WING ON COMPANY INTERNATIONAL LIMITED

永安國際有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 289)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2025

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1. Introduction

Wing On Company International Limited (the "**Company**") and its subsidiaries (together referred to as the "**Group**") are pleased to present the Environmental, Social and Governance Report ("**Report**") for the year ended 31 December 2025 (the "**Year**"). The Group considers environmental, social and governance ("**ESG**") practices to be integral to its business objectives and remains committed to integrating sustainability practices across its operations. This Report outlines the Group's ESG and climate-related strategies, initiatives, and achievements during the Year.

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

This Report has been prepared in accordance with the principles and requirements set out in the ESG Code (the "**Code**") contained in Appendix C2 to the Rules Governing the Listing of Securities (the "**Listing Rules**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), including Part B "Mandatory Disclosure Requirements", Part C "Comply or Explain" and Part D "Climate-related Disclosures".

For ease of reference, an index summarising the "comply or explain" provisions and climate-related disclosure requirements of the Code, along with relevant disclosures, is included at the end of this Report.

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

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

This Report was prepared in English and approved by the board of directors of the Company (the "**Board**") on 26 March 2026. A Chinese translation of this Report is provided for reference purposes. In the event of any discrepancies, the English version shall prevail.

For further information on the Group's corporate governance practices, please refer to the Corporate Governance Report included in the Group's 2025 Annual Report.

2. Corporate culture

Since the Group's establishment in 1907, "Wing On" has grown to become a trusted household name and a leader in the department store industry in Hong Kong. For over a century, the Group has evolved alongside the communities it serves, guided by its vision to strengthen its core business operations while seeking opportunities for sustainable growth. The Group's corporate culture is centred on fostering sustainable development and delivering long-term value to its stakeholders. It is shaped by the Group's purpose and core values, which guide everything the Group does and form the foundation of the Group's organisation.

2.1 The Group's purpose

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

2.2 The Group's core values

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

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

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

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

2.3 The Group's ESG mission

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

3. Integrated sustainability governance structure

3.1 The Board

The Board has overall responsibility for the Company's ESG strategy, climate strategy and reporting. It evaluates, prioritises and manages ESG and climate-related issues and risks while ensuring that robust risk management and internal control systems are in place.

The audit committee of the Company (the "**Audit Committee**") oversees the Group's comprehensive risk management system, ensuring a robust approach to addressing ESG and climate-related risks. These risks are identified and monitored in accordance with the Group's Risk Management Policy, which provides a consistent framework for risk identification, evaluation, management and reporting across all organisational levels. This approach ensures that ESG and climate-related risk monitoring is fully aligned with the Group's enterprise risk management framework, integrating ESG considerations into the broader risk landscape and strategic decision-making processes. Management is responsible for implementing remedial actions to address any material internal control deficiencies identified during risk monitoring, with progress reported to the Board to ensure timely resolution.

The Board has approved risk appetite statements to define risk tolerance limits for each type of risk in pursuit of its strategic objectives. Department heads are required to review and monitor key risks on a regular basis, and escalate concerns to senior management or the Board when there are indications that certain risk tolerance limits may be breached. To mitigate risks, measures such as risk transfer, elimination or control are employed, with designated risk owners overseeing and evaluating the effectiveness of these measures. Management has confirmed, and the Board concurs, that the Group's risk management and internal control systems are effective and adequate. The Board's annual review of these systems, as outlined in the Corporate Governance Report included in the Group's 2025 Annual Report, includes a thorough assessment of significant risks (including ESG and climate-related risks) and the effectiveness of management's monitoring efforts. Additionally, an external consultant engaged by the Group did not note any material or significant internal control deficiency for the Year.

To maintain expertise in various ESG topics, Board members receive regular updates on ESG and climate-related trends and regulatory developments. The Board's competence is further strengthened by the diverse backgrounds of its members, which include expertise in accountancy, retail and investment. For more information on the backgrounds of the Board members, please see the "Biography of Directors" section included in the Group's 2025 Annual Report.

Throughout the Year, the Board convened four times to review updates on compliance with new disclosure requirements, ESG and climate-related policies, environmental and supply chain initiatives, materiality assessments and tracking of key performance indicators ("**KPIs**"), as reported by the Chairman of the ESG Committee. The Board also approved ESG strategies and evaluated the Group's progress in meeting its ESG objectives.

3.2 The ESG Committee

The Board serves as the highest governing body overseeing ESG and climate-related matters and is supported by the ESG Committee, which is responsible for managing sustainability initiatives. The ESG Committee develops ESG policies and strategies, identifies and evaluates ESG and climate-related risks and opportunities, sets goals and targets, implements action plans and monitors progress. Chaired by the Group Chief Accountant and Company Secretary, the ESG Committee comprises management from various departments and coordinates the Group's sustainability efforts. It provides regular updates to the Board on KPIs, progress against targets and developments in regulatory requirements.

The ESG Committee also plays a critical role in stakeholder engagement and materiality assessments, ensuring that findings are reported to the Board to align ESG and climate-related strategies with stakeholder expectations. Insights from these assessments enable the Board to refine its ESG and climate-related strategies, embed them into operational processes and integrate them into core decision-making. The ESG Committee has established a medium-term operational environmental target, addressing key areas such as greenhouse gas ("**GHG**") emissions, air emissions, electricity and fuel consumption, water usage and paper consumption. These targets reflect the Group's commitment to reducing its environmental impact and operating responsibly. Progress towards achieving these targets is reported to the Board by the Chairman of the ESG Committee, alongside discussions on the adequacy of current measures and consideration of potential new initiatives to enhance environmental performance.

Members of the ESG Committee come from diverse professional backgrounds, including retail, information technology, marketing, accounting, company secretarial and human resources, to ensure competency and expertise on various ESG and climate-related topics.

During the Year, the ESG Committee held three meetings to address areas such as compliance with new disclosure requirements, draft and review of ESG and climate-related policies, environmental and supply chain initiatives, materiality assessments and KPI tracking.

3.3 Sustainability policies and guidelines

The ESG Committee is responsible for shaping and reviewing policies and guidelines related to ESG and climate-related matters, while designated departments are tasked with executing strategic initiatives and measures.

By implementing these ESG and climate-related policies and guidelines, the Group establishes a framework that standardises its actions and facilitates its long-term sustainable development. To maintain alignment with stakeholder expectations, industry standards, global megatrends, international conventions and market demands, the ESG Committee conducts regular reviews and updates of these policies and guidelines.

Employees and suppliers receive updates to enhance their understanding of these policies and ensure their effective application. While its current remuneration policy has yet to include any climate or sustainability-related performance metrics, the Group acknowledges the increasing significance of ESG and climate-related factors and will continue to assess this aspect as part of its strategy for sustainable development.

Categories	Policies or guidelines
Environmental	• Climate Change Policy
Social	• Green Procurement Policy • Personal Data Protection and Privacy Policy • Personal Information Collection Statement and Privacy Policy • Recruitment Policy • Code of Practices for Safety at Work • Training and Development Policy • Supply Chain Policy • Community Investment Policy
Governance	• Anti-Corruption Policy • Staff Handbook • Risk Management Policy • Supplier Code of Conduct • Whistleblowing Policy

4. Stakeholder engagement and materiality assessment

4.1 Stakeholder engagement

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

Stakeholder group	Engagement channels
Employees and directors	• Training activities • Employee performance appraisals • Internal newsletters • Whistleblowing system • Employee engagement activities
Customers	• Company website and social media platforms • Wing On NETshop • Wing On Rewards mobile application • Customer feedback channels (e.g. phone, email, fax and feedback form)
Tenants	• Tenant satisfaction engagement activity • Service hotline • Whistleblowing system • Meetings

Stakeholder group	Engagement channels
Suppliers, consignees and business associates	• Visits and meetings • Suppliers' performance reviews • Tendering and procurement processes • Suppliers' self-assessment survey • Whistleblowing system
Shareholders	• Company website • Annual general meeting • Financial reports, announcements and circulars • Investor relations
Communities and non-governmental organisations	• Participation in charity events • Donations and sponsorships
Government and regulatory authorities	• Meetings • Industry seminars • Company's website and announcements

4.2 Materiality assessment

Building on its stakeholder engagement efforts, the Group further enhanced its approach in 2024 by conducting a comprehensive materiality assessment. This assessment allowed the Group to identify significant ESG and climate-related issues and develop targeted strategies to address stakeholder concerns. A new materiality matrix was developed based on the 1,113 valid responses from the survey completed by members of core stakeholder groups, comprised of 70% external stakeholders and 30% internal stakeholders. This matrix served as a key reference for guiding the future development of the Group's ESG and climate-related strategies.

Process of 2024 materiality assessment

(1) Identifying megatrends and stakeholder concerns

The Group identified emerging issues linked to global sustainability megatrends, industry practices and reporting standards set by the Stock Exchange and other international organisations. The Group's objective is to ensure that its evaluations and subsequent sustainability initiatives remain aligned with current trends and industry demands. By staying attuned to these developments, the Group is better positioned to address the evolving needs of its stakeholders and contribute meaningfully to positive change.

(2) Engaging stakeholders on sustainability topics

The Group collected feedback from its key stakeholders through a survey that included employees and directors, customers, tenants, suppliers, business associates, as well as shareholders. It offered a channel to stakeholders to express their views on identified sustainability issues through completing an ESG questionnaire based on their perspectives and their impact on the Group's business.

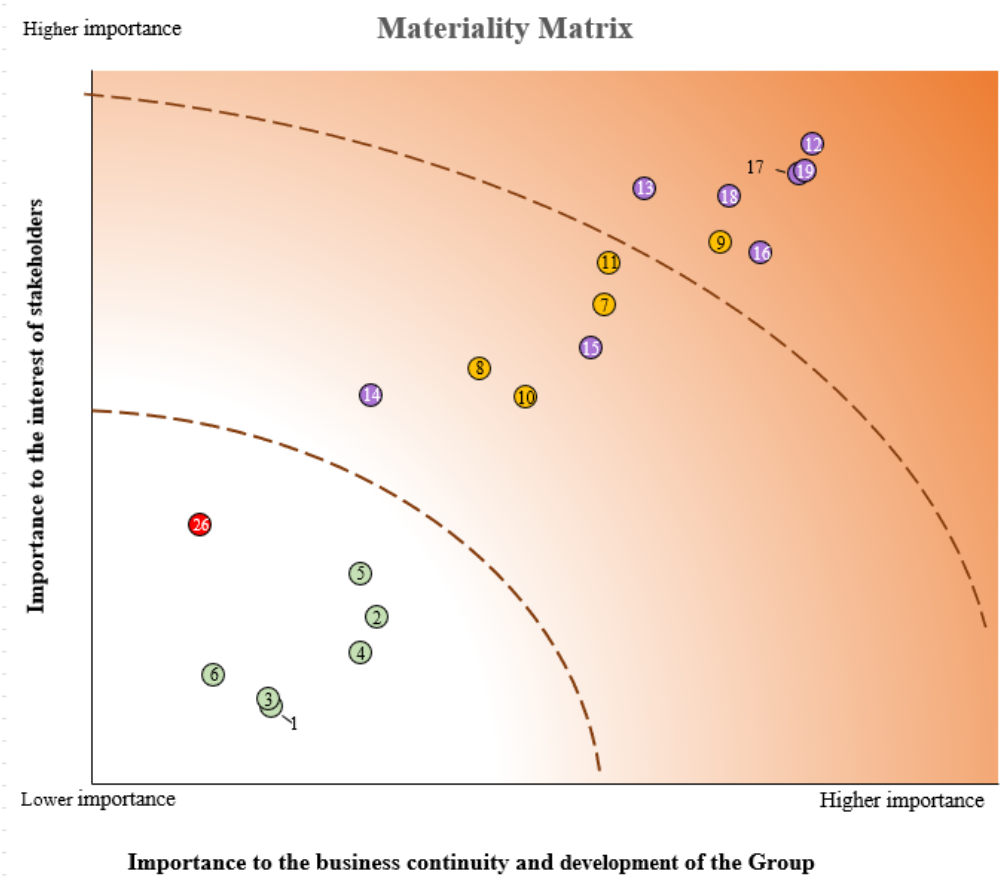
(3) Prioritising material topics

Based on the survey results, the Group prioritised each sustainability issue within a materiality matrix, analysing feedback alongside its business operations, industry trends and sustainability-related standards and guidelines. This thorough process enabled the Group to pinpoint significant sustainability issues that warrant its attention.

