enforces the auditing system for new suppliers and, where conditions permit, conducts small-quantity purchases, operates in accordance with the normal procurement process, and explores the operation of import and export formalities, taxation, customs clearance and transportation, etc |
| | External Consignment Business Risk | Medium- term | The external consignment business risk can be subdivided into the selection risk, the supervision risk and the discarding risk of external consignment organisations. Due to the production needs, the Group has the opportunity to engage external manufacturers for consignment tasks. The procedures and products may fluctuate due to equipment or other factors of various manufacturers. | The Group commissions and supervises the products and performance of the relevant external manufacturers in strict accordance with the internal requirements to ensure the stability of the entire process. |
| | Price Risk (Procurement Price) | Medium- term | The prices of Chinese medicine herbs may fluctuate significantly due to factors such as production volume and demand for Chinese medicine herbs, environmental protection and contingencies (climate disasters) and affect the entire industry chain and accordingly the procurement prices of raw materials, auxiliary materials and proprietary Chinese medicine, thereby increasing the Group's uncertainty in cost control, and affects its competitiveness in the market, resulting in greater pressure | In the process of procurement, the Group controls the cost for procurement by identifying new suppliers, diversifying supply channels and comparing prices via quotations. The Group pays close attention to the market conditions and policies of Chinese medicine herbs so as to provide timely communication with end-users on procurement status, the Group can thus have quotations from suppliers in advance and ensure the most appropriate price for procurement can be obtained. In order to cope with the increase in the procurement price of certain scarce Chinese medicine herbs, the Group actively purchases such |

market, resulting in greater pressure

on our pricing strategy.

herbs in the international market as inventory,

Company's operations.

thereby ensuring the continuity and stability of the

Major risks

| Major risks related to ESG | Impact period | Impact(s) | Major Measure(s) |
|----------------------------------|------------------|--|--|
| Intellectual property risk | Long-term | Risk on Intellectual Property Rights can be divided into three main areas, namely Overseas registration of intellectual property rights, trademark licensing agreements and intellectual property rights. In the event that the trademark "Tong Ren Tang" is registered by any other entity or individual or a patent application is filed Overseas, there will be risks of Overseas intellectual property registration; If the parent group (namely China Beijing Tong Ren Tang Group Co., Ltd., together with its subsidiaries, its jointly controlled entities and its associates (other than the Group), the "Parent Group") terminates or amends the "Tong Ren Tang" trademark license agreement and authorisation letter entered into with the Group, there may be risks on trademark license agreement; If competitors copy the Group's research and development results, there may be intellectual property risks occurring. | Major measures to address the risk on Overseas registration of intellectual property rights. Through the agent appointed by the Parent Group, the Group monitors the use of trademark of "Tong Ren Tang" Overseas and sees if the trademark has been registered by any other entity or individual or if any patents have been filed Overseas. Major measures to address the risk on trademark licensing agreements: The Group closely communicates with the Parent Group, and promptly updates and formulates contingency measures where there is any change to trademark licensing agreements made by the Parent Group. Major measures to address the risk on intellectual property rights: The Group cooperates with professional institutions and commissions them to apply for various intellectual property rights and patents for the Group's achievement in research and development. |

MANAGEMENT ON COMPLIANCE

It is fundamental for the Group to operate in compliance with all applicable laws and regulations. The Group understands that non-compliance with laws and regulations will have an impact on the Group at different levels, ranging from business operations and reputation to penalties and litigations. As various national laws, regulations and policies in the Chinese medicine industry continue to be refined and implemented, the Group will put utmost importance on ensuring operational compliance as it always does, as well as formulate and implement a series of internal policies and systems so as to strengthen the compliance management. Our Audit Committee is responsible for overseeing the Group's policies and practices formulated as required by legal and regulatory requirements, while the Board reviews the Group's compliance on an annual basis.

During the year, there were no cases of non-compliance with laws and regulations relating to the ESG aspects of the Group.

| Scope | Issue | United Nation Sustainable Development Goals | The Group's policies | Major laws and regulations in Hong Kong (including but not limited to) |
|-------------|---|--|---|---|
| Environment | Emission | 12 conservation conservation COO 13 count conservation co | Measures on the Administration of Environmental Protection of Production Bases Rules on Management of Laboratory Waste | Air Pollution Control Ordinance Ozone Layer Protection Ordinance Water Pollution Control Ordinance Waste Disposal Ordinance Codes of Practice for the Management of Clinical Waste Hazardous Chemicals Control Ordinance |
| | Use of resources | 12 ESSORATE DECEMPTION CONTRACTOR 13 ACRIS CONTRACTOR | Measures on the Administration of Environmental Protection of Production Bases | Not applicable |
| | Environmental and natural resources | 12 CONSULTING CONSULTING 13 CHART CONSULTING 13 CHART | Measures on the Administration of Environmental Protection of Production Bases | Product Eco-responsibility Ordinance Environmental Impact Assessment Ordinance |

| Scope | Issue | United Nation Sustainable Development Goals | The Group's policies | Major laws and regulations in Hong Kong (including but not limited to) |
|------------|-----------------------------|---|---|--|
| Employees | Employment | 3 0000 HEASH AND WELL-SHAC | Staff Manual Rules on Management of Implementation of Employment Contracts | Employment Ordinance Employees' Compensation Ordinance Minimum Wage Ordinance Personal Data (Privacy) Ordinance and various discrimination ordinances |
| | Healthy and safety | 3 GODD MATH AND WILL-SENG | Rules on Management of Retailing Safety Rules on Management of Training Dust Explosion Prevention Safety Management System | • Occupational Safety and Health Ordinance |
| | Development and training | B DECEMT WORK AND COOMMER CROWN 10 BERUCED FORMATINE COMMENTES | Staff Manual Rules on Management of Training | Not applicable |
| | Labor standards | 3 GOOD HEALTH AND WELL-BENG 8 ERCENT WORK AND ERCENT WORK AND ERCENT | Staff Manual | Employment Ordinance Personal Data (Privacy) Ordinance and various discrimination ordinances |
| Operations | Supply chain management | 12 EXSMANT CARAJONETRIC CONSTITUTION CONSTIT | Material Procurement Management Rules Suppliers Management Rules Measures for the Procurement Management of Advisory Services Projects Measures for the Supervision and Management of Material Procurement Management Guidelines for Material Procurement Compliance Good Manufacturing Practise (GMP) International Standard ISO22000: 2018 Food Safety Management System Hazard Analysis and Critical Control Points (HACCP) | Not applicable |

ESG REPORT 2024

| Scope | Issue | United Nation Sustainable Development Goals | The Group's policies | Major laws and regulations in Hong Kong (including but not limited to) |
|--------------------|---------------------------|--|---|--|
| | Product responsibility | 12 COORDINATION | Product Quality Standards Confidentiality Management Regulations Rules on Management of Retailing Safety Staff Manual After-sales Product Consultation and Complaint Handling Management Rule Product Return Management Rule Rules for Management on the Quality of Retail Services Adverse Drug Reaction Reporting and Monitoring Procedures for Product Market Sampling Management Procedures for Product Recall Implementation Suggestions on Publicity Management and Information Release Work Management System for "Immediate Handling of Received Complaints" Rules of Quality Risk Management Good Manufacturing Practise (GMP) International Standard ISO22000: 2018 Food Safety Management System Hazard Analysis and Critical Control Points (HACCP) | Chinese Medicines Regulation Chinese Medicine Ordinance Regulation of Registered Proprietary Chinese Medicines Food Adulteration (Metallic Contamination Regulations Pesticide Residues in Food Regulation Food Safety Ordinance Undesirable Medical Advertisements Ordinance Trade Descriptions Ordinance Personal Data (Privacy) Ordinance |
| Business ethics | Anti-corruption | | Staff Manual Execution Plan for General Supervision Regulations on the Behaviour Management of Senior Management and Employees Measures for Strengthening the Integrity Supervision and Management over Newly Appointed Leaders and Senior Management Measures for Supervision and Coordination such as Discipline Monitoring and Inspection, Auditing, Finance and Organisation | Prevention of Bribery Ordinance |

COMMUNICATIONS WITH STAKEHOLDERS

We believe the participation of stakeholders is an important part in business development. The stakeholders' opinion helps the Group to establish a more comprehensive sustainability development strategy.

Opinions from different stakeholders⁽¹⁾ are essential to the Group's business development and management, allowing the Group to examine potential risks and opportunities, making business practice more aligned with their needs and expectations.