(4) Review and validating assessment results

The ESG Committee plays a crucial role in verifying the materiality issues to ensure their accuracy and relevance. Senior management and the Board are tasked with reviewing the materiality issues submitted by the ESG Committee, ensuring that the Group's approach remains robust and aligned with its sustainability objectives.

The upper-right section of the materiality matrix outlines the seven most material ESG issues to the Group, namely, occupational health and safety, product quality and safety, customer service and complaints handling, cybersecurity and secure payment gateway, protection of consumer and tenant privacy, protection of intellectual property rights, as well as business ethics, whistleblowing and anti-corruption. A significant number of these paramount issues are categorised under "Operating practices". Follow-up actions aimed at addressing these critical ESG issues are elaborated upon in the respective sections of this Report.



	Environmental	**Tier**
1	Emissions of greenhouse gas and other significant gases	Monitor
2	Energy consumption and efficiency	Monitor
3	Water consumption and wastewater treatment	Monitor
4	Waste generation and treatment	Monitor
5	Use of packaging material	Monitor
6	Green logistics and delivery	Monitor
	Employment and labour practices	**Tier**
7	Employment practices	Moderate
8	Employee diversity, equal opportunity and non-discrimination	Moderate
9	**Occupational health and safety**	**Material**
10	Training and career development	Moderate
11	Prevention of child labour or forced labour	Moderate
	Operating practices	**Tier**
12	**Product quality and safety**	**Material**
13	**Customer service and complaints handling**	**Material**
14	Supply chain and vendor management	Moderate
15	Responsible marketing, advertising and labelling	Moderate
16	**Cybersecurity and secure payment gateway**	**Material**
17	**Protection of consumer and tenant privacy**	**Material**
18	**Protection of intellectual property rights**	**Material**
19	**Business ethics, whistleblowing and anti-corruption**	**Material**
	Community	**Tier**
20	Charity and volunteer service	Monitor

5. Environmental

Climate change presents substantial challenges for businesses globally, necessitating urgent measures and responses. Although it was identified as an immaterial topic in its stakeholder engagement exercise, the Group has still placed a strong emphasis on fortifying its resilience against climate-related risks.

Since 2021, the Group has conducted comprehensive internal assessments to gauge the impact of climate change on its operations. In its ESG Report 2021 published in April 2022, the Group first publicly disclosed information related to its targets and goals. In 2023, the Group formalised its commitment by introducing a Climate Change Policy, which integrates climate risks into its risk management framework, ensuring a structured and proactive approach to mitigation and preparedness.

In anticipation of the enhanced climate-related disclosure requirements mandated by the Stock Exchange, the Group engaged an external consultant in 2024 to facilitate its assessment and reporting processes in alignment with the new Listing Rules requirements. This Year, the Group furthers its climate journey by strengthening qualitative scenario analysis and shaping the Climate Transition Plan for its operations in Hong Kong.

5.1 Governance

The oversight of climate risk assessments falls under the purview of the Group's ESG Committee, which encompasses key business operations relevant to the reporting scope. For further details on the Group's sustainability governance in relation to climate, as well as the formation and functions of the ESG Committee, please refer to the "Integrated sustainability governance structure" section in this Report.

The Climate Change Policy outlines the objectives and policies the Group concerning climate change. Recognising the risks and opportunities that climate change presents to the Group's business, such policy aims to guide the Group's efforts in identifying and mitigating its impact while enhancing operational resilience and adaptability. Applicable across all operations, such policy also mandates the integration of climate-related risk identification into the Group's risk management processes and internal control systems. It emphasises the regular assessment and review of climate-related risks and opportunities to understand their implications for the Group's business. Measures for climate resilience are to be developed to minimise damage to assets and capitalise on potential market opportunities.

In addition, the Climate Change Policy outlines procedures for business continuity and crisis management in response to extreme weather events, incorporating climate considerations into supply chain management. Employees are encouraged to reduce carbon emissions and increase awareness of climate change. Monitoring and reporting activities include compliance with relevant laws and regulations, regular assessments of climate mitigation measures and maintenance of transparency through disclosures in the Group's annual ESG Report. Department heads are tasked with overseeing the implementation of this policy, which is reviewed periodically by the ESG Committee to ensure ongoing effectiveness.

To effectively monitor the Group's performance in combating climate change, targets for specific emissions and resources consumption — GHG emissions, air emissions, electricity and fuel consumption, water usage and paper consumption — were established in early 2021 for the Group's Hong Kong operation. The aim was to achieve a gradual reduction of 5% in emissions and resources consumption across the Group's operations by 2024, using 2019 as a baseline, supported by annual KPIs. During the Year, the Group compiled an inaugural Climate Transition Plan, broadening the spectrum of targets based on the results of the scenario analysis. Details please refer to the "Strategy" section in this Report.

While the Group assesses its overall environmental impact — covering emissions, resources usage and waste generation — as minimal and immaterial to its operations, it maintains a commitment to reducing its environmental footprint and ensuring full compliance with relevant local environmental laws and regulations. These regulations include, but are not limited to, the Air Pollution Control Ordinance (Cap. 311), the Waste Disposal Ordinance (Cap. 354), the Product Eco-responsibility Ordinance (Cap. 603) and the Buildings Energy Efficiency Ordinance (Cap. 610) of the Laws of Hong Kong.

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

5.2 Strategy

5.2.1 Climate scenario analysis

Operations in Hong Kong

During the Year, the Group revisited the internal assessments conducted in 2021 together with external consultant, assessing the potential implications of significant physical and transition risks on its operations in Hong Kong across varied climate scenarios and timeframes, to ensure their continued effectiveness and relevance. The exercise takes a four-step approach:

(1) **Prioritisation** – The Group compiled a comprehensive list of climate-related risks and opportunities relevant to its businesses in Hong Kong. This assessment was informed by industry research and involved engaging various internal stakeholders to prioritise and refine the most significant climate-related risks and opportunities.

(2) **Validation** – The ESG committee validated the prioritised climate-related risks and opportunities, and regular reviews have been conducted.

(3) **Analysis** – Following the prioritisation of climate-related risks and opportunities, a scenario analysis was undertaken to evaluate their potential impact.

(4) **Integration** – The findings from the scenario analysis have been incorporated and presented in this Report to keep the Group's stakeholders informed.

This exercise, conducted in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), examined a spectrum of climate-related scenarios, including both the High Emissions (business-as-usual) and the Low Emissions (net zero) scenarios.

These scenarios were informed by projections from the Network of Central Banks and Supervisors for Greening the Financial System ("**NGFS**") and the Intergovernmental Panel on Climate Change ("**IPCC**"), specifically the orderly NGFS Net Zero 2050, NGFS Current Policies, IPCC Shared Socio-economic Pathway ("**SSP**") 1-2.6 and IPCC SSP5-8.5. These frameworks provided a solid basis for evaluating risks and opportunities across short-, medium- and long-term horizons.

Scenario	**High Emissions (business-as-usual) scenario**	**Low Emissions (net zero) scenario**
Description	The High Emissions (business-as-usual) scenario entails minimal climate intervention, resulting in significant climate repercussions and increased physical risks.	A Low Emissions (net zero) scenario aligns with the objectives of The Paris Agreement, aiming to restrict global warming to 1.5°C by implementing immediate and ambitious measures to reduce emissions.
Scenario references	• IPCC SSP5-8.5: This scenario depicts a scenario of sharply increasing carbon dioxide ("**CO_2**") levels driven by economic expansion reliant on fossil fuels. • NGFS Current Policies: This outlines a "hothouse world" scenario, reflecting conditions in the absence of new climate policy initiatives.	• IPCC SSP1-2.6: This scenario envisions controlled global warming, resulting in minimal disruptions to the Group's portfolio and business operations. • NGFS Net Zero 2050: This framework outlines a structured transition, characterised by robust policies and innovative practices aimed at achieving net zero emissions by 2050.

Scenario	High Emissions (business-as-usual) scenario	Low Emissions (net zero) scenario
General assumptions	• This scenario anticipates that emissions will keep increasing until 2080, resulting in a temperature rise of 3°C or more by 2100. • It assumes that only existing policies will be maintained. • It is based on the premise that technological advancements will proceed at the current rate. • In this context, physical risks are expected to be the predominant concern.	• This scenario envisions the implementation of robust climate policies and innovations aimed at restricting global warming to below 1.5°C by 2100. • It assumes that ambitious climate initiatives are adopted without delay. • There is a strong focus on decarbonising electricity generation, enhancing energy efficiency and fostering the development of new technologies. • In this framework, transition risks are the primary concern.
Time horizons	• Baseline year: 2024 • Short-term: 1-5 years • Medium-term: 5-10 years • Long-term: Over 10 years	

These scenarios do not represent guaranteed outcomes for the Group. This scenario analysis is founded on assumptions that may or may not come to fruition, relying on information available at the time of its compilation. The scenarios could also be affected by additional factors that extend beyond the assumptions made in this analysis, and as such, they do not guarantee actual future results.

From this assessment, the Group has identified and prioritised the following climate risks and opportunities, along with their potential impacts and its resilience strategy.

Physical risks encompass the direct consequences of climate change, including immediate threats from extreme weather events like floods and super typhoons, as well as persistent risks associated with long-term climate changes.

Identified through internal assessments and scenario analysis, these risks are particularly relevant to the Group's operations in Hong Kong. They include **chronic risks**, such as **enduring high temperatures** and **rising sea levels**, as well as **acute risks**, such as **high temperatures** and **extreme weather events** (like super typhoons, floods and temperature fluctuations).

Physical risks – Potential impact	Mitigation measures
Department stores operation	
Potential financial impact • Disrupt supply chain. Supply shortage reduces merchandise offerings. Shipment delays miss best-selling times and leads to stock up of inventory.	• Diversify supplier base and expand global sourcing network.

Physical risks – Potential impact	Mitigation measures
• Unstable weather makes it difficult to predict sales. Affect open-to-buy planning and inventory management. • Shorten selling period of heating and heavy thermal merchandise. Affect revenue and trim profit margin. • Affect timber supply which increase the production cost of paper promotional and display materials.	• Review inventory more frequently to avoid inventory stock up. Reserve budget for see-now-buy-now collection to meet the demand due to sudden weather changes. • Reduce order quantities of heating and heavy thermal merchandise. Increase the proportion of spring/summer and rainy/windy weather merchandise. • Increase the use of electronic marketing channels. Reuse display materials and simplify the design.
Potential operational impact • Reduced capacity and decreased productivity due to potential risks to employees' safety, health and physical attendance at work. • Temporary closure of stores and offices and suspension of services.	• Operational policies, instant communication channels and manpower contingent plans in place.
Property investment business	
Potential financial impact • Increased operational demand on building facilities and systems. • Increased water and power consumption and increased operating expenses. • Increased expenses on repair, maintenance and replacement work. • Increased insurance premium.	• Arrange regular repair, maintenance and replacement work for building facilities and fixtures. • Perform periodic energy audit to formulate enhancement plans. • Install equipment and perform drills to prevent flooding. • Implement a building automation system (e.g. building management system and CCTV system) to enhance responses to changes in environmental and emergency conditions. • Formulate plans and contingency measures for extreme weather events and pandemic conditions. • Implement enhancement plans (e.g. employee trainings and drills, facilities replacement, repair and inspection works) to demonstrate determination to reduce risks so as to reduce insurance premium.
Potential operational impact • Risk of flooding. • Damage to building facilities and structures. • Affect outdoor building works. • Hasten the spread of diseases across the globe and increase the spread of virus and bacteria. • Endanger the health and safety of building personnel and users.	

Transition risks and opportunities emerge from the move towards a lower-carbon economy. This transition may involve changes in policies and legal frameworks, advancements in technology and shifts in market dynamics essential for achieving climate mitigation and adaptation objectives.

Transition risks – Potential impact	Mitigation measures
Department stores operation and property investment business	
Potential financial impact • The potential financial impact of increasingly stringent laws and regulations includes higher compliance costs and a possible decrease in demand for regulated products. These regulations aim to reduce carbon emissions, regulate the sale of existing products and enhance climate-related governance and reporting requirements.	• Set targets and develop initiatives to reduce carbon emissions. • Actively monitor the regulatory changes and respond to changing market demand. • Enhance climate-related disclosures.

Opportunities	Measures
Department stores operation	
• Customers demand for eco-friendly merchandise and manufacturers provide more sourcing choices. • Revenue generated from eco-friendly merchandise. • Reputational benefits brought by the Group's contribution to environmental protection.	• To seize the opportunity of responding to the increasing demand of eco-friendly merchandise, the Group actively sources merchandise and offers for sale merchandise with eco-friendly features. • A dedicated tag in the online shopping portal for eco-friendly, "Green Lifestyle" merchandise is established for simplifying the access of eco-friendly merchandise.
Property investment business	
• Quality tenants demand for properties adapted to climate change. • Change the building operation mode from manual to automation.	• Attract quality tenants and increased rental values of properties. • Better operational management and reduced operating cost.

Operations in Australia

For its Australian properties, the Group has engaged a local third-party consultant to conduct a scenario-based climate risk assessment, initiated in 2021, to better comprehend the potential impacts of climate change on its business operations. This assessment, carried out with reference to Green Star Buildings v1 Credit 16 (Climate Change Resilience), AS 5334:2012 Climate change adaptation for settlements and infrastructure – a risk based approach and ISO 31000:2018 Risk management – Guidelines, involved analysing the potential threats and opportunities posed by climate change, assessing their impact on the Group's operations and assets. IPCC Representative Concentration Pathway (RCP) 8.5 scenario has been applied for the assessment and projection of climate risks, with analyses conducted for the years 2030 and 2070. The assessment identified various physical risks, including rising temperatures, solar radiation, flooding, hail, bushfires and drought. These risks could lead to damage, injuries and operational disruptions, with all identified risks deemed low or medium priority.

Transition risks arising from changes in policies and regulations, market expectations and impacts on insurance and financing were also identified as potential threats, with implications for operating costs and overall business sustainability.

A comprehensive action plan for the Group's Australian properties have been developed with the aid of the consultant, consistent with best practice frameworks. The plan is developed based on the climate risk assessment, with appropriate measures to mitigate risks and enhance the Group's adaptive capacities detailed. The following table lists the Group's drafted mitigation and adaptation measures identified in its action plan:

Physical risks – Potential impacts	**Mitigation/adaptation measures**
Potential financial impact • Increase cooling demand and accelerate material wear due to higher heat, raising energy and maintenance costs. • Disrupt and stress water supply and soils, increasing structural risk and repair costs. • Increased capital costs, repair costs and asset loss caused by increased flooding, storms, hails and other physical risks.	• Continual façade inspections and monitoring, including use of AI and drone technology. • Undertake geotechnical monitoring of soil.
Potential operational impact • Reduce thermal comfort and increase heat stress for occupants, affecting health and productivity. • Interrupted water availability for building operations. • Disrupt access and force temporary closure of ground floor and car park during floods. • Disrupt operations through damaged services and unsafe areas during storms and hail.	• Enhance building greening and installing photovoltaics to improve thermal comfort and protect external equipment. • Review water consumption and upgrade water supply system. • Implement pumping systems for discharging water ingress. • Collaborate with other building owners to foster community-wide success in adaptation.

The Group has already taken some measures as its response to climate change, such as:

- Transitioning to GreenPower – To support renewable energy initiatives, the Group began purchasing 50% GreenPower for electricity usage in 2022, increasing this proportion to 75% from March 2023 onwards, and will achieve 100% GreenPower purchases in 2026. GreenPower, a government-accredited renewable energy product, has significantly reduced the Group's associated GHG emissions, which would have been considerably higher without this initiative.
- Assessing under the Commercial Building Disclosure Program for tenancy lighting energy efficiency, with a "Very Efficient" rating attained on the most recent Building Energy Efficiency Certificate, surpassing the Australian national average of "Somewhat Efficient".
- Incorporating lengthened entryway systems.
- Adopting building electrification technology, such as reverse cycle heat pump technology and chilled water thermal storage.

By integrating climate considerations into both its strategic and operational planning, the Group is committed to ensuring business continuity and reinforcing its long-term resilience amidst climatic challenges.

5.2.2 Climate Transition Plan

The Group actively incorporates identified risks into its strategic planning and explores climate-related mitigation strategies to enhance resilience across its operations. In the Group's materiality assessment, climate change has been deemed immaterial; however, recognising its importance, the Group developed a Climate Transition Plan for its Hong Kong operations during the Year to support the 2050 carbon neutrality initiative introduced by the Hong Kong government. This plan focuses on four key levers that were previously defined to facilitate the Group's transition towards net zero operations.

(1) **Helping stakeholders live low-carbon lifestyles (department stores operation and property investment)**: Commitment to helping employees, tenants and customers embrace low-carbon lifestyles is vital. With a diverse and dynamic workforce serving a broad customer base, retailers can play a pivotal role in supporting behavioural change. Providing climate information and access to products and services that promote low-carbon lifestyles will advocate for a circular economy, healthy diets and sustainable transport options, all essential to the Group's transition to net zero.

(2) **Technology and hardware enhancement to ensure operating efficiency (department stores operation and property investment)**: Enhancing technology and hardware will ensure operating efficiency. Various business locations, from department stores to godown office, identify heating, lighting and refrigeration as primary sources of emissions. Sourcing renewable energy and installing efficient technologies will make zero-emission operations a near-term reality.

(3) **Moving to low-carbon logistics (department stores operation)**: Moving towards low-carbon logistics is essential. The Group's industry relies on interconnected global logistics network that utilises multiple transport modes and providers. Decarbonisation will necessitate enhanced logistics data and the adoption of zero and low-carbon fuels. "Last-mile" deliveries will transition to high-performance electric vehicles and other sustainable transport options.

(4) **Sourcing sustainably (department stores operation)**: Recognising the importance of sourcing sustainably is crucial. Emissions associated with growing, extracting and manufacturing raw materials significantly contribute to the retail sector's carbon footprint. While these activities occur outside its direct operations, the Group is positioned to drive change within product supply chains by implementing improved specifications and procedures for sustainable sourcing.

Guided by the outcomes of its scenario analysis and climate risk assessment, the Group concentrates on critical issues characterised by high-risk levels and urgency. Throughout the evaluation, the Group meticulously assesses its current preparedness and capacity to devise and implement effective mitigation measures. This assessment has provided the Group with valuable insights, empowering it to strengthen its climate resilience initiatives.

Over the years, the Group has successfully achieved a series of climate-related targets, all of which have been completed. Moving forward, these targets will be integrated and incorporated into the Group's standard operational practices to ensure a climate-conscious approach across all levels of the organisation. This transformation aims to embed sustainability into the Group's daily operations, promoting a culture of environmental responsibility while driving continuous improvement in its performance.

Lever	**Accomplished targets**
Helping stakeholders live low-carbon lifestyles (department stores operation and property investment)	• Encouraged employees to travel by high-speed rail instead of private vehicles when undertaking business travel in the Mainland. • Implemented a five-day work week in the corporate office and property management office. • Installed centralised multi-functional printers, instead of multiple standalone devices, to handle all printing, scanning and fax requests. • Implemented an online leave management system to process leave applications. • Printed most of the marketing and promotion materials on Forest Stewardship Council ("**FSC**") certified paper sourced from well-managed forest and the printing volume were regularly reviewed and carefully estimated. • Used electronic greeting cards instead of paper greeting cards during festive seasons to economise the use of paper and envelopes. • Engaged a contractor to recycle shredded paper. • Handed over obsolete computers and equipment to qualified recyclers. • Returned empty toner cartridges to suppliers for recycling. • Handed over carton boxes to recyclers. Reused carton boxes for customer delivery orders and internal merchandise transfers. • Established a dedicated tag on the online shopping portal for eco-friendly, "Green Lifestyle" merchandise, simplifying the access of eco-friendly merchandise.
Technology and hardware enhancement to ensure operating efficiency	• Adopted energy saving lighting fixtures at department stores, corporate office, godown office, property management office and common lobbies and corridors of investment properties.

Lever	Accomplished targets
(department stores operation and property investment)	• Signed up for the "Charter on External Lighting" launched by the Environment and Ecology Bureau to switch off external lighting from 10:00 p.m., 11:00 p.m. or midnight to 7:00 a.m. since 2016 to reduce light pollution and electricity consumption. • Implemented a building automation system (e.g. building management system and CCTV system) to enhance responses to changes in environmental and emergency conditions.
Moving to low-carbon logistics (department stores operation)	• Regularly reviewed the delivery routes of the truck fleet to optimise delivery and fuel efficiency. • Installed GPS tracking system on trucks to monitor driving behaviour and manage fuel consumption.
Sourcing sustainably (department stores operation)	• Implemented an enterprise resource planning system for the department stores operation, which allowed users to send electronic purchase orders to suppliers via email, use data to create the desired reports and reduce and consolidate the types of pre-defined regular reports. The amount of physical paperwork was reduced.

Some of the targets accomplished in previous years have been elevated to become integral components of the Group's Climate Transition Plan, advancing its commitment to greener business operations. Using 2024 as the baseline, the Group aims to achieve significant milestones by 2030, reinforcing its dedication to sustainability and environmental responsibility. Progress of each target will be regularly reviewed by the ESG Committee, which will provide timely reminders to the relevant operational units to ensure alignment with the targets. Additionally, progress will be publicly disclosed annually in the Group's ESG Report to maintain transparency and accountability in its efforts towards sustainability.

To achieve its reduction targets for GHG emissions, air emissions, electricity and fuel consumption, water usage and paper consumption (collectively referred to as the "**Environmental Targets**"), the Group established a medium-term operational objective in 2021. This objective aimed for a gradual reduction of 5% in emissions and resources consumption across its operations by 2024, using 2019 as a baseline. This initiative encompassed the Group's department stores operation in Hong Kong and Guangzhou and property investment business in Hong Kong. With the support of annual KPIs, these Environmental Targets have been meticulously monitored, resulting in significant outcomes: all emission and consumption metrics, with the exception of water consumption, have shown a reduction over the past four years. These Environmental Targets will be integral to the Group's Climate Transition Plan, and the Group will continue to track progress through annual KPIs, ensuring its commitment to sustainability remains steadfast.

For hazardous waste and disposal of electrical appliances and accessories, as the quantities generated are deemed immaterial, they will not be considered as part of the Climate Transition Plan. The Group will monitor consumption closely and will review whether these categories should be included in the Climate Transition Plan in due course.