The Group is dedicated to establishing an open and transparent communication mechanism. During the Year, the Group communicated and maintained good relationship with its stakeholders and responded effectively to its stakeholders through various targeted channels. The specific types of stakeholders, communication focus and communication channels are shown below:

| Stakeholders | Communication Focus | Communication Channels |
|---|---|--|
| Customers and Consumers | The Group has access to feedback from its customers and consumers through various channels, such as staff at retail outlets, customer service hotlines, facsimiles, emails and social media, and has a mechanism in place to handle customers' feedback and complaints appropriately. | Customer Service Center and Hotline Customer Complaints Mail Company website Social media communication In-person visits Market research |
| Stakeholders and Investors | The Group holds regular general meetings and discloses important information by means of annual reports, interim reports, financial reports, ESG reports, corporate websites and other disclosure documents to keep investors and Shareholders updated on the Group's position, results and ESG performance. | Questionnaires Regular release of financial report and data Shareholders' meetings and activities Corporate communications Press releases Investor relations communication Company Website |
| The Board, Senior Management and Employees | The Group understands the needs of its employees through various channels, such as performance appraisals and questionnaires, and encourages communication among employees and their supervisors to support employees' career development and create a workplace facilitating advancement, health and safety | Questionnaires Suggestion boxes for employees Training programs Staff activities Corporate communication Performance appraisal |

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(1)

"Stakeholders", also known as "interested parties" or "interest holders", refer to groups and individuals who have significant impact on the business of an enterprise, or those who are affected by the business, including the internal Board, senior management and employees, external customers and consumers, shareholders, suppliers and business partners, trade associations, government and regulators, community organisations, potential investors and banks.

| Stakeholders | Communication Focus | Communication Channels |
|---|--|---|
| Suppliers and Business Partners | The Group ensures that its suppliers understand and meet the Group's expectations and requirements through screening, auditing and evaluation process, and communicates regularly with its suppliers and business partners to strengthen partnerships. | Questionnaires Regular communication Assessment and evaluation Information sharing |
| Government and Regulators | The Group liaises with relevant government departments and regulatory authorities to keep abreast of the latest legal and regulatory requirements and to ensure compliance of its operations. Any non-compliance with relevant laws and regulations will be reported to competent authorities immediately. | Regular communication Compliance records Policy documents Response to consultation Site visit |
| Trade Associations | The Group communicates with trade associations on a regular basis for exchange of any industry information in order to ensure that its operations comply with industry standards. | Regular exchange Industry seminar and conference Participation in the affairs of trade associations |
| Media | The Group values its good relationship with the media and regularly organises press conferences to share the latest developments, product information and social responsibility activities of the Company. In addition, we also actively respond to media enquiries to ensure information transparency and enhance public trust and support for the Group. | Press ReleasesCompany Website |
| Non-government Groups and Community | To better understand and respond to the needs from the community, the Group organises community activities and services from time to time and encourages its staff to support voluntary services. | Community culture development Support to underprivileged groups Community services Volunteering Donation Company Website |

Materiality Assessment

To ensure the ESG Report reflects the issues of concern to stakeholders and the Group's environmental and social impacts regarding those issues, the Group conducted stakeholder communication and materiality assessment, through commissioning independent professional consultant, to identify the important environmental and social issues. The Group also understands and responds to the expectations and requirements of its stakeholders through the below procedures on identification of material issues.



There are a total of 22 topics for the year, please refer to the following matrix for details:

| No. | Topics (in descending order of importance) | Level | Materiality |
|-----|--|-------------|------------------|
| | Quality and safety of product and service | | |
| 2 | Business ethics and integrity | | |
| 3 | Raw material and packaging material management | Level I | Very important |
| | Privacy and data security | | |
| 5 | Labour standards | | |
| 6 | Employment practices | | |
| 7 | Air emissions | | |
| 8 | Responsible marketing and labelling | | Important |
| 9 | Community engagement and investment | Level II | |
| 10 | Protection of intellectual property rights | Level II | |
| | Compliance management | | |
| 12 | Responsible supply chain management | | |
| 13 | Energy | | |
| 14 | Risk management | | Secondary |
| 15 | Training and development | | |
| 16 | Customers' engagement | Level III | |
| 17 | Water resources | Lever III | Secondary |
| 18 | Occupational health and safety | | |
| 19 | Greenhouse gas emissions | | |
| 20 | Climate change and resilience | | |
| 21 | Waste | Level IV | Others |
| 22 | Diversity and equal opportunity | | |
| | Environmental Topics Cocial Top | pics 🕂 📇 Go | overnance Topics |

| Very Important Topics | Corresponding Chapter |
|--|---|
| Quality and safety of product and service | Operating in Good Faith: Cultivate Integrity at Heart, Maintain Superior Quality Together |
| Business ethics and integrity | Responsible Governance: Strengthen the Root and Adhere to Righteousness, Build the Cornerstone of Development |
| Raw material and packaging material management | Environment Management: Embrace Low-carbon Practices, Jointly Construct a Greener Habitat |
| Privacy and data security | Responsible Governance: Strengthen the Root and Adhere to Righteousness, Build the Cornerstone of Development |
| Labour standards | Take People as the Foremost: Collectively Practice Benevolence and Virtue, Create a Glorious Future |
| | |

In combination with the impact of the topics on the corporate value of the Group and the impact of the Group on the ESG, the following matrix demonstrates the overall importance level of the 22 ESG issues. The 5 topics at the upper right of the materiality matrix curve are considered the "very important topics" and are highlighted in this Report.



PRINCIPLE OF ADHERENCE

A business and working environment with equality, ethics and compliance is the foundation for the healthy development of the Group.

Anti-corruption

The Group adheres to the three principles of "Virtue", "Honesty" and "Integrity", manages its daily operation performance in a strict and prudent manner, and strictly prohibits any illegal acts such as bribery, extortion, fraud and money laundering.

Also, the expectations to and responsibilities of employees are detailed on the "Staff Manual" and relevant rules to provide guidelines to their daily work, which set out the Group does not allow any disclosure of trade secrets, abuse of power for personal gains, abuse or infringement of company's property or acceptance of advantages in the name of company under any circumstances. In addition, the Group has set up a supervision office and has an anti-corruption officer in place, which both are fully responsible for the disciplinary and inspection work of the Group through assessment and spot checks. To strengthen the regulatory capacity and scope, any suspected corruption cases can also be reported by employees or outsiders to the supervision office by phone calls, email or in person. The Group will formulate corresponding treatment in accordance with the "Six-in-One" supervision system and the "One Post with Two Responsibilities" responsibility mechanism to achieve all-round compliance operation.

The Group aspires to implement good corporate governance and adhere to business ethics in order to safeguard the interests of its stakeholders. Good corporate governance not only enhances the company's reputation, but also strengthens the trust of investors and customers, laying a solid foundation for the Group's sustainable development. This Year, the Group invited officials from the Independent Commission Against Corruption of Hong Kong to conduct a "Compliance Seminar for Listed Companies" training, which aimed to raise staff awareness of the importance of compliance and integrity, and to ensure that all levels of management understand and comply with the relevant laws and regulations.

In addition, the Group also invited professional lawyers to provide staff with a "Sharing Seminar on ESG Hot Topics in the Pharmaceutical". The seminar not only focused on the current ESG hot topics in the pharmaceutical industry, but also emphasised the importance of anti-corruption to help companies maintain transparency and fairness in the complex business environment.

This Year, the Group also successfully organised the first training session for integrity supervisors. By establishing an integrity supervisor system, the Group closely monitored the "key minorities" and key points, ensured strict compliance during important periods, and actively carried out supervision work, thus contributing to the construction of the Group's integrity culture.

In order to remind and ensure the internal staff of the requirements of the relevant laws, regulations and internal policies, so as to create a clean working environment, the Group has conducted anti-corruption training. This Year, the ratios of anti-corruption training received by the directors and senior management and manager-employees of the Group are both 100% with average training hours for anti-corruption of 3.0 hours and 4.7 hours respectively. The training covers anti-corruption and anti-bribery laws and regulations, as well as case studies on past breaches, with emphasis on how to properly handle potential and actual breaches. This Year, there was no corruption litigation against the Group or its employees.

The following charts demonstrate the Group's "One Post with Two Responsibilities" responsibility mechanism and the "Six-in-One" supervisory system:





The Group fully protects the rights and interests of whistleblowers, and no unit or individual may retaliate against whistleblowers in any form. For those who retaliate against the whistleblowers or complainants, once they are found, we will deal with them seriously in accordance with the relevant regulations, and if they constitute a crime, they will be transferred to the judicial authorities for investigation of criminal liabilities in accordance with the law.

BUSINESS ETHICS

The Group believes that the key to improving business ethics is to establish a corporate culture of transparency and integrity. This includes complying with laws and regulations, ensuring product quality and safety, engaging in social responsibility activities, investing in research and development, establishing a compliant risk management mechanism, and providing staff ethics training. These initiatives not only help to meet customer needs, but also help to safeguard the Group's reputation and promote the healthy development of the industry. By adhering to business ethics, the Group is able to contribute positively to the health and well-being of the community, while earning the trust and respect of external stakeholders.

Protection of Privacy and Intellectual Property Rights

The Group attaches great importance to the protection of customer privacy and intellectual property rights, and is committed to ensuring the confidentiality of all information and the rights of each property holder through internal procedures such as the "Staff Manual" and "Rules on Management of Retailing Safety". Our internal procedures stipulate the staff's responsibility in keeping information confidential. All staff are not allowed to disclose customers' or internal information and data to third



parties without prior consent of the Company. Meanwhile, security training and education on confidentiality are also provided to staff with access to confidential information to raise their awareness towards confidentiality. According to "Confidentiality Management Regulations", no staff is allowed to disclose customers' personal information without any prior written consent. To ensure the confidentiality of personal information and data, the Group respects the rights of all companies, individuals and creators, and expects to respond to the "No Fakes Pledge" of the Hong Kong Intellectual Property Department and to protect intellectual property rights through internal regulations and external laws.

To further monitor its compliance and confidentiality, if customers or third parties suspect that their privacy or intellectual property rights have been infringed, concerns or complaints can be submitted through established whistle-blowing channels, including telephone, email or written requests. The Group will investigate and impose corresponding penalties according to the reported content.

In addition to internal potential risks, the confidentiality of information may be affected by network security. To avoid disturbance arisen by hackers or illegal software causing leakage, staff may download software only with the consent of the Information Technology Department. At the same time, the Information Technology Department may upgrade the mail defense level in various ways including mailbox security verification and phone SMS verification to further ensure network security and avoid problems.





We adhere to the corporate motto of "No compromise on cost and labor despite the complexity of processing herbal medicines. No compromise on quality and standard despite the scarcity of medicine ingredients." and devote to the optimisation of supply chain and product quality management, so as to offer diverse, safe and highly effective Chinese medicine products.

WHOLE-PROCESS QUALITY MANAGEMENT

Product Safety and Quality Management

Tong Ren Tang adheres to the principle of "honest operation and morality" as core value of quality management, follows relevant laws and regulations, and strictly implements targeted internal procedures such as "Product Quality Standards" and "Adverse Drug Reaction Reporting and Monitoring Procedures". The Group upholds good product quality to ensure all Chinese medicine products provided to our customers are excellent and complied with relevant laws and regulations. The Group's research and development and production base located at Tai Po Industrial Estate in Hong Kong ("Production and R&D Base") obtained the GMP (Good Manufacturing Practice) certification for proprietary Chinese medicine, ISO22000:2018 (Food Safety Management Systems) and the HACCP (Hazard Analysis and Critical Control Points) certifications, and all Chinese medicine products products produced and sold by the Group are registered with the Chinese Medicine Council of Hong Kong and complied with international and local standards.



To ensure the quality of owned products, we adopt a stringent quality standard. From material procurement, reception and storage, production and even inspection, we formulate a set of management and operational guidelines in accordance with the quality requirement of each process, and stipulate the duties of responsible functional departments and key personnel so as to ensure that the arrangement on its production process and product quality are excellent and complied with relevant laws and regulations. In addition, the Group has formulated the "Management Procedures for Product Market Sampling", under which all proprietary Chinese medicines and healthcare products sold by the Company in Hong Kong should be subject to regular market inspections to ensure that the samples taken will be inspected by the quality inspection department, which will make specific inspection reports to ensure that each batch of the products undergoes stringent gate-keeping procedures.



The responsible officers receive training regularly regarding all the procedures to ensure a comprehension of relevant requirements. This Year, the product quality training covers GMP, materials management, inspection management, medicine equipment, manufacturing equipment management, quality standard, manufacturing techniques, equipment operation, cleanliness and hygiene as well as employee discipline.

To further enhance product quality, the Group established its strategies on quality development and risk management, which set out its quality development strategy including objectives, targets, planning and annual plans for quality control, and also formulated a series of guidelines and measures to guide all functional departments in improving their management system on guality control on an ongoing basis. Creating a management system and Forming a competent team culture for quality control Forming a quality management committee Strengthening the management capabilities which is responsible for formulating, of quality control-related technical staff and the training of technical and operational assessing and adjusting the strategies on staff, to build a team with both quality and quality. · Enhancing the management structure on quantity. quality to clarify the responsibilities of each Developing a more comprehensive working unit so that a culture for quality mechanism for talent selection and control can be fostered. incentives, which includes the procedures for identifying, training and managing talents, as well as the employment packages. Materialising a "zero-defect" quality Enhancing the flow of quality-control related information control management Setting up a "zero-defect" management Enhancing and fully utilising the digitalised panel which is responsible for determining product management system for statistical objectives for achieving "zero-defect", and analytical purposes, and establishing a performing regular assessment thereof and system on the reporting and handling of offering corresponding remedial solutions. quality control tracking for the whole Developing a recognition system to product life cycle, quality risks and encourage functional departments and staff pharmacovigilance. to achieve "zero-defect" and provide suggestions. Enhancing standards on quality control Management of quality risks Enhancing and adopting a more stringent See "Rules of Quality Risk Management" for standard that covers the management and details control over Chinese medicine herbs and raw materials, selection, cooperation, assessment and review of suppliers, product quality control and management, and scopes of retail and medical services, to further improve the management standards.

In addition, in order to assist consumers in their purchase of authentic products, the Group's products contain labels applying anti-counterfeiting technology to eliminate counterfeit ones, further boosting consumer confidence in the Group.

In today's highly competitive market environment, product quality and safety are not only directly related to the health and safety of consumers, but also crucial to the Company's reputation and market position. The Group attaches great importance to quality risk management to ensure that potential quality risks can be effectively identified, assessed and responded to in the course of production and operation. Therefore, the Group has formulated the "Rules of Quality Risk Management" to further strengthen the risk management in the process, avoid quality and safety incidents, and enhance the quick response to incidents so as to improve the operational performance.



known or potential risks are e and assess the extent reference and impact thereof the ris previou

- Corresponding measures are established with reference to the extent of the risk exposure and previous experience
- Communicate with relevant functional departments to master information and monitor the process of quality risk management and phased evaluation, continuously improving the management process and adjusting response measures

CREATING A BETTER EXPERIENCE FOR CUSTOMERS

Improvement on Customer Communication and Product Recall

The Group produces each product with great dedication and places emphasis on refined after-sales management, while continuously values customers' feedback on the products. Under the basis of the "After-sales Product Consultation and Complaint Handling Management Rule" and the "Product Return Management Rule", the "After-sales Management and Product Return Procedure" are in place to improve the customer services quality. If there is any query about product information and usage after the purchase, or complaint on product quality, durability, reliability, safety, effectiveness or defects in design, customers are able to make consultations and complaints through phone calls, emails, written request or visit our retail outlets in person as well as return the product.



Meanwhile, the Group stipulates the requirement to be complied with by staff at retail outlets in the "Rules for Management on the Quality of Retail Services", which covers courtesy, reception, hospitality, knowledge of customers' needs as well as introduction of products. The Group constantly improves its sales management capabilities at the retail stores and also provides relevant training to its staff at retail outlets on a regular basis to retain the high quality and professional level of products and services provided. Preparing for the new retailing and consumption patterns of the digital era, the Group diversifies its sales channels, including the establishment of an online shop on the Company's official website to provide customers with seamless experience both online and offline. Its marketing and promotion model is innovated, when the integrated online and offline diversified channels are expanded.

The Group received 2 complaints on products and services for the Year. Following our investigation, it was confirmed that there was no problem with our products, and we had taken appropriate actions and replied to relevant customers. Furthermore, the Group has no recall cases due to health and safety concern in this Year.