Lever	Climate Transition Plan of Hong Kong operations – Newly established 2030 target	Previously accomplished targets
Helping stakeholders live low-carbon lifestyles (department stores operation and property investment)	By 2030, GHG emissions will reduce by 5% across its operations, using 2024 as the baseline[(note)].	Annual KPI has been achieved during 2021 to 2024.
	By 2030, air emissions will reduce by 5% across its operations, using 2024 as the baseline.	Annual KPI has been achieved during 2021 to 2024.
	By 2030, electricity consumption will reduce by 5% across its operations, using 2024 as the baseline.	Annual KPI has been achieved during 2021 to 2024.
	By 2030, fuel consumption will reduce by 5% across its operations, using 2024 as the baseline.	Annual KPI has been achieved during 2021 to 2024.
	By 2030, water usage will reduce by 5% across its operations, using 2024 as the baseline.	Annual KPI could not be achieved in 2024 due to chilled water systems on the affected floors had to be repeatedly drained and refilled caused by renovation of wing on *Plus* Store.
	By 2030, transition to a digital-first marketing approach, delivering over 80% of promotions through electronic platforms.	Increased the use of electronic marketing channels, such as Wing On Rewards mobile application, electronic direct mail (eDM), short message service (**SMS**) and multimedia messaging service (MMS), QR code, company website, social media platforms and in-store digital advertising displays to disseminate promotional news and reduce promotional materials printing.
	By 2030, paper consumption will reduce by 5%, using 2024 as a baseline.	Annual KPI has been achieved during 2021 to 2024. Pre-set targets were established to reduce paper consumption. Individual operating units that failed to meet these targets were required to provide explanations.
	By 2030, ensure that all unsold merchandise is donated as part of a sustainable five-year donation cycle.	Donated unsold merchandise to charities.

Note: The Group's GHG target covers CO_2, methane (CH_4), nitrous oxide (N_2O) and other GHG types that might be associated with electricity generation. The target covers gross Scope 1 and Scope 2 emissions and is not derived from using a sectoral decarbonisation approach.

Lever	Climate Transition Plan of Hong Kong operations – Newly established 2030 target	Previously accomplished targets
Technology and hardware enhancement to ensure operating efficiency (department stores operation and property investment)	By 2030, the Group will ensure that all infrastructure, including air-conditioning systems, air handling units and chiller plant heat exchangers, undergoes regular condition assessments. A phased replacement programme will be implemented for outdated equipment as necessary, incorporating greener, energy-efficient technologies to enhance operational efficiency and minimise environmental impact.	• Progressively replaced the aged air-conditioning systems installed at wing on *Plus* Store. • Progressively replaced the aged air handling units installed at Main Store. • Progressively replaced the heat exchangers for the chiller plant system at Wing On Centre.
Moving to low-carbon logistics (department stores operation)	By 2030, all truck replacements within the fleet will comply with the Euro V emissions standard as replacement needs arise.	The truck fleet comprised Euro V compliant vehicles to reduce exhaust emissions.
	By 2030 and subject to site suitability and operational feasibility, the Group will install further electric vehicle charging stations to support low-carbon transportation initiatives.	Installed four charging stations for electric vehicles at the carpark of Wing On Centre to promote low carbon transportation.
Sourcing sustainably (department stores operation)	By 2030, the number of eco-friendly stock keeping units (SKUs) will increase by 5%, using 2024 as the baseline.	Source merchandise and offer for sale merchandise with eco-friendly features.

5.3 Risk management

The Board has delegated authority to the Audit Committee to assist in fulfilling its responsibilities regarding the oversight of the Group's risk management and internal control systems. This includes evaluating and determining the nature and extent of the ESG and climate-related risks the Group is prepared to accept in pursuit of its strategic objectives. The Audit Committee ensures that the Group establishes and maintains effective risk management and internal control systems, regularly reviewing their effectiveness to safeguard the Group's assets.

Since 2023, ESG and climate-related risks have been integrated into the Group's risk management framework, providing a structured approach to mitigating and preparing for the impacts of climate change. During the Year, a review of the materiality assessment conducted in 2024 confirmed that climate change has been identified as an immaterial topic. Furthermore, ESG and climate-related risks are considered relatively low risk within the Group's risk management framework.

Ongoing stakeholder engagement and timely materiality assessments, along with the reassessment of the risk levels associated with ESG and climate-related issues, will be conducted to ensure that the strategy is effectively implemented. This proactive approach enables the Group to respond adeptly to the evolving and emerging risks in the ESG and climate-related domains.

5.4 Metrics and targets

The Group is committed to providing clear and transparent accounts of its energy consumption and GHG emissions. It acknowledges the environmental impact of its operations, particularly regarding GHG emissions and the generation of non-hazardous waste.

The Group's annual disclosures encompass comprehensive details on fuel consumption and GHG emissions, classified as Scope 1 and Scope 2. During the Year, the Group made notable improvements in GHG emission data disclosure. The GHG emission data for 2025 is calculated in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) and the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) (collectively referred to as the "**GHG Protocol**").

Emission and global warming potential ("**GWP**") factors are primarily sourced from publicly available government publications, information disclosed by electricity retailers and other credible sources. To measure GHG emissions, the Group utilises GWP factors as outlined in the IPCC Sixth Assessment Report (AR6) and implements the operational control approach defined by the GHG Protocol. The assessment of Scope 1 and Scope 2 emissions primarily employ activity-based methodology, in which emissions are calculated by multiplying activity data by the appropriate emission or GWP factors. This activity data is predominantly derived from fuel and utility bills, as well as other internal records.

The implementation of the methodology for Scope 3 GHG emissions disclosure was initiated during the Year. Emission data, along with the Group's reduction targets, is transparently shared in the Group's annual ESG Report.

Air emissions — including nitrogen oxides ("**NO_x**"), sulphur oxides ("**SO_x**") and particulate matter ("**PM**") — primarily stem from the Group's vehicle fleet. These emissions are continually monitored to ensure compliance with regulatory standards, with ongoing efforts to adopt cleaner technologies and enhance operational practices.

The non-hazardous waste generated by the Group mainly consists of disposed paper and discarded electrical appliances. This waste is managed responsibly in accordance with the Group's waste management practice, ensuring compliance with environmental regulations.

Given the nature of the Group's businesses, which encompass department stores operation and property investment, only negligible amounts of hazardous waste are produced. The primary types of hazardous waste include fluorescent tubes and uninterruptible power supply (UPS) batteries, all of which are handled strictly in line with regulatory requirements. Due to the minimal quantities generated, hazardous waste levels are not reported and specific reduction targets have not been established.

The Group does not participate in water-intensive industries, making water consumption immaterial to its operations. Sourcing suitable water is not viewed as a significant concern, and discharges into water and land remain minimal, with no substantial impact on the environment.

Emissions/consumption type	**2024 baseline**(note 1)	**2025 performance**(notes 1 and 4)
GHG emissions	8,492 tCO_{2e}	147,358 tCO_{2e}
Air emissions(notes 2 and 3)		
• NOx	275,041 g	288,806 g
• SOx	426 g	405 g
• PM	18,493 g	19,401 g

Emissions/consumption type	2024 baseline(note 1)	2025 performance(notes 1 and 4)
Electricity consumption	15,877 Mwh	17,528 Mwh
Fuel consumption	283 Mwh	1,274 Mwh
Water usage	25,578 m^3	66,829 m^3
Paper consumption	6.7 tonnes	6.8 tonnes

Notes:

1. All data is provided and verified by the respective department heads.
2. Air emissions were generated from the Group's delivery trucks, private cars and shuttle bus which used diesel and petrol fuel.
3. Air emissions are calculated in accordance with "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.
4. The Group enhanced its data collection practices and started to report the environmental performance of its Australian operations from 2025 as well as Scope 3 emissions. Accordingly, the group-level environmental performance data for 2024 covers only the Group's Hong Kong and the Mainland operations, while the group-level environmental performance data for 2025 includes its Australian operations in addition to its Hong Kong and the Mainland operations. As a result, the group-level environmental performance data for 2025 covers a broader scope of operations than in 2024, and therefore, is not directly comparable between the two years.

Scope 3 carbon emissions

Scope 3 emissions, as defined by the GHG Protocol, encompass indirect GHG emissions resulting from activities beyond the Group's direct control but integral to its value chain. During the Year, the Group embarked on the significant task of collecting Scope 3 emissions data for the first time. Through thorough examination and analysis using peer benchmarking, the Group has identified Category 1 (Purchased Goods and Services), Category 2 (Capital Goods) and Category 13 (Downstream Leased Assets) as critical areas of concern for its operations.

Scope 3 categories	Description	Methodology	Emissions in 2025 (tCO_{2e})
Category 1 (Purchased Goods and Services)	Emissions from the process of trading and transportation of goods and services purchased or acquired.	Applied spend-based method that determines emissions from spending on purchased goods and services and applying third-party emission factors.	7,556
Category 2 (Capital Goods)	Emissions from the process of trading and transportation of capital goods purchased.	Applied spend-based method that determines emissions from procurement spend on capital goods and applying third-party emission factors.	834
Category 13 (Downstream Leased Assets)	Emissions from the Group's owned assets which are leased out for rental income.	Applied average-data method that determines emissions from gross floor area (GFA) and leasing period, and applying third-party emission factors.	129,202

Department stores operation

To advance sustainable packaging practices, the Group utilises shopping bags made from FSC-certified paper, ensuring that materials are responsibly sourced. These bags are predominantly used for packing merchandise acquired by the Group, while concession and consignment counters have the option to purchase them as needed. Customers are actively encouraged to bring their own reusable bags, and the Group carefully regulates the provision of bags to ensure only appropriately sized and necessary quantities are issued, thereby reducing excessive packaging.

Shopping bags consumption[notes 1, 2 and 3]	**2024**	**2025**
Shopping bags consumed (in tonnes)	67	63
Intensity per HK$1 million revenue[note 4]	0.12	0.13

Notes:

1. All data is provided and verified by the respective department heads.
2. The amount of shopping bags consumed related to the Group's department stores operation only.
3. The consumption data is presented in tonnes, and is calculated in accordance with "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.
4. The Group's revenue from department stores operation is used as the denominator to calculate shopping bag consumption intensity. The Group's revenue from department stores operation for 2024 and 2025 was approximately HK$543 million and HK$485 million, respectively.

Despite a decline in department stores operation, shopping bag consumption decreased by 4 tonnes (or 6.0%) during the Year compared to 2024. However, as revenue fell at a greater percentage than shopping bag consumption, the intensity of shopping bag usage remained fairly consistent as compared to prior year.

Over the years, the Group also actively participated in the "Lai See Reuse and Recycle Program" organised by Greeners Action, successfully collecting 190 kg of used red packets in good condition during the Year. These packets were donated to sheltered workshops for sorting and redistribution, enabling public reuse for the upcoming Chinese New Year. In recognition of its efforts, the Group received a certificate of appreciation from Greeners Action for endorsing the "Green Lai See Packets Charter", which promotes eco-friendly red packet designs and encourages reduced printing.

To further foster sustainable practices, 100% of the Group's department stores and investment properties are equipped with umbrella dryers, enabling customers to minimise their reliance on plastic bags and paper towels.

Promoting sustainable living among employees remained a central focus of the Group's ESG initiatives throughout the Year. To reduce dependence on disposable tableware, customised stainless steel reusable cutlery sets were distributed to all full-time employees, encouraging the adoption of personal tableware. Additionally, a green Christmas party was hosted, where employees were encouraged to use their reusable cutlery, and lucky draw prizes were intentionally left unwrapped to eliminate unnecessary packaging.