REGULATING PRODUCT INFORMATION

The Group strictly regulates its product labels and description to ensure their compliance and conformity with relevant regulations. Also, we do not tolerate any misrepresentation of drug labels and description. The labels and description attached to the proprietary Chinese medicine we sold and exported are in compliance with the Hong Kong Chinese Medicines Regulation, Guidelines on labels of proprietary Chinese medicines of registration regulation of proprietary Chinese medicines and Guidelines on package inserts of proprietary Chinese medicines. The Group ensures the packaging and description of its products provide ample information, including the main active ingredient, the dosage and method of usage, functions or pharmacological actions, storage instructions, contraindications or side effects and the expiry date. Hence, customers can choose suitable Chinese medicine products to safeguard their health and safety. At the same time, the Group adheres to relevant laws and regulations in product advertising and promotion. Any advertisements and labels must be reviewed by the compliance department before being released to the public so as to ensure that all information is true, accurate, healthy, clear and without fraud.

If we receive complaints about our product advertisement and labeling, we shall immediately carry out an investigation to find out the reasons and conceive solutions and improvement measures so as to avoid the re-occurrence of similar complaints. This Year, the Group received 1 complaint regarding advertisement and illustration, and have been handled in accordance with prescribed procedures.

This Year, the Group adopted the new anti-counterfeiting and traceability technology of "Quantum Cloud Code" for the packaging of "Beijing Tong Ren Tang Angong Niuhuang Wan (北 京同仁堂安宮牛黃丸)" to build an independent, autonomous, safe and controllable anti-counterfeiting traceability and early warning system. Each product is given a unique "ID", realising the management of one pill, one code, ensuring the uniqueness and traceability of the product. Based on the technical advantages of the "Quantum Cloud Code" technology, such as difficult to copy, breakage readable, and highly efficient encoding, the system realises accurate traceability and monitoring of the whole life cycle of the products, thus providing consumers with safer and more reliable pharmaceutical products. Consumers can identify the authenticity of the product by simply scanning the QR code of the product through the official "Angong Niuhuang Wan Counterfeit Verification" mobile application or through WeChat.

In the future, the Group will continue to review and improve its policies relating to product responsibility and review its internal control mechanism from time to time, continue to pay attention to and apply advanced anti-counterfeiting and traceability technologies, and apply such technologies to more products more extensively, so as to provide customers with comprehensive products and services and safeguard the safety of the customers' use of medicines.



SUPPLY CHAIN MANAGEMENT

Supply Chain Assessment and Approval

To ensure the quality and supply of its products, the Group regards the stability of the supply chain as one of the important factors for its business development. Effective supply chain management helps companies ensure that the supply of raw materials and production lines of products can operate as scheduled, in turn contributing to their achievement of long-term development. The Group has formulated and regularly updated the "Material Procurement Management Rules" and "Suppliers Management Rules" to provide clear guidelines for requirements and procedures of supplier assessment and approval.

The Group believes that having good supply chain management is the first step in providing high quality products. Therefore, the Group requires that suppliers must be legitimate product operating or manufacturing enterprises and must provide valid supporting documents, such as business registration certificates, wholesale licence in Chinese herbal medicines, health permit, etc.. Suppliers are required to provide products that comply with the statutory quality standards and the relevant quality requirements, as well as provide product qualification certificates and factory inspection reports, which further ensures the quality of the pharmaceutical supply chain.

In order to ensure the performance of existing suppliers meets the Group's standard, the Group has established supplier audit team to carry out regular review on the performance and product quality of suppliers to protect the cooperative relationship and ensure both parties are consistent with the contract made. The evaluation on new suppliers of the Group covers areas including their production capacity, supply capacity, material quality and reputation and etc.. At the same time, for new suppliers of raw materials and auxiliary materials, we will ask for a small batch of samples from them and send the samples to the quality inspection department to undergo a comprehensive test for ensuring that the active ingredient content, physical and chemical indicators, heavy metal content, pesticide residues and beyond meet the Company's quality standards before we proceed with the official purchase. In respect of the Group's suppliers of major raw materials and auxiliary materials that may have significant influence on product quality, the supplier audit team will conduct sample testing and on-site audits to ensure the material quality meets the Group's standard.

The frequency of supplier audits will be determined according to the criticality of the goods supplied. The supplier audit team will arrange regular audits according to the management level of the supplier, review the supplier's various legal certificates and professional qualification certificates, etc., and assess the supplier's supply capability, production management level and quality management level. When quality problems arise or when we receive warnings from the regulatory authorities, the supplier audit team will conduct on-site audits again and require the suppliers concerned to make rectifications. If the corrective actions are not taken, the supplier will be suspended from purchasing, or the business will be terminated and the supplier will be removed from the list of approved suppliers.



The Group understands that the identification of environmental and social risks in the supply chain and the establishment of relevant regulatory policies are conducive to the enhancement of supply chain management. The Group will further improve its supply chain management and processes in the future to achieve more stable and sustainable development.



This Year, the Group had a total of 280 suppliers, which are located in Asia, Oceania, the Americas and Europe. The selection process established by the Group and the environmental and social risk identification system and monitoring mechanism are applicable to 100% of suppliers for the Year.



RESEARCH AND DEVELOPMENT INNOVATION



X



Keeping up with the development of macro-health industry, we have been focusing on the scientific development of TCM to promote our organic growth and continuous upgrading of technologies. This Year, the Group continued to develop new products adapted to more diversified market demand, invest a lot of money and research & development personnel in this field, such as nourishing of body condition for the prevention of diseases. In addition, the Group actively advanced its scientific research on key product categories to facilitate further product upgrades and future product development.

The Group will continue to adopt "industryuniversity-research collaboration" strategy through collaboration with world-renowned universities and research organisations for continuous in-depth researches on key products' safety, pharmacology and pharmacodynamics and other areas, aiming to

provide solid scientific basis for TCM modernisation and internationalisation. It is expected that the results of scientific research will contribute a large amount of quantitative data for the future global expansion of the Group's TCM, and provide a cognitive foundation for Overseas residents to further understand, accept and consume TCM, provide solid technical and data support for the Group in further expanding its presence in Overseas markets and reducing potential market risks and promote the application and development of TCM in the international healthcare field.

The Group continues to collaborate with the "Centre for Chinese Herbal Medicine Drug Development" established by the Hong Kong Baptist University to conduct collaborative research based on Chinese medicinal compounds, and will combine teaching and research resources to establish a professional training program to enhance the strength of the collaborative platform. This Year, both parties have actively engaged in extensive exchanges and discussions on issues such as industry development dynamics, professional field expansion, cooperation with the Chinese Medicine Hospital of Hong Kong, as well as the direction and content of future cooperation, with a view to strengthening program cooperation, joining hands to promote the modernisation of Chinese medicine together, nurturing local talents studying Chinese medicine, and upgrading the overall strength of Tong Ren Tang's scientific and technological innovations Overseas. Professors and experts from Hong Kong Baptist University shared product scientific research findings with our staff which helps with enhancing our staff's understanding and knowledge of Chinese medicine thereby they can better serve our customers and market needs.
OPERATING IN GOOD FAITH: CULTIVATE INTEGRITY AT HEART, MAINTAIN SUPERIOR QUALITY TOGETHER

Since its establishment, the Group has been focusing on the emerging areas of the national pharmaceutical industry and the hotspots of the macro-health industry while maintaining its independent innovation in the field of traditional Chinese medicine. The Group has continued to increase its investment in forward-looking scientific research in the areas of anti-aging, anti-cancer and stem cell to accelerate the cultivation of new quality productive forces. This Year, the Group's invention patent for "A freckle-removing and whitening product along with its preparation method and uses" was formally authorised by the China National Intellectual Property Administration for invention patents. The patented invention achieves good spot-removing and whitening effects. All the ingredients in the patented formula are edible or medicinal ingredients, which are not harmful to human health and can be manufactured into medicines, food and other products. It has been successfully used in the Group's first Chinese anti-aging and age preservation series of products — "The Age-defying Collection — The Brightening", which has been launched in Hong Kong. In



靈芝薑黃複方活血安神膠囊

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上學研究

addition to the above invention patent, the Company has also obtained a utility model patent for "a plant extract drying device", and one invention patent and one utility model patent have entered the substantive examination stage.

In addition, the research project "Pharmacodynamic and Mechanism Study of Lingzhi Turmeric Compound Bloodsupplementing and Nerve-calming Capsules on NAFLD" conducted by the Group in collaboration with Hong Kong Baptist University has received funding from the Research Matching Grant Scheme provided by Hong Kong University Grants Committee. "Lingzhi Turmeric Compound Blood-supplementing and Nerve-calming Capsules" is a proprietary Chinese medicines developed to prevent and treat the early symptoms of non-alcoholic fatty liver disease, which is crucial to stop or delay the progress of the disease, and has been registered and launched as a proprietary Chinese medicine product in Hong Kong.

This Year, our Group has promoted a total of 24 scientific research projects, published 2 scientific citation index papers in overseas journals, and obtained 1 invention patent and 3 utility model patents. The Group has received a total of approximately HK\$2.35 million in project funding support from the Hong Kong Special Administrative Region Government, as well as approximately Macau Pataca 12 million from the Macau Special Administrative Region Government this Year.





We are committed to the concept of "people-oriented and mutual benefits for employees and the Company". People-oriented thinking, team culture and corporate responsibility principles urge us to pay close attention to staff development and create a friendly, equal, healthy and safe working environment for the employees.

EMPLOYMENT SYSTEM

The Group aims to create a friendly, equal, diverse and respectful working environment for its employees, so as to help them to capitalise on their strengths to attract staff retention and to enhance corporate competitiveness. The Group has clearly stipulated the measures and arrangements related to remuneration, recruitment and promotion, working hours and holidays in the "Staff Manual", so that employees can understand the employment terms and human resources policies and protect their own rights and obligations. In order to effectively review the implementation of the employment system, employees can report employment related matters to department managers or the human resources department based on the guidelines. The Group will handle and follow up with their feedback in a confidential manner to meet the needs of both parties and establish a suitable working environment and operation model. In the future, the Group will continue to review and update the "Staff Manual" from time to time to align with high standards and a compliant employment system.



The Group provides a fair and competitive remuneration to our staff, regularly assesses and reviews the remuneration and benefits policies with reference to the industry level and practices of each regional market, to improve its arrangement and requirements. Also, performance-based bonus and awards will be issued according to staff qualifications, performance assessment and individual or team performance for the year to support and recognise staff.

Benefits

The Group provides employees with comprehensive onboarding and annual periodic health check-ups, also offers basic medical, dental and accident insurance to employees. Staff and their immediate family members are provided with free Chinese medicine consultation services.

To take care of the personal health of employees and their families, various company product purchase discounts are provided to employees and their immediate family members. At the same time, we have also set up breastfeeding rooms for postpartum employees.

To create a relaxing and pleasant working atmosphere, the Group organises various kinds of after-work activities from time to time for employees to join. During the Year, the Company held International Women's Day Floral Jamming Workshop, birthday parties, International Workers' Day Cheung Chau Outing Event, small sport competitions and various quiz competitions, allowing employees to share in the festive spirit and fun.

ensure employees rest well.

Leave Arrangement



Diversity, Equal Opportunities, and Antidiscrimination



The Group follows the principle of "distribution based on contribution and equal pay for equal work" and provides equal development opportunities for all employees and job applicants. No biased decision are made based on race, gender, age, religion or other factors that are not related to the employees' or job applicants' ability, qualifications and experience to build an inclusive and fair working environment.

Apart from local statutory leave, the Group provides additional paid

holidays, including marriage leave, compassionate leave and home leave, to

To enhance the diversity of the Board, the policy on diversity of the Group's Board members states that difference factors such as gender, age, culture and educational background are taken into consideration when selecting new directors.

Recruitment, Promotion, and Termination



The Group conducts annual performance appraisals for all employees. All recruitment, promotion and termination procedures adopt the principle of fairness and openness, and such decisions shall be made based on factors including work performance, attitude and development direction of employees or applicants.

Procedures related to recruitment, promotion and termination are specified in the "Staff Manual" to help employees understand their rights and relevant procedures, facilitate guidance for their career development, and ensure they receive clear direction during their growth and transitions within the company.

Prevention of Child Labour and Forced Labour



The Group prohibits the recruitment or use of child labor and verifies the identity documents of job applicants during the hiring process, keeping records on file. A risk assessment process is established to identify the risks of inadvertently hiring child labor or encountering cases of forced labor, ensuring compliance and eligibility for employment.

Working hours and job duties are specified on the employment contract. Employees are only required to perform their job duties thereon and strictly prohibited to forcibly require them to undertake job duties mentioned outside of the contract's requirements or hours in any form.

In the event that there is any employment of child labour or forced labour, the Group will handle including reporting to the enforcement branch, assisting the aggrieved employee, and also taking disciplinary actions in accordance with relevant laws and regulations.

As at 31 December 2024, there are 782 employees in total, including 11 directors and senior management, 771 global employees, and 13 other workers who are not employed by the Group but are working in premises controlled by the Group, including cleaners, gardeners, fishpond keeper and security guards. For the statistical data of employees, please refer to the employees related data overview for details.











EMPLOYEE HEALTH AND SAFETY

The Group provides a safe and healthy work environment for employees and adheres to the production principle of safety and hygiene. According to the "Rules on Management of Retailing Safety", the Group lists out the regulations on safety management of workplaces and warehouses to reduce the risk and impact on the employees arising from their job duties.

Plan

Health and safety hazard assessment

Labour Department and Department of Health conduct regular health and safety inspection and check-up on employees at the Tai Po Production and R&D Base.

Workplace and storage layout

All workplaces, including retail outlets and warehouses, shall have arrangements for safe working practices and conspicuous safety signs. For instance, items shall be stacked at a safe distance from heat sources and electrical switches. Adequate firefighting equipment shall also be available in the warehouses and the operational staff shall be familiar with its usage. Firefighting equipment shall also be regularly inspected and maintained by designated professional.

Inflammable items, poisonous and hazardous substances in the Tai Po Production and R&D Base are stored in designated space and labelled. The storage areas are equipped with good ventilation, smoke exhaust and fire safety systems in compliance with safety standard. A valid license has been granted to the Group and annual safety and electricity inspection has been conducted by the Fire Services Department to ensure ongoing safety.

Policy

Safety rules and guidelines

Based on the requirements of different workplace and job nature, safety rule for our employees has been developed to stipulate the safe operation procedure for each position, aiming at minimising the risk of injury and occupational diseases. In respect of retailing, the Group formulated the "Rules on Management of Retailing Safety", stipulating the requirements for safety management in workplaces and warehouses.

Dust explosion prevention and hazardous chemical safety management measures According to relevant laws and regulations such as the "Work Safety Law of the People's Republic of China", the "Safety Regulations for Dust Explosion Prevention and Protection", and the "Safety Management Specification for Dust Explosion Prevention and Protection", we have formulated the "Dust Explosion Prevention Safety Management System". All affiliated units need to clearly identify whether there are areas with dust explosion risk and take effective prevention and control measures. For the safety management of dust explosion hazardous areas, we strictly follow the requirements of relevant standards to ensure the effectiveness of management measures.

In addition, for employees involved with hazardous chemicals, the Group requires comprehensive safety education, legal education, and job technical training to related personnel. All relevant personnel must receive education and training, and can only work after passing the assessment. For positions that require qualifications, we ensure the provision of professionals with legal qualifications. At the same time, hazardous chemical management units should develop relevant accident emergency plans and equip necessary emergency rescue personnel to cope with possible emergencies.



Execution

Establishing safety culture and enhancing safety education

To enhance employees' health and safety awareness, we develop annual training plan which includes monthly training with different themes in accordance with the requirements of the Department of Health. After the end of training, employees are required to complete relevant assessments. We will also keep record of the training sessions and assessment results for each employee to ensure each employee obtains necessary safety knowledge for the position.



Production employees are exposed to relatively high risk during the operation of the Group. To ensure that they have sufficient knowledge about factory safety, regular safety production training will be conducted including standard operation on equipment, safety and emergency management, fire safety knowledge and system usage as well as traffic and security management.

Investigation

Regular inspections and accident investigations

The Labour Department and Buildings Department conduct regular inspections of safety and environmental conditions at the Tai Po Production and Research and Development Base every year.

Health management and promotion

This Year, we have arranged several occupational health seminars for employees at Tai Po Production and R&D Base, which covered scopes of fire safety, traffic safety, and public security management, to teach and demonstrate relevant safety and health actions.



Over the past 3 years (including this Year), there is no case of work-related fatality and work-related injury. The work-related injury rate was 0%.



TRAINING AND DEVELOPMENT

Adhering to the concept of "business growth driven by talent", the Group supports talent sustainability and career planning of the employees to nurture talents and strengthen their sense of belongings. The Company formulates a promotion system and clear guideline is given to employees through the "Staff Manual". In order to formulate a suitable development direction for employees, we evaluate and give feedback on staff performance through regular performance appraisal and assessment.