Property investment business

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

The Group's commercial investment properties in Melbourne, Australia, have demonstrated robust environmental performance, achieving a 4-star rating on the National Australian Built Environment Rating System ("**NABERS**") 6-star scale for energy. NABERS is a nationally recognised framework that evaluates the environmental performance of buildings, where a 6-star rating signifies market-leading performance. Management services for the Group's Australian properties are also outsourced to a reputable property management agent, who ensures operational excellence through comprehensive tenant services, including air-conditioning, water treatment, electrical systems, lifts, recycling and waste management, while also managing billing, accounting and other administrative functions. These achievements reflect the Group's dedication to sustainability, high energy efficiency standards and delivery of quality property management.

Through these initiatives and its ongoing engagement with sustainable practices and professional service providers, the Group remains steadfast in its commitment to minimising the environmental impact of its property investment business and supporting broader sustainability goals.

6. Social

6.1 Employment and labour practices

The Group firmly believes that its dedicated and skilled employees are the backbone of its operations. To this end, the Group prioritises the attraction, development and retention of a talented workforce. By investing in comprehensive training and career development opportunities, the Group empowers its employees to deliver exceptional customer service and deepen their product knowledge. This focus not only enhances customer satisfaction but also strengthens the Group's reputation and supports sustainable growth.

As a signatory of the "Good Employer Charter" for three consecutive terms (2018, 2020 and 2024) and recognised as a "Supportive Family-friendly Good Employer", the Group's commitment to create an inclusive and supportive workplace is fundamental to fostering employee engagement, stability and long-term business success.

6.1.1 Employment and labour standards

The Group understands that its long-term success is closely tied to the dedication and engagement of its employees, therefore, cultivating a committed workforce remains a top priority. In the Group's Hong Kong operations, the Human Resources Division oversees all employment matters in accordance with the policies outlined in the Staff Handbook.

Aiming to foster a supportive and productive workplace culture while reinforcing the Group's commitment to employee welfare and organisational integrity, the Staff Handbook serves as a comprehensive guide for all employees, outlining essential management policies and procedures. It covers key areas such as human resources management — recruitment, employee record keeping and termination processes — while providing critical information about work locations, working hours and special arrangements for adverse weather conditions. The Staff Handbook details remuneration and benefits, including salaries, allowances and compensation policies for overtime and travel expenses. It also informs employees about various leave types, health and safety policies and training and development opportunities, as well as addressing employee conduct, dress code, conflict of interest, and privacy policies to ensure a professional and compliant workplace environment.

The Group strictly adheres to local labour laws, including but not limited to the Employment Ordinance (Cap. 57), the Employees' Compensation Ordinance (Cap. 282) and the Personal Data (Privacy) Ordinance (Cap. 486) of the Laws of Hong Kong. Regulatory guidelines are communicated effectively through induction programmes and internal circulations, ensuring that all employees are aware of their rights and responsibilities.

Employment decisions are made based on merit and competence. The Group has established a comprehensive framework for people development, succession planning, promotions and performance reviews. Promotions are awarded to individuals who demonstrate readiness for greater responsibilities, while dismissals are conducted in accordance with performance evaluations and supervisor feedbacks. During the Year, the Group recorded no instances of non-compliance with regulations related to compensation, dismissal, recruitment, promotion or employee benefits.

The Group's commitment to local laws extends to remuneration packages and retirement schemes, which include the Mandatory Provident Fund Schemes Ordinance (Cap. 485) and the Minimum Wage Ordinance (Cap. 608) of the Laws of Hong Kong. The Group's remuneration packages not only exceed regulatory minimums but also include additional benefits such as extra rest days, birthday leave, medical and life insurance, educational allowances and special leave for family-related matters like marriage and compassionate reasons. The Group routinely benchmarks its human resources policies against industry standards to ensure it remains an employer of choice.

The Group prohibits the use of child labour and forced labour across all operations. The Human Resources Division conducts thorough identity verifications, including age checks, during the recruitment process as per the Group's Recruitment Policy. The Group ensures that employees receive adequate rest days and fair compensation for any voluntary overtime work as mandated by local regulations. In the event of any violations, immediate investigations and contract terminations are enforced. Throughout the Year, the Group was not aware of any incidents of non-compliance concerning child or forced labour.

As of 31 December 2025, the Group employed 538 individuals across its Hong Kong operations, including permanent, temporary and part-time staff. Among permanent employees, 493 were based in Hong Kong and six in the Mainland.

6.1.2 Diversity, equity and inclusion

The Group is committed to fostering a diverse and inclusive workplace. The Group ensures that all employees are treated equitably, regardless of age, gender, marital status, pregnancy, familial responsibilities, disability, ethnicity, religion, sexual orientation or any other non-job-related factors. The Group's compliance with local anti-discrimination legislation is unwavering, including but not limited to the Sex Discrimination Ordinance (Cap. 480), the Disability Discrimination Ordinance (Cap. 487), the Family Status Discrimination Ordinance (Cap. 527) and the Race Discrimination Ordinance (Cap. 602) of the Laws of Hong Kong.

The Group's anti-discrimination and inclusion policies are integrated into every aspect of its human resource management. The Group has implemented robust measures to prevent discrimination, harassment and bullying. To further its commitment to diversity, the Group has appointed individuals from varied backgrounds to senior management roles, enhancing decision-making and organisational resilience. The Group also regularly assesses critical roles and invites qualified employees over the age of 65 to continue contributing their expertise on a contractual basis.

In recognition of its efforts to support working mothers, the Group received a "Certificate of Appreciation" for its "Breastfeeding Friendly Workplace" initiative, organised by the Department of Health and Hong Kong Committee for UNICEF, for nine consecutive years.

6.1.3 Occupational health and safety

The Group is unwavering in its commitment to maintaining high health and safety standards. The Group has implemented a comprehensive Code of Practices for Safety at Work to provide a secure working environment and ensure compliance with relevant local legislation, including but not limited to the Occupational Safety and Health Ordinance (Cap. 509) and the Occupational Safety and Health Regulation (Cap. 509A) of the Laws of Hong Kong.

Such code of practices is monitored and enforced by the Human Resources Division, which oversees the training of designated safety officers. These officers conduct regular inspections of all premises, identifying and addressing potential hazards. During the Year, 48 inspections were completed across various locations to ensure compliance with health and safety standards.

To enhance workplace safety, the Group assigns certified first-aiders to all locations and conduct regular fire drills, supported by its property management agent. During the Year, the number of reported injuries cases remained at 14 cases, while lost working days increased significantly compared to 2024. The Group is committed to enhancing employee awareness through training and workshops, and conducts thorough investigations when incidents occur to implement corrective measures.

Throughout the Year, the Group recorded no incidents of non-compliance with health and safety laws that could adversely affect its operations, reaffirming its dedication to providing a safe working environment.

6.1.4 Employee well-being

Employee well-being is central to the Group's human capital management strategy, as the Group recognises the intrinsic link between health and productivity. By fostering a supportive work-life balance, the Group attracts and retains top talent, a commitment that has earned the "Happy Company" award from the Promoting Happiness Index Foundation and The Chinese Manufacturers' Association of Hong Kong for six consecutive years.

The Group understands that a healthy workplace not only safeguards employees' physical well-being but also enhances productivity and fosters a positive corporate image. To underline its dedication, the Group has signed the "Joyful@Healthy Workplace Charter", promoting physical and mental well-being in three key areas: Healthy Eating, Physical Activity and Mental Health. Furthermore, the Group is committed to the "Mental Health Workplace Charter", a collaborative initiative led by the Department of Health, Labour Department and the Occupational Safety and Health Council, ensuring a mental health-friendly environment for its employees.

To facilitate a healthy balance between family and career, the Group offers a comprehensive remuneration package that includes public holidays in lieu of statutory holidays, additional paid rest days for front-line employees and special leave for personal occasions. In response to health risks, the Group provides preventive supplies, such as medical masks and hand sanitizers, and maintains stringent cleaning protocols.

Recognising the importance of employee engagement, the Group actively encourages its workforce to participate in community service, thereby contributing to societal improvement. The Human Resources Division has initiated significant efforts to connect with charitable organisations, facilitating meaningful volunteering opportunities for employees. These engagements not only address community needs but also foster teamwork and enhance personal satisfaction among staff members.

This Year, the Group collaborated with K-Farm, the first urban farm in Hong Kong that integrates hydroponics, aquaponics and organic farming, to organise a farm volunteer experience for its employees. Through hands-on farming activities, participants gain a deeper understanding of agricultural systems and green living, promoting holistic well-being while emphasising the importance of sustainable development.

6.1.5 Development and training

As a recognised "Manpower Developer" by the Employees Retraining Board for 11 consecutive years, the Group is dedicated to supporting the professional and personal growth of its employees. The Group's Training and Development Policy ensures that all training activities are structured, goal-oriented and aligned with organisational objectives.

New employees undergo an induction programme that introduces them to the Group's core values and operational procedures. The Group conducts regular refresher training sessions covering essential topics such as emergency procedures and workplace health and safety. Succession planning remains a key focus, ensuring operational continuity amid challenges such as an ageing workforce and increased competition for talent.

To promote continuous learning, the Group offers various initiatives, including workshops, training camps and self-learning resources. Employees are encouraged to attend industry events to stay updated on market trends and technological advancements, ensuring they bring fresh insights back to the Group.

In conclusion, the Group is committed to creating a workplace that prioritises employee satisfaction, diversity and professional growth while ensuring compliance with all regulatory standards. These initiatives will continue to reinforce its position as a responsible and preferred employer.

6.2 Operating practices

In today's dynamic business environment, the Group is unwavering in its commitment to operational excellence through the integration of ESG principles into its core practices. The Group's comprehensive approach to supply chain management in its Hong Kong businesses is designed to mitigate risks while fostering sustainable and responsible relationships with its suppliers. This commitment is encapsulated in the Group's robust Supply Chain Policy, which mandates thorough assessments of suppliers' compliance with ESG standards and sets clear expectations for ethical conduct across all operations.

The Store Operations Manual serves as a vital resource for ensuring efficient store management and operational excellence. It comprises various sections that outline organisational structures and administrative procedures within the stores, including guidelines for each job level and service standards. Detailed protocols on personnel management, sales management, inventory control and the handling of incoming shipments are thoroughly documented. Key areas covered also include stocktaking procedures, delivery management and the administration of consignment and counter sales. Such manual addresses complaint resolution processes, promotional activities and security measures, as well as effective management of store premises and computer operations. Furthermore, it includes directives for operating the Group's online store. This comprehensive manual aims to standardise practices and enhance the overall operational effectiveness across all store locations.

This section outlines the Group's key operational practices, including supply chain management, product responsibility, responsible marketing and data security, all underpinned by a strong ethical framework and adherence to relevant legislation. By prioritising transparency, accountability and continuous improvement, the Group not only enhances supplier performance but also reinforces its dedication to long-term sustainable development.

6.2.1 Customer experience

Customer feedback is essential for the Group's continuous improvement. The Group engages with customers through various channels — including feedback forms, company website and social media — to gather comments and inquiries. All feedback is managed according to internal guidelines defining responsibilities and handling procedures. Designated departments review feedback and all complaints are thoroughly investigated and resolved promptly. During the Year, the Group received 319 customer compliments and 31 complaints regarding merchandise and services. All complaints were resolved amicably, reflecting its commitment to enhancing service quality.

To further recognise and reinforce outstanding service, the Group selects exemplary cases from customer compliments every quarter. These notable examples are highlighted and rewarded, allowing colleagues across the Group to understand which specific service details resonate with and delight its customers. This practice helps refine the overall shopping experience and encourages all staff to align with the Group's service philosophy.

The Group's commitment to exceptional customer service has been acknowledged by the "Quality Tourism Services (QTS) Scheme" administered by the Hong Kong Tourism Board for over twenty years.