At the same time, we have also established the "Rules on Management of Training" to develop appropriate training plans in response to enterprise development goals, and the specific needs of different job positions. For instance, we provide regular trainings on the operation standard of equipment, safety and emergency management, knowledge on fire prevention and facilities usage are provided to plant employees together with assessments so as to ensure they work with safety knowledge required by their positions. We also attach great important to providing trainings to retail outlets staff in order to continuously improve their working skills so as to provide high quality customer services. We also maintain detailed training records for each employee to assist them to review their training joined and assessment results. We regularly collect opinions from employees to review and update the training programs to further improve our approaches of training.

This Year, the Group's employee training rate was 100%, in which male employees and female employees received an average of 8.9 hours and 5.3 hours of training respectively, and employees at all levels received corresponding average training hours, including 9.6 hours for directors and senior management, 8.9 hours for managers, and 6.3 hours for general employees.



more internal personnel attention to the work environment and integrate into occupational health and safety.

hope that new joiners can adapt to

the organisation.





Embrace Low-carbon Practices, Jointly Construct a Greener Habitat



We uphold the self-disciplined ethos of "Dedication comes from the heart in the steps that no one else can see for". We strive to pursue excellence in Chinese medicine products research and manufacturing while undertaking responsibility of environmental protection.

Various environmental crises have an impact that cannot be neglected on the stability of society and economy. Based on the relevant environmental laws and regulations, the Group has formulated the "Measures on the Administration of Environmental Management Protection of Production Bases" to regulate the management of emissions at the Production and R&D Base. Through standardising the emission management, implementing resources conservation measures and raising employees' awareness, the Group monitors and continuously optimises its environmental performance. At the same time, with the environmental objectives of improving the efficiency of resource use and reducing emissions, the Group continuously evaluates, records and discloses environmental data on an annual basis to review the effectiveness of existing measures, and plans to engage an independent professional consultant to conduct assessment in the future to help us further develop specific indicators for emission reduction, waste reduction, energy saving and water saving, and strengthen our governance performance.

WASTES AND EMISSIONS MANAGEMENT

Waste

The Group is well aware of the impact of waste on the environment and society, and we handle waste generated during operations with caution. The waste generated in our operations is divided into hazardous waste and general non-hazardous waste, and regulatory and disposal measures are established for each waste to avoid environmental pollution caused by incorrect classification or disposal. This Year, The Group generated a total of 1.4 tonnes of hazardous waste, all of which were disposed of by qualified companies; The non-hazardous waste generated at the same time is a total of 692.0 tonnes, which will be collected, transported, and treated by local government departments.



⁽³⁾ In 2024, the Group has adopted the approach of aggregating on-site measured data for hazardous waste, which can effectively improve accuracy.

Hazardous Waste

Hazardous wastes such as a small amount of chemicals are generated from the Group's production process while a small amount of medical waste is generated from the Chinese clinical services at retail outlets. We concern about the risk of mishandling hazardous waste, and we properly handle such waste by way of appropriate supervision and disposal.

Chemicals and other hazardous waste

Understanding that the chemicals we use in production and experiments pose a potential threat to staff and public health and pollute the environment, the Group formulated the "Rules on Management of Laboratory Waste" and control measures, which are administered and supervised by laboratory management, in accordance with "Hazardous Chemicals Control Ordinance" of Hong Kong.

Toxic and hazardous wastes such as chemical containers and waste oil are classified and disposed to specially-marked collection containers, which are stored separately in the leak proof, dust-proof and explosion-proof facilities. Licenses from the relevant government authority were applied and such waste is sent to qualified recyclers for handling. The amount of recycling for each time will be registered and recorded.

The Group also encourages employees to collect hazardous waste such as ink cartridges and used batteries, and recycle them and hand them over to independent professional recyclers to reduce the impact on the environment.

Medical waste

The needles used by the Group in Chinese medical consultation and acupuncture fall within the scope of clinical waste Group 1 - Used or Contaminated Sharps. The Group complies with "Waste Disposal Ordinance" and "Codes of Practice for the Management of Clinical Waste", our staff at retail outlets are required to recap and properly placed used sharp needles in medical disposal bin with special marks to separate from other waste and avoid contact with humans. The sealed medical waste will be transferred to a licensed medical waste collector for disposal. Meanwhile, we will submit a relevant application to the Environmental Protection Department for followup actions.

Non-hazardous Waste

The Group's daily operation generates non-hazardous waste such as packaging materials and domestic wastes. By reducing waste at source, the Group supports reusing and recycling resources, and strives to reduce the non-hazardous waste generated by the operation. This Year, the Group recycled 0.43 tonnes of paper. In addition, due to the upgrading of workshops and equipment at the Tai Po Production and R&D Base, the Group also recycled 18.8 metric tonnes of metal.

Waste generated from production process and packaging materials

The Group adheres to the approach of "purchase on demand", where we purchase packaging material based on the production volume of our products accordingly. Employees at Tai Po Production and R&D Base are encouraged to reuse resources, and prevent willful discard of recyclable waste such as newspapers and paper boxes. Employees are required to collect and separate recyclable waste, which will be sent to waste collectors for recycling.

Domestic waste

Food waste generated from the canteen of the Tai Po Production and R&D Base is collected and stored at designated rubbish bins to be sent and disposed by our collector. The qualified collector will regularly collect and handle wastewater and waste oil being discharged from the kitchen to the grease traps subsequently.

Meanwhile, office staff are encouraged to reduce using as well as making best use and recycle any single-use items by types:

- Establish a new electronic system,
 Collect paper and adopt electronic communications
 deliver it to to reduce printing
 independent
- Vise both sides of papers and reuse single-side printed paper
- Collect paper and deliver it to independent professional recyclers for follow-up processing

This Year, the Group consumed a total of 138.2 tonnes of packaging materials, which consists of 31.1 tonnes of paper, 77.5 tonnes of metal and 29.6 tonnes of plastic. Total consumption for the Year decreased by approximately 44% compared to that of the last year.



Only including operating points involving packaging material consumption. In 2024, the Group adopted the method of onsite statistical summary for packaging materials, effectively improved accuracy.

Wastewater

The wastewater generated by the Group mainly covers production and domestic wastewater, which is discharged through the pipelines laid by the government to the fixed wastewater treatment system, and is regularly collected and sampled by the relevant authorities. At the same time, in order to reduce the impact of wastewater discharge on the environment, we conduct random inspections at the Production and R&D Base for a period of five years to ensure that it meets the standards and further monitor the quality of wastewater.

At the same time, the equipment, containers, and tools used in production are cleaned and disinfected using self-made pure water and premixed concentration alcohol. The cleaning and disinfection process of equipment that comes into contact with drugs does not use any cleaning agents at all, ensuring that the discharged water has "zero residue and zero pollution", minimising the damage caused by the pharmaceutical process to the environment. The production equipment also uses easily degradable food grade lubricants to reduce pollution.

Carbon Emissions

Same as last year, the Group commissioned an independent professional consultant to conduct a carbon assessment for the Year to quantify the greenhouse gas emissions (or "carbon emissions") generated from its operations. The quantification process was conducted with reference to "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange.

This Year, the Group's total carbon emissions were 1,941.0 tonnes CO_2 equivalent. The Group's carbon emissions mainly come from the use of purchased electricity in Scope 2, which accounts for approximately 87.6% of total emissions. The total carbon emissions for this Year decreased slightly by approximately 3.2% compared to the last year, mainly due to the decrease in purchased electricity.



- (5) Scope 1 includes direct greenhouse gas emissions from fuel combustion of liquefied petroleum gas and natural gas, as well as mobile sources of gasoline and diesel. Reference is made to "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange and "2006 IPCC Guidelines for National Greenhouse Gas Inventories".
- Greenhouse Gas inventories .
 Scope 2 includes indirect greenhouse gas emissions from purchased electricity from third parties. Reference is made to "How to prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange, the revised instructions of "Corporate Greenhouse Gas Emission Accounting Methods and Reporting Guidelines for Power Generation Facilities (2022 Revision)" (Draft for Comment) issued by the Ministry of Ecology and Environment of the People's Republic of China, and the electricity or grid factor for each operating site location in the course of calculation.
- ⁷⁰ Scope 3 includes other indirect greenhouse gas emissions from electricity for the treatment of water and wastewater and business travel at the Hong Kong operation site. Reference is made to "How to prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange.

Air Pollutants

Air pollutants are mainly generated from emissions from gasoline and diesel burned from vehicles operating in each operating sites, liquefied petroleum gas consumed by cooking herbs in Asia operating sites, the burning of natural gas by cooking herbs in the Americas operating sites and the burning of natural gas in Europe for heating purpose.

For the purpose of reducing carbon emissions, the Group encourages its employees to replace business travel with video conference or teleconferencing, to use more public transport and switch off idling car engines. This Year, nitrogen oxides, sulfur oxides and respiratory suspended particles have all decreased compared with last year, mainly due to the drop in diesel consumption and liquefied petroleum gas used in stoves, as well as more efficient use of vehicles.



Includes air pollutants from the combustion of diesel and gasoline of vehicles, and combustion of liquefied petroleum gas and natural gas. Air pollutants emission and emission factors are calculated with reference to "How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange, the "Technical Guide for Preparation of Air Pollutant Emission Inventory for Road Vehicles《道路機動車大氣污染物排放清(單編製技術指 南)》" of the Ministry of Ecology and Environment of the People's Republic of China, and the "Compilation of Air Emissions Factors" published by the United States Environmental Protection Agency.

RESOURCE EFFICIENCY

Resources Conservation

Tai Po

Production

and R&D Base

The Group fully understands that energy and water are valuable resources in the nature and are shared resources of humanity, and is committed to protecting its resource supply through different means and mechanisms in response to the concept of sustainability. This Year, each operation sites of the Group obtained water from local governments, and did not encounter any difficulties in sourcing water that is fit for purpose. We pay great emphasis on electricity and water conservation and require the employees to be prudent in the use of electricity and water resources without wastage. The Group has implemented a series of measures to enhance resources efficiency and established an e-document system to further reduce resource consumption. Among which, as energy consumption is the primary source of the Group's greenhouse gas emissions, we will continue to focus on and strive to enhance the energy usage efficiency at the Tai Po Production and R&D Base, offices and retail outlets.

Primary measures to enhance resources efficiency and minimise carbon emissions

- The air conditioning and lighting system of the Tai Po Production and R&D Base are set at day or night modes to reduce the energy consumption during night time
- Install timers along the corridors, the surroundings and the concourse of the Tai Po Production and R&D Base
- Maintain energy consumption at a reasonable level based on the production requirement
- Turn off all electrical, air conditioning and lighting appliances before leaving for the day or when not in use
- Regularly check and maintain energy-consuming production equipment to sustain its energy efficiency
- Install information card for production equipment to make it easier for professionals to perform regular monitoring and follow-up
- Take into account the actual needs of the environment, timers are installed for outdoor advertising signs so that the signs are turned off for a designated period at night
- Maximise the use of natural light and adjust lightings based on sunlight conditions
- Adopt energy-saving lamps with higher energy efficiency
- Regularly perform inspection and maintenance to ensure proper functioning of water equipments and pipes
- Regularly collect and inspect the electricity and water usage for analysis and response
- Select and plan carefully the type of green plants around the Tai Po Production and R&D Base

Primary measures to enhance resources efficiency and minimise carbon emissions The air conditioning and lighting system of the office are set at day or night modes to reduce the energy consumption during night time Hong Kong Office and Retail Set air-conditioning system to maintain indoor temperature at 25.5°C Outlets Regularly educate the employees on the importance of energy and water conservation and saving Place different green plants in office to improve the air quality and relieve the monotony and weariness from work Remind employees to turn off all equipment, air conditioning and lighting appliances before leaving for the day or when not in use Maximise the use of natural light and adjust lightings based on sunlight conditions Adopt energy-saving lamps with higher energy efficiency

• Regularly collect and inspect the electricity and water usage for analysis and response

This Year, the Group's total energy consumption was 4,176.4 MWh, and the total electricity consumption was 3,668.3 MWh. Other energy consumption included liquefied petroleum gas, natural gas, gasoline and diesel. The Group's electricity consumption mainly comes from Hong Kong operations. This Year, the total energy consumption has decreased by approximately 7.7% as compared to the last year, mainly due to the decrease in consumption of electricity, diesel oil and liquefied petroleum gas.



Use of Water Resources

The Group's water consumption is mainly from manufacturing, sales and office operation, and has no difficulty in acquiring water resources as needed. During the Year, the Group's total water consumption was 28,479.3 m³ and the water intensity was 17.7 m³/HK\$' million of revenue. Compared with the previous year, the water consumption of this Year has slightly decreased by approximately 4.8%, which is mainly due to the effective water conversation measures at the operating sites.



⁽⁹⁾ As water resources of its offices, warehouses and some operating sites in Hong Kong are managed by property management offices or there are no physical operating sites, the data only covers some operating sites.

THE ENVIRONMENT AND NATURAL RESOURCES

The Group complies with relevant environmental laws and regulations in its daily operations, and regularly monitors each operation site to ensure that its emissions comply with statutory requirements. Although the Group's daily operations do not directly have a significant impact on the environment and natural resources, as stakeholders in the society are paying more attention to sustainable development, the Group plans to consider reducing the impact on the ecological environment from the perspective of product life cycle, e.g. reducing the waste generated from product disposal, and avoiding the irreversible impact of hazardous and non-hazardous waste generated from operations on the surrounding environment and ecology.

CLIMATE CHANGE

The Group understands the relationship between climate change and society and business operations. In addition to the environmental changes caused by climate change, such as increased frequency of typhoons and rainstorms, which have brought a survival crisis to the natural ecology, it also brings risks and changes to the society and daily operations. As its impact gradually increases, we understand that identifying and effectively managing climate-related risks and opportunities is an essential element of achieving stable and sustainable corporate development. This Year, the Group commissioned an independent professional consultant to initially identify industry-related climate risks related to its own business, their correlation and impacts, and to establish response measures based on international climate change risks reports and peer climate risks. In the future, we will further analyse the correlation and impact of climate risks on our business, identify and formulate. Additionally, a monitoring mechanism and policies were developed to enhance the stability of its operations.

| Risk type | Climate risk | Risk description | Time dimension | Response policy |
|-------------------------------|---|---|---------------------------------------|---|
| Risk type Physical risk | Extreme weather conditions (such as typhoons and floods) | Extreme weather events, such as typhoons and floods, may pose a significant threat to the operations and business continuity of the Group. These natural disasters may cause damage to production facilities, disrupt our supply chain, and delay logistics, thereby affect product delivery and customer satisfaction. In addition, extreme weather may also affect the safety and health of employees, lead to closure or suspension of workplace, which in turn affects the overall performance and financial stability of the Company. | Short- term and Medium- term | The Group has developed response plans, including building flexible work arrangements and preventive measures in adverse or extreme weather conditions, as well as establishing and improving emergency response mechanisms to ensure timely response and handling of emergencies in extreme weather conditions, including emergency teams establishment, material reserves and evacuation plans development. |
| | Average temperature rise | Temperature changes may have significant impacts on the synthesis and production processes of certain drugs, requiring adjustments to production parameters or increased temperature control measures. These adjustments not only increase production costs, but may also lead to a decrease in production efficiency. In some high- temperature areas, the continuous rise in temperature requires the Group to increase ventilation and cooling measures in production plants and office spaces, leading to increased energy consumption and operating costs. On the other hand, high temperature can also increase the probability of employees suffering from heatstroke and other high- temperature illnesses, resulting in a decrease in production efficiency and waste of human resources. | Long-term | We will conduct a comprehensive evaluation of production facilities and make necessary modifications and upgrades to improve the efficiency of temperature control and ventilation systems, ensuring the stability of the production environment At the same time, we will strengthen the health and safety management of our employees, regularly conduct high-temperature protection training, and enhance their safety awareness and self- protection ability. During hot weather, we will implement flexible work arrangements to ensure that employees work ir safe conditions and provide necessary heatstroke prevention and cooling measures, such as drinking water and rest spaces. |