6.2.2 Supply chain management

The Group is committed to integrating ESG principles into its supply chain management. To this end, the Group has established a comprehensive Supply Chain Policy designed to mitigate risks and enhance supplier relationship management. Such policy requires procurement teams to assess suppliers' compliance with ESG standards and remain vigilant regarding any adverse reports concerning environmental or social misconduct. In instances of concern, suppliers are expected to take prompt corrective actions. Should issues persist, procurement teams, in consultation with departmental heads, will review the supplier relationship for potential continuation or termination. Department heads oversee the implementation of these practices and report any challenges to the ESG Committee, which periodically evaluates the effectiveness of related policies.

To facilitate ongoing improvement, the Group has developed a Supplier Code of Conduct applicable to both its department stores and property investment businesses in Hong Kong. Such code sets clear expectations for suppliers in areas such as legal compliance, labour rights, health and safety, environmental stewardship and ethical conduct. The enforcement of this code is managed by the Merchandising and Concession Administration Division ("**MCD**") and the Leasing Division, who prioritise partnerships with suppliers committed to sustainable practices.

The Group conducts periodic self-assessment questionnaires for all active suppliers in its department stores and property investment businesses to monitor their performance. These assessments evaluate suppliers' policies and compliance with regulations in crucial areas such as environmental conservation, occupational health and safety, employment practices and business ethics. The results are reviewed annually to identify trends, measure improvements and address any gaps. For the Year, findings were compared with those from 2024 to ensure alignment with the Group's sustainability objectives.

	Department stores operation(note)		**Property investment business**	
	2025	**2024**	**2025**	**2024**
No. of response / response rate	720 / 73%	540 / 59%	16 / 100%	12 / 100%
Percentage of respondents that confirmed compliance with relevant local laws and regulations	100%	99.8%	100%	100%
Percentage of respondents that have policies and control systems in all environmental and social responsibility areas	54%	54%	69%	100%

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

By embedding ESG considerations in its supply chain, the Group ensures procurement practices contribute to a sustainable and responsible value chain. This approach minimises risks and reinforces its commitment to long-term sustainable development.

Our responsible procurement efforts are further evidenced by the latest self-assessment results, which indicate that nearly all respondents comply with local laws and regulations. Over half of the respondents from the Group's department stores business and from the Group's property investment business confirmed having policies and control systems addressing environmental and social responsibilities, reflecting significant progress towards its sustainability goals.

The Group is dedicated to ensuring that procurement processes are fair, impartial and compliant with relevant local legislation, including but not limited to the Competition Ordinance (Cap. 619 of the Laws of Hong Kong). For its property investment business, the Group outsources building management services to a reputable property management agent, which reports directly to the Leasing Division. Such agent manages procurement for building-related expenses according to its own policies. Contractors must be on the agent's approved list, which undergoes rigorous vetting to ensure compliance with the Group's standards. Major building works are awarded through a competitive tendering process, with oversight provided by the property management agent and its consultants. The Leasing Division regularly evaluates the agent's performance through meetings and performance reviews.

In the Group's department stores operation, supplier selection is managed by the MCD, which conducts due diligence by obtaining relevant licenses and certifications, reviewing company backgrounds and performing online research. Onsite visits to suppliers' facilities are conducted when necessary to assess potential environmental and social risks. Beyond initial selection, the MCD conducts ongoing performance evaluations through standardised reviews, considering business performance, legal compliance and customer complaints from the previous year. This structured approach enables the Group to monitor supply chain risks while optimising its merchandise mix and services.

During the Year, the majority of merchandise suppliers for the Group's department stores were located in Hong Kong and Europe, while all property investment suppliers were based locally. The Group maintains consistent supplier management practices across all locations, ensuring adherence to ESG principles.

Number of suppliers by geographical region

	Department stores operation(note)	**Property investment business**
Total number of suppliers	630	16
Hong Kong	413 / 66%	16 / 100%
Europe	150 / 24%	0
Asia (excluding Hong Kong)	57 / 9%	0
America	7 / 1%	0
Others	3 / 0.5%	0

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

By sustaining a transparent supply chain management framework, the Group ensures suppliers meet its high standards while mitigating environmental and social risks, thereby promoting responsible business practices and enhancing supply chain resilience.

The Group's efforts to encourage sustainable consumption extend to sourcing eco-friendly merchandise in its department stores. The Group offers products made from organic, natural or recycled materials and initiatives aimed at reducing packaging for house-brand items. Throughout the Year, the MCD actively expanded its range of eco-friendly products to meet increasing demand, setting key targets for stock keeping units. The ESG Committee is responsible for tracking progress and evaluating the performance of these products annually.

While eco-friendly merchandise remains a small portion of the Group's inventory, its availability and diversity are steadily increasing. Challenges such as limited local supply, higher costs, inconsistent quality and lack of certification persist, but the Group is exploring new supply chains and improving sourcing capabilities to offer a broader range of affordable, high-quality eco-friendly products. Guided by the Green Procurement Policy, the Group's ongoing commitment to sustainable office supply procurement and expanding eco-friendly offerings reflects its dedication to fostering sustainable consumption and minimising environmental impact.

6.2.3 Product responsibility

Quality and safety are fundamental pillars of the Group's operations. The Group has established robust policies and procedures to ensure that only reliable and compliant products are offered in its department stores. The MCD and the Store Operations Division oversee the implementation of the Supply Chain Policy and associated operational guidelines, continuously monitoring their effectiveness. Suppliers must provide quality and safety registration certificates and laboratory reports to confirm compliance with applicable laws.

To further ensure product integrity, the MCD conducts quality inspections on private-label merchandise and requires factories to submit pre-production and shipping samples for review. Department store staff also perform label checks on specific merchandise to ensure compliance with regulations. Front-line staff receive training to reinforce their understanding of labelling standards and related regulations.

In cases where product safety, health concerns or labelling non-compliance are identified — whether from suppliers, customers, government departments or media reports — the Group acts swiftly to withdraw the affected merchandise. The Group collaborates with suppliers to resolve these issues, and products are only reintroduced once compliance is restored. To maintain customer trust, the Group accepts returns for affected products, ensuring accountability.

In its property investment business, the Group maintains high service standards for tenants and visitors by engaging a reputable professional property management agent. The Group has adopted ISO 9001 standards for its customer service and complaint handling processes, ensuring a structured approach to addressing tenant concerns. Regular tenant satisfaction activities are conducted to identify areas for improvement.

6.2.4 Responsible marketing and labelling

The Group has implemented stringent measures regarding marketing and advertising practices to prevent the dissemination of false or misleading information. The Group's Wing On Department Stores Logo & Stores Information Usage Guidelines assist teams preparing marketing materials in understanding and adhering to legal requirements. All marketing content undergoes thorough review by relevant departments before publication to ensure accuracy and compliance. These guidelines are regularly evaluated for effectiveness.

In the event of any breaches related to product safety, labelling, advertising or privacy, the Group conducts comprehensive investigations and takes immediate corrective action. Preventative measures and process enhancements are also implemented to mitigate recurrence and ensure ongoing compliance.

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

During the Year, the Group did not encounter any other significant cases of non-compliance with local laws regarding product safety, advertising, marketing or labelling.

6.2.5 Intellectual property

Intellectual property rights are a priority for the Group. The Group ensures compliance with relevant local legislations, including but not limited to the Copyright Ordinance (Cap. 528) and the Trade Marks Ordinance (Cap. 559) of the Laws of Hong Kong.

The Group prohibits the unauthorised use of copyrighted materials, including software, music and images, to prevent copyright infringement. Suppliers must provide signed declarations confirming that their merchandise does not infringe third-party intellectual property rights, while authorised dealers must present proof of distribution rights.

To protect its own intellectual property, the Group registers proprietary brands and trademarks associated with its department stores operation.

6.2.6 Data security and privacy

The Group prioritises the highest standards of data security and privacy. The Group strictly complies with all relevant local laws, notably the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong). The Group's commitment to respecting individual rights is reflected in robust policies governing the collection, storage, access and disposal of personal information, ensuring full compliance with legal requirements.

Employees who handle personal data must sign declarations affirming their understanding and adherence to these policies, promoting accountability across the organisation. The Group guarantees that personal information is used solely for stated purposes and obtains prior written consent before utilising such data for direct marketing initiatives.

To safeguard customer privacy, the Group limits its collection of personal information to what is strictly necessary for operational purposes. All data collected through the Wing On NETshop website and the Wing On Rewards mobile application is securely stored on highly protected platforms, fortified with advanced anti-virus software and stringent security protocols to defend against potential threats and unauthorised access. Sensitive information, including names, addresses and phone numbers, is encrypted, and all data undergoes regular backups. Furthermore, the Group has implemented SMS One-Time Password (OTP) authentication for customer logins on the Wing On Rewards mobile application, ensuring that user access is secure and authorised.

The Group's commitment to transparency is evident in the publicly accessible Wing On NETshop Personal Data Protection and Privacy Policy, which outlines measures taken to safeguard personal data. Customers can easily modify their direct marketing subscription preferences through the Letter of Intent Related to Direct Marketing, available on the Wing On NETshop website. For the Wing On Rewards mobile application, a hyperlink to the Personal Information Collection Statement and Privacy Policy is prominently displayed on the registration page, ensuring that prospective users are fully informed about the terms governing personal data collection before enrolling in the rewards programme.

During the year, the Group reported no incidents of non-compliance with laws or regulations regarding data security and privacy. The Group's commitment to these principles was recognised with a "Silver Award" at the biennial Privacy-Friendly Awards 2023, organised by the Office of the Privacy Commissioner for Personal Data in Hong Kong, and received a "Gold Award" in this Year. This recognition underscores the Group's ongoing dedication to upholding the highest standards of data protection.

6.2.7 Anti-corruption

The Group maintains an unwavering commitment to ethical standards, operating under a zero-tolerance policy towards fraud and corruption. The Group strictly complies with the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong), the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong) and all relevant local laws in its operational regions. The Group's robust corporate governance framework ensures ethical conduct at every level of the organisation, with employees and directors expected to act with integrity and fairness in all business dealings.

To promote transparency and accountability, the Group has established a Code of Conduct (outlined in the Staff Handbook), an Anti-Corruption Policy and a Whistleblowing Policy. These frameworks guide employees in managing conflicts of interest, preventing corruption and reporting irregularities such as bribery, fraud or money laundering. The Whistleblowing Policy provides confidential reporting channels for employees and stakeholders, with all reported cases investigated by the Audit Committee, which oversees corrective actions and recommends improvements to the Board. The Group's policies are regularly reviewed for effectiveness and compliance with evolving standards.

During the Year, the Group reported no incidents of non-compliance with laws or regulations concerning bribery, extortion, fraud or money laundering, reflecting the effectiveness of its governance framework.

To cultivate a culture of integrity, the Group mandates online training on workplace ethics and relevant legislation for all employees, including new hires, who must complete this training during their probation period. The Group also provides self-learning materials, including short video clips and microfilms addressing integrity issues in the workplace to enhance employee awareness.

For Board members, the Group ensures timely dispatch of reading materials to keep them updated on the latest developments in corporate governance and anti-corruption practices. Through these initiatives, the Group strives to foster an organisational culture rooted in integrity and ethical behaviour.

6.3 Community investment

The Group is committed to promoting social well-being and nurturing a culture of compassion through active involvement in charitable initiatives, encompassing sponsorships, donations and in-kind contributions. By working closely with various charitable organisations, the Human Resources and Marketing Divisions strive to identify pressing community needs and implement effective responses. To enhance its community investment strategy, in 2024, the Group has formalised the Community Investment Policy that create a structured and sustainable framework for its initiatives.

The Group's commitment to social responsibility is further evidenced by its participation in a diverse array of community activities and events, spanning various causes from youth development to support for underprivileged groups. This reinforces the Group's role as a socially responsible organisation dedicated to making a positive impact.

The Group's enduring contributions to society have been acknowledged through prestigious recognitions, including "The Caring Company Scheme," administered by the Hong Kong Council of Social Service, and the "Heart to Heart Company" award, facilitated by The Hong Kong Federation of Youth Groups. Looking to the future, the Group remains resolute in its dedication to expanding community investment efforts. The Group will actively identify areas of need and develop impactful programmes that address them. By fostering employee participation, collaborating with charitable partners, and providing necessary resources for social causes, the Group aims to cultivate a cohesive and empathetic society. The Group's continued efforts, alongside recognition from esteemed organisations, underscore its commitment to making long-term, meaningful contributions to communities throughout Hong Kong.

Community activities and events

During the Year, the Group's employees dedicated approximately 176 hours to volunteering activities and contributed HK$190,000 to various charitable organisations supporting social initiatives.

As part of its commitment to nurturing the next generation, the Group partnered with the charity organisation PMF Limited for the "Project My Future 2025" programme. This initiative offered workplace internship opportunities to the Hong Kong Diploma of Secondary Education (DSE) students (aged 16-18, initially from the Northern District in the New Territories), providing them with authentic insights into professional life before completing their secondary education. The Human Resources Division paired students with mentors from the Group's department store operations, offering real-world work experiences, guidance and exposure to broaden their horizons.

Throughout the Year, the Group and its employees participated in a variety of community activities, underscoring its commitment to social responsibility. Highlights include:

- "Project My Future 2025" workplace internship programme of PMF Limited;
- Donation to Tung Wah Group of Hospitals in support of the "Charitable Giving towards the Incident at Wang Fuk Court, Tai Po";
- Collaboration with K-Farm for a farm volunteer experience;
- Placement of donation boxes at the Group's department stores for various charitable organisations, including Suicide Prevention Services Limited, Christian Action and Yan Oi Tong;
- Participation in the "Lai See Reuse and Recycle Programme" organised by Greeners Action;
- Involvement in "Love Teeth Day", "Green Low Carbon Day" and "Skip Lunch Day" organised by the Community Chest of Hong Kong; and
- Participation in "World Sight Day 2025" hosted by Orbis.

On behalf of the Board
Sin Kar Tim
Company Secretary

Hong Kong, 23 April 2026

Appendix I – Charters, awards and recognitions

Name of charters, awards and recognitions		Organiser
A.	**Environmental**	
1.	Hong Kong Green Organisation Certification	Environmental Campaign Committee, Environment and Ecology Bureau and nine organisations
2.	National Australian Built Environment Rating System (NABERS) • 4-star energy rating	New South Wales Government, Australia
3.	Commercial Building Disclosure Program • Rating of "Very Efficient" in the assessment of tenancy lighting energy efficiency	Department of Climate Change, Energy, the Environment and Water of the Australian Government
4.	Signatory of "Green Lai See Packets Charter"	Greeners Action
5.	Signatory of "Charter on External Lighting" • Diamond Award – Main Store • Diamond Award – Tsimshatsui East Store • Platinum Award – Wing On Centre • Platinum Award – wing on *Plus* Store • Gold Award – Wing On Kowloon Centre	Environment and Ecology Bureau
B.	**Social**	
Employment and labour practices		
6.	Signatory of the "Mental Health Workplace Charter"	The Department of Health, Labour Department and the Occupational Safety and Health Council
7.	Signatory of the "Joyful@healthy Workplace Charter"	The Department of Health, Labour Department and the Occupational Safety and Health Council
8.	Signatory of the "Good Employer Charter" for three consecutive terms (2018, 2020 and 2024)	Labour Department
9.	Supportive Family-friendly Good Employer	Labour Department
10.	ERB Manpower Developer Award Scheme • Manpower Developer (since 2015)	Employees Retraining Board
11.	Happiness at Work Promotional Scheme • Happy Company for six consecutive years (since 2019)	Promoting Happiness Index Foundation and The Chinese Manufacturers' Association of Hong Kong
12.	Breastfeeding Friendly Workplace (since 2018)	Department of Health and Hong Kong Committee for UNICEF
Operating practices		
13.	Privacy-Friendly Awards 2025 (biennial award) • Gold Award	Office of the Privacy Commissioner for Personal Data in Hong Kong
14.	Quality Tourism Services Scheme Retail Shop	Hong Kong Tourism Board
Community investment		
15.	The Caring Company Scheme (since 2002) • 20 years+	The Hong Kong Council of Social Service
16.	Heart to Heart Company (since 2005) • 20 years+	The Hong Kong Federation of Youth Groups

Appendix II – Performance summary

The Group enhanced its data collection practices and start to report the environmental performance of its Australian operations from 2025 as well as Scope 3 emissions. Accordingly, the group-level environmental performance data for 2024 covers only the Group's Hong Kong and the Mainland operations, while the group-level environmental performance data for 2025 includes its Australian operations in addition to its Hong Kong and the Mainland operations. As a result, the group-level environmental performance data for 2025 covers a broader scope of operations than in 2024, and therefore, is not directly comparable between the two years.

	2025			
A. Environmental(notes 1, 2 and 3)	**Group total**	**Australia**	**Hong Kong and the Mainland**	**2024**
Scope 1 and 2 – Total emissions				
GHG emissions (in tCO_{2e})	9,766	2,636	7,130	8,427
Intensity per HK$1 million revenue(note 6) **(in tCO_{2e})**	10.57	26.63	8.64	9.07
Scope 1, 2 and 3 – Total emissions				
GHG emissions (in tCO_{2e})	147,358	–	–	8,492
Intensity per HK$1 million revenue(note 6) **(in tCO_{2e})**	159.48	–	–	9.14
Total energy consumption				
Total energy consumption (fuel and electricity) (in Mwh)	18,802	4,146	14,656	16,160
Total intensity per HK$1 million revenue(note 6) **(in Mwh)**	20.35	41.88	17.76	17.40
GHG emissions				
Scope 1 – Direct emissions				
Fuel consumption(note 4)				
Diesel and petrol by vehicles (in Mwh)(note 5)	269	–	269	283
Natural gas consumption (in Mwh)	1,005	1,005	–	–
Diesel and petrol by vehicles (in tCO_{2e})	69	–	69	73
Natural gas consumption (in tCO_{2e})	186	186	–	–
Intensity per HK$1 million revenue(note 6) (in Mwh)(note 5)	1.38	10.15	0.33	0.30
Scope 2 – Energy indirect emissions(note 11)				
Electricity consumption(note 7)				
Purchased electricity (in Mwh)	17,528	3,141	14,387	15,877
Purchased electricity (in tCO_{2e})	9,511	2,450	7,061	8,354
Intensity per HK$1 million revenue(note 6) (in Mwh)	18.97	31.73	17.44	17.09
Scope 3 – Other indirect emissions(note 19)				
Category 1 – Purchased Goods and Services (in tCO_{2e})	7,556	–	–	–
Category 2 – Capital Goods (in tCO_{2e})	834	–	–	–
Category 13 – Downstream Leased Assets (in tCO_{2e})	129,202	–	–	–

A. Environmental[notes 1, 2 and 3]	2025			2024
	Group total	Australia	Hong Kong and the Mainland	
Non-hazardous waste generation				
Paper consumption (in tonnes)[note 8]	6.8	–	6.8	6.7
Paper waste disposal (in tonnes)[note 8]	-8.7	–	-8.7	-4.8
Intensity per HK$1 million revenue[note 6] (in tonnes)	-0.010	–	-0.010	-0.005
Waste recycled				
Paper (in tonnes)[note 8]	15.5	–	15.5	11.5
Electrical appliances/accessories (in pieces)[note 12]	259	–	259	467
Intensity per HK$1 million revenue[note 6] (in pieces)	0.31	–	0.31	0.50
Cardboard (in tonnes)[note 13]	132	–	132	143
Intensity per HK$1 million revenue[note 6] (in tonnes)	0.16	–	0.16	0.15
Unsold merchandise (in boxes)[note 9]	–	–	–	425
Intensity per HK$1 million revenue[note 6] (in boxes)	–	–	–	0.46
Water usage[note 10]				
Total water consumption (in m^3)	66,829	41,196	25,633	25,578
Intensity per HK$1 million revenue[note 6] (in m^3)	72.33	416.12	31.07	27.53

B. Social	Unit	2025	2024
B. Social – Employment and labour practices[notes 1, 14 and 16]			
Profile of workforce			
Total workforce	Number	538	585
By gender			
All employees			
Male	Number (%)	140 (28.06%)	148 (27.92%)
Female	Number (%)	359 (71.94%)	382 (72.08%)
Corporate manager			
Male	Number (%)	14 (66.67%)	15 (68.18%)
Female	Number (%)	7 (33.33%)	7 (31.82%)
By employment type			
Permanent and full-time	Number (%)	499 (92.75%)	530 (90.60%)
Temporary and/or part-time	Number (%)	39 (7.25%)	55 (9.40%)
By age group			
Below 31	Number (%)	22 (4.41%)	27 (5.09%)
31 – 40	Number (%)	59 (11.82%)	64 (12.08%)
41 – 50	Number (%)	113 (22.65%)	117 (22.08%)
51 – 60	Number (%)	196 (39.28%)	208 (39.25%)
Above 60	Number (%)	109 (21.84%)	114 (21.51%)
By employee category			
All employees except corporate manager	Number (%)	478 (95.79%)	508 (95.85%)
Corporate manager	Number (%)	21 (4.21%)	22 (4.15%)
By geographical region			
Hong Kong	Number (%)	493 (98.80%)	525 (99.06%)
The Mainland	Number (%)	6 (1.20%)	5 (0.94%)
Employee turnover[note 15]			
Turnover rate	%	12.31%	7.05%
Total number of turnover	Number	63	37
By gender			
Male	Number (%)	18 (12.73%)	29 (5.62%)
Female	Number (%)	45 (12.16%)	8 (7.59%)
By age group			
Below 31	Number (%)	4 (17.23%)	2 (9.76%)
31 – 40	Number (%)	4 (6.78%)	4 (6.02%)
41 – 50	Number (%)	12 (10.34%)	4 (3.60%)
51 – 60	Number (%)	15 (7.47%)	12 (5.67%)
Above 60	Number (%)	28 (25.03%)	15 (13.39%)

Health and safety	Unit	2025	2024	2023
Number of work-related fatalities	Number	0	0	0
Rate of work-related fatalities	%	0%	0%	0%
Lost days due to work injury[note 17]	Days	294	74	16

B. Social	Unit	2025	2024
B. Social – Employment and labour practices[notes 1, 14 and 16]			
Development and training[note 18]			
Percentage of employees trained	%	88.1%	67.5%
Number of employees trained	Number	474	395
By gender			
Male	Number (%)	73 (15.40%)	67 (16.96%)
Female	Number (%)	401 (84.60%)	328 (83.04%)
By employee category			
General	Number (%)	348 (73.42%)	268 (67.85%)
Supervisory	Number (%)	87 (18.35%)	91 (23.04%)
Managerial	Number (%)	39 (8.23%)	36 (9.11%)
Total training hours completed by employees	Hours	1,708.75	1,414.95
Average training hours completed per employee	Hours	3.18	2.42
By gender			
Male	Hours	3.45	1.55
Female	Hours	3.08	2.73
By employee category			
General	Hours	2.10	1.97
Supervisory	Hours	3.47	3.17
Managerial	Hours	7.95	3.59
B. Social – Operating practices[notes 1 and 14]			
Supply chain management			
Total number of suppliers			
Department stores operation	Number	630	625
Property investment business	Number	16	12
By geographical region			
Hong Kong			
Department stores operation	Number	413	397
Property investment business	Number	16	12
Overseas			
Department stores operation	Number	217	228
Property investment business	Number	0	0
Product responsibility			
Percentage of total products sold or shipped subject to recalls for safety and health reasons	%	0%	0%
Number of product and service-related complaints received			
Department stores operation	Number	31	17
Property investment business	Number	0	3
Anti-corruption and integrity			
Number of concluded legal cases regarding corrupt practices brought against the Company or its employees	Number	0	0