9.0

| Risk type | Climate risk | Risk description | Time dimension | Response policy |
|-----------------------------------|--|--|---------------------------------------|---|
| Risk type Transitional risk | Increased requirements for environmental information disclosure | With the increasing global attention to sustainability and environmental protection, the requirements for environmental information disclosure in various countries and regions are constantly increasing. This means that The Group needs to improve transparency and provide more detailed information on environmental impact, resource use, and greenhouse gas emissions. Failure to adapt to these new requirements in a timely manner may result in incomplete or inaccurate information disclosure, leading to risks such as fines, legal liabilities, and reputational damage. In addition, insufficient environmental information may also affect the trust of investors and consumers, thereby having a negative impact on the Company's business performance. | Medium- term | The Group will continue to monitor changes in relevant laws and regulations, and closely monitor global trends in climate change to ensure that our operations comply with the latest environmental disclosure requirements. At the same time, we will actively communicate with stakeholders and share our environmental efforts and achievements to enhance public trust and brand image. Through these comprehensive measures, we aim to ensure that the Group maintains compliance under increasingly tightened environmental disclosure requirements, reduces potential legal and reputational risks, and supports the Company's sustainable development strategy. |
| | Rising raw material costs | The Group has a wide variety of raw materials, including chemical materials, biological materials, active pharmaceutical ingredients, and traditional Chinese medicine. In extreme high and low temperature periods in summer and winter, the production of some raw material suppliers may be restricted, resulting in reduced or suspended production. Those situations will not only cause shortage of some materials, but can also lead to significant increase in prices, directly affecting the production costs and overall operational efficiency of the Group. If the cost of raw materials continues to rise, it will pose significant challenges to the Company's profitability and market competitiveness. | Short- term and Medium- term | The Group regularly analyses supply chain risks, strengthens strategic cooperation with suppliers, and increases inventory of key suppliers. For important raw materials, we establish multiple candidate supplier lists, continuously explore and evaluate new suppliers, and include them in the procurement assessment plan to ensure timely switching in case of problems with the main supplier and avoid the risk of stock out. We select multiple suppliers, continuously incorporate new suppliers into our procurement assessment plan, actively seek alternative materials and optimise production processes, reduce dependence on certain high cost raw materials through technological innovation and process improvement, and improve overall production efficiency. |



Shoulder the Responsibility of Benefiting the World, Jointly Create a Marmonious Society



Serving Society: Shoulder the responsibility of benefiting the World, Jointly create a harmonious society

We are committed to the corporate spirit of "Nurturing kindness and virtue, Preserving tranquility and wellness" to promote healthy life and TCM culture in the community.

As a time-honored enterprise with centuries of history, Tong Ren Tang has always upheld the mission and vision of "Healthy Life Global Choice" to improve the wellness of the community and actively promote TCM culture across the world. While providing quality medicine products to the Chinese medicine market, the Group also actively participates in social welfare. The Group fully carries out the responsibility of a corporate citizen and gives back to the community. We leverage our expertise in TCM to facilitate cooperation among different sectors of community and encourage employees to care for and serve the community. We promote community investment in four aspects, including "caring for public health", "supporting the grassroots and the underprivileged", "promoting TCM culture", and "boosting TCM education". In terms of charitable donations, the Group has formulated and strictly abides by the "Measures for the Administration of External Donations" to continuously give back to society in a legal and compliant manner.



SERVING SOCIETY: SHOULDER THE RESPONSIBILITY OF BENEFITING THE WORLD, JOINTLY CREATE A HARMONIOUS SOCIETY

The Group has always paid close attention to stroke, and had held series of activities on the theme "Show Love and Care to Stroke Prevention" since 2016, and is dedicated to safeguarding the health of citizens, keeping them away from the threat of stroke. Entering the ninth year, the Group held Hong Kong's first outdoor traditional Chinese medicine culture carnival at the Tsim Sha Tsui Cultural Centre Piazza - "The Beijing Tong Ren Tang Traditional Chinese Medicine Culture Carnival" to raise public awareness and understanding of stroke prevention, attracting large number of tourists to stop and participate. Several schools and social welfare organisations also attended the event. Various interactive games were set up at each booth on site, allowing visitors

to learn about the basic theoretical knowledge of TCM diagnosis and treatment, as well as commonly used types of Chinese medicine. The game spread the message of "preventing diseases

with Chinese medicine" and received widespread praise from school groups social welfare organisations.

At the same time, in order to enhance public awareness and prevention of stroke, and in response to World Stroke Awareness Day, The Group held the "Beijing Tong Ren Tang Stroke Prevention Campaign 2024: Tong Ren A-Maze-ing Health Tips" event, advocating the health concept of "Family First, Inner Peace Follows". Starting from caring for family health, we aim to promote the prevention of urban "Three-Hypers" (Hypertension, hyperglycemia, and hyperlipidemia), educate and encourage the public to



engage in daily Chinese medical health preservation, and promote our brand and TCM culture. During the event, a charity donation ceremony was held simultaneously to show care for grassroots families. A total of 1669 tickets to the Hong Kong Palace Museum were donated to multiple social welfare organisations, allowing beneficiaries to share joy with their families and showcasing the brand's spirit of "Nurturing kindness and virtue, Preserving tranquility and wellness". Tong Ren Tang enhanced the brand influence through a series of activities, which not only aroused strong interest of Hong Kong citizens and tourists in TCM culture, but also showcased the social influence of the century old brand.

The Group subsequently collaborated with elderly centers and organised several stroke prevention health lectures and visitation activities. The lecturer provided guidance to the elderly on Chinese medicine acupoint massage, Baduanjin exercise, and cardiovascular and cerebrovascular health exercises, encouraging them to maintain an active and healthy lifestyle, raise awareness of stroke, and achieve early prevention, detection, and treatment to reduce the chance of stroke and its impact. This Year, nearly 800 elderly people received health lectures in the event, while over 100 elderly people were provided Chinese medicine free consultation service.

SERVING SOCIETY: SHOULDER THE RESPONSIBILITY OF BENEFITING THE WORLD, JOINTLY CREATE A HARMONIOUS SOCIETY





In addition to focusing on promoting stroke prevention, the Group also cares about the health and well-being of community residents. The Group has launched a series of health education activities in response to the increasing incidence of gynecological diseases among women in Hong Kong in recent years. We have arranged multiple health seminars and set up booths in shopping malls, street sides, and community centers in different regions to popularise knowledge about the prevention and treatment of urban chronic diseases and gynecological diseases to the general public, especially females. By visiting the booth and listening to seminars from Chinese medicine practitioners at Tong Ren Tang, community residents have gained further understanding and knowledge of gynecological health care. This Year, the women's health education series attracted over 2000 Hong Kong citizens to participate. The Group also cooperated with the community cervical screening program promoted by the government and the healthcare industry, giving Guizhi Fuling Wan to the first 200 female citizens who completed physical examinations. From "external examination and internal administration" to a dual approach, we aim to alleviate gynecological diseases in women. The Group strives to integrate the wisdom of TCM with modern technology to promote the inheritance and innovation of proprietary Chinese medicines.



SERVING SOCIETY: SHOULDER THE RESPONSIBILITY OF BENEFITING THE WORLD, JOINTLY CREATE A HARMONIOUS SOCIETY

As a time-honored brand of TCM, the Group has always been committed to inheriting and promoting TCM culture, and promoting the concept TCM health preservation. This Year, the Group has partnered with non-profit organisations in Hong Kong — The Hong Kong Consortium for Medical, Nursing and Healthcare Development to arrange quarterly "Tong Ren Care Entering Community" enterprise TCM health seminars, which were held at Hong Kong listed company EC Healthcare and well-known local hotels Eaton Hotel and Hong Kong listed catering company Tai Hing Group Holdings Limited. The lectures focused on common health issues such as cardiovascular disease, influenza, upper respiratory tract, and occupational pain. The Group's senior Chinese medicine practitioner explained the TCM treatment methods and health techniques for different diseases in simple terms. By explaining the causes and mechanisms of diseases, analysing the patterns of disease development, and teaching how to use TCM therapies such as herbal medicine, acupoint massage, and health soup to regulate the body, the seminars equipped employees of these companies with greater knowledge of Chinese medicine and wellness practices.

In order to assist people in need to obtain suitable medical services, the Group provides free medical consultation services in its stores every year to provide Chinese medical diagnosis services and Chinese medicine for different classes of citizens for treatment or physical fitness. During the Year, the Group has provided free medical consultation service for more than 950 people.

The Group has been enthusiastic about public welfare activities for many years, fulfilling social responsibilities and demonstrating corporate responsibility. Beyond donations, the Group has participated in various forms of activities and volunteer services, consistently joining the Hong Kong Community Chest Walk for Millions event for years. This Year, The Group participated in the Community Chest 55th Anniversary Walk for Millions organised by the Hong Kong Community Chest, raising funds through walking for family and child welfare services funded by the Community Chest. The event aims to help Hong Kong's most vulnerable grassroots families and children, enhance social cohesion and mutual aid spirit, and have a profound impact on various sectors in Hong Kong. All funds raised from this event, without any deductions for administrative expenses, will be fully allocated to support family and child welfare services provided by the Community Chest's member agencies.



This Year, the Group held various activities to contribute to the Community, which not only attracted the attention of major media, but also brought new information and image to the public, and achieved positive results. Looking into the future, The Group will continue to promote the concept of traditional Chinese medicine health preservation and enhance citizens' awareness of TCM, contributing to the creation of a healthy society and telling the wonderful story of Tong Ren Tang's Chinese medicine services for the health of society.





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