B. Social	Unit	2025	2024
B. Social – Community			
Community investment			
Total volunteering hours	Hours	176	72
Total donation amount	HK$	190,000	34,100

Notes:

1. All data is provided and verified by the respective department heads.
2. All environmental KPIs, including GHG emissions, covered the Group's department stores operation and property investment business in Hong Kong, the Mainland and Australia.
3. GHG emissions data is presented in tonnes of carbon dioxide equivalent (tCO_{2e}) and the calculation methodology is based on the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" published by the Environmental Protection Department and the Electrical and Mechanical Services Department. The Group is disclosing Scope 3 emissions for the first time and only group-level data is provided.
4. Fuel consumption includes the diesel and petrol fuel used by the Group's delivery trucks, private cars and shuttle bus and natural gas consumed by the Group's Australian properties. The Scope 1 emissions from automobile fuel consumption is calculated using the emission factors based on "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange and the Scope 1 emissions from natural gas consumption is calculated using the emission factors based on the "National Greenhouse Accounts (NGA) Factors: 2025" published by the Department of Climate Change, Energy, the Environment and Water of the Australian Government.
5. The consumption data is presented in megawatt hour (Mwh) and the automobile fuel consumption data is calculated in accordance with "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.
6. The Group's revenue from Hong Kong operations, which amounted to approximately HK$825 million and HK$929 million for 2025 and 2024 respectively, is used as the denominator to calculate GHG emissions intensity for Hong Kong and the Mainland performance data. The Group's revenue from Australia operation, which amounted to approximately HK$99 million for 2025, is used as the denominator to calculate GHG emissions intensity for Australia performance data.

   An error has been identified in the disclosure regarding the Group's revenue from its Hong Kong operations for 2024, which was initially reported as approximately HK$909 million. The correct figure should be HK$929 million, as stated in the Group's 2024 Annual Report. Consequently, the subsequent intensity figures for 2024 have been reviewed and adjusted accordingly. The Group is conducting a thorough review of its disclosure controls to ensure accuracy and aim to eliminate any potential disclosure errors in the future.
7. Emissions relating to electricity consumption are based on the latest emission factors provided by the two Hong Kong power companies, i.e. The Hongkong Electric Company Limited and CLP Power Hong Kong Limited. For the Group's department store buying office in Guangzhou, the emission factor is based on the "Announcement Regarding the Release of 2023 Electricity Carbon Dioxide Emission Factors" ("關於發布2023年電力二氧化碳排放因子的公告") published by the Ministry of Ecology and Environment of The People's Republic of China (中華人民共和國生態環境部). For the Group's Australian operations, the emission factor is based on the "National Greenhouse Accounts (NGA) Factors: 2025" published by the Department of Climate Change, Energy, the Environment and Water of the Australian Government.
8. Paper consumption refers to plain paper used for copying and printing, while the amount of recycled waste paper refers to the paper recorded in recycling vendor's invoices. The Group has increased its investment in recycling initiatives, driving the significant increase in the amount of paper recycled.
9. Donation of unsold merchandise is conducted only on an occasional basis and occurred as a one-off event in 2024.

10. The water usage data covers the common area of the property investment business in Hong Kong and the Main Store only, because no separate water meter has been installed in the Group's other department stores. For 2025, water usage data for the common area of the property investment business in Australia is covered as well.
11. For 2025, the Group's Scope 2 emissions, as part of the Group's GHG emissions inventory, are calculated using the location-based method. The GHG Protocol defines location-based method as a method to quantify Scope 2 GHG emissions based on average energy generation emission factors for defined geographic locations, including local, sub-national or national boundaries. The Group's major sources of Scope 2 emissions include purchased electricity and a portion of the electricity purchased and consumed by its Australian operation which was matched with renewable energy certificates issued by third-party energy retailers.
12. Electrical appliances/accessories included computers and equipment, as well as empty toner cartridges for recycling. The recycling amount is presented in pieces because the recyclers can only provide the quantity in pieces. The Group conducted a one-off disposal of accumulated aged equipment in 2024, resulting in an unusually high disposal volume for that year.
13. Figures for cardboard have been collected since 2024. The recycling volume covers the Main Store, wing on *Plus* Store and Tsimshatsui East Store.
14. All KPIs of employment and labour practices cover employees employed by the Group's department stores operation and property investment business in Hong Kong; all KPIs of operating practices cover the Group's department stores operation and property investment business in Hong Kong. The Group will consider the feasibility of disclosing KPIs regarding employment and labour practices and operating practices of property investment business in Australia in the future.
15. The employee turnover rate reflects the number of employees who leave employment with the Group voluntarily or due to dismissal, retirement or death in service during the reporting period. The employee turnover rate is calculated in accordance with "How to prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange, which is equal to the number of permanent employees who leave employment with the Group voluntarily or due to dismissal, retirement or death in service during the reporting year divided by the average number of permanent employees and then multiplied by 100%.
16. All KPIs of profile of workforce (except for by employment type) and employee turnover refer to permanent full-time staff only, while all KPIs of health and safety, development and training and profile of workforce by employment type refer to permanent full-time, temporary and/or part-time staff.
17. Work injuries include incidents requiring sick leave.
18. Training includes all job-relevant internal and external training attended by employees. The difference between internal and external training activities is discussed under the "Development and training" section in this Report.
19. Please refer to the "Environmental' section in this Report for more details on the calculation of the Group's Scope 3 emissions.

Appendix III – ESG Reporting Code content index

Part B: Mandatory Disclosure Requirements

Paragraph	Description	Reference and remarks
Governance Structure 13.	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	• Integrated sustainability governance structure • Stakeholder engagement and materiality assessment
Reporting Principles 14.	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: **Materiality**: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. **Quantitative**: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. **Consistency**: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	• Introduction • Stakeholder engagement and materiality assessment • Performance summary
Reporting Boundary 15.	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	• Introduction

Part C: "Comply or explain" Provisions

	Description	Reference and remarks
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. *Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations.* *Hazardous wastes are those defined by national regulations.*	• Environmental Policy – Climate Change Policy During the Year, there were no confirmed incidents of non-compliance with relevant laws and regulations that have a significant impact on the Group relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.
KPI A1.1	The types of emissions and respective emissions data.	• Environmental • Performance summary
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	• Environmental
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	• Performance summary
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	• Environmental
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	• Environmental
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. *Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.*	• Environmental Policy – Climate Change Policy
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	• Performance summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	• Performance summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	• Environmental
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	• Environmental

	Description	Reference and remarks
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	• Environmental
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	• Environmental Policy – Climate Change Policy
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	• Environmental
B. Social – Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	• Employment and labour practices Policies – Recruitment Policy and Staff Handbook During the Year, there were no confirmed incidents of non-compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.
KPI B1.1	Total workforce by gender, employment type (for example, full- or part- time), age group and geographical region.	• Performance summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	• Performance summary
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	• Occupational health and safety Policy – Code of Practices for Safety at Work During the Year, there were no confirmed incidents of non-compliance with relevant laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.

	Description	Reference and remarks
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	• Performance summary There were no work-related fatalities occurred in each of the past three years including the reporting year.
KPI B2.2	Lost days due to work injury.	• Performance summary
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	• Occupational health and safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. *Note: Training refers to vocational training. It may include internal and external courses paid by the employer.*	• Development and training Policy – Training and Development Policy
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	• Performance summary
KPI B3.2	The average training hours completed per employee by gender and employee category.	• Performance summary
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	• Employment and labour standards Policy – Staff Handbook During the Year, there were no confirmed incidents of non-compliance with relevant laws and regulations that have a significant impact on the Group relating to preventing child and forced labour.
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	• Employment and labour standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	• Employment and labour standards
B. Social – Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	• Supply chain management Policies – Green Procurement Policy, Supply Chain Policy and Supplier Code of Conduct
KPI B5.1	Number of suppliers by geographical region.	• Supply chain management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	• Supply chain management

	Description	Reference and remarks
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	• Supply chain management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	• Supply chain management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	• Product responsibility • Responsible marketing and labelling • Data security and privacy Policy – Supply Chain Policy During the Year, there were no incidents of non-compliance with relevant laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	• Performance summary
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	• Product responsibility • Performance summary
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	• Intellectual property
KPI B6.4	Description of quality assurance process and recall procedures.	• Product responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	• Data security and privacy Policies – Personal Data Protection and Privacy Policy and Personal Information Collection Statement and Privacy Policy
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	• Anti-corruption Policies – Code of Conduct (outlined in the Staff Handbook), Anti-Corruption Policy and Whistleblowing Policy

	Description	Reference and remarks
		During the Year, there were no incidents of non-compliance with relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering.
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	• Performance summary During the Year, there were no legal actions or fines related to breaches of anti-corruption and no anti-competitive practices were brought against the Group or its employees.
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	• Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	• Anti-corruption
B. Social – Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	• Community investment Policy – Community Investment Policy
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	• Community investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	• Community investment

Part D: Climate-related Disclosures

Reference paragraph	Description	Reference and remarks
Climate-related Disclosures		
(I) Governance		
19. IFRS S2 para. 6	An issuer shall disclose information about: (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about: *Note: The responsibilities of such body(s) or individual(s) should be reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s).* (i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities; (ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; (iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; (iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and (ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions. *Note: In preparing disclosures to fulfil the requirements in this paragraph 19, an issuer shall avoid unnecessary duplication with disclosures made pursuant to paragraph 13 of this Code. For example, although an issuer shall provide the information required by this paragraph 19, if oversight of ESG-related (including climate-related) risks and opportunities is managed on an integrated basis, the issuer would avoid duplication by providing integrated governance disclosures instead of separate disclosures for each ESG-related risk and opportunity.*	• Integrated sustainability governance structure • Environmental • Integrated sustainability governance structure • Environmental

Reference paragraph	Description	Reference and remarks
(II) Strategy		
Climate-related risks and opportunities		
20. IFRS S2 para. 10	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall: (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term; (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making. *Notes:* *1. In identifying the climate-related risks and opportunities pursuant to paragraph 20, an issuer:* *(a) shall use all reasonable and supportable information that is available to it at the reporting date without undue cost or effort, including information about past events, current conditions and forecasts of future conditions; and* *(b) is encouraged to refer to and consider the applicability of the industry-based disclosure topics defined in IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures.* *2. (a) If an issuer determines that disclosing information about a climate-related opportunity pursuant to any provision under this Part D is commercially sensitive in the limited circumstances set out in this note 2(b) below, the issuer is permitted to omit disclosure of such information.* *(b) An issuer qualifies for the exemption specified in this note 2(a) above if, and only if:* *(i) information about the climate-related opportunity is not already publicly available;* *(ii) disclosure of that information could reasonably be expected to prejudice seriously the economic benefits the issuer would otherwise be able to realise in pursuing the opportunity; and* *(iii) the issuer has determined that it is impossible to disclose that information in a manner – for example, at an aggregated level – that would enable the issuer to meet the objectives of the disclosure requirement without prejudicing seriously the economic benefits the issuer would otherwise be able to realise in pursuing the opportunity.* *(c) If an issuer elects to use the exemption specified in this note 2(a) above, the issuer shall, for each item of information omitted:* *(i) disclose the fact that it has used the exemption; and* *(ii) reassess, at each reporting date, whether the information qualifies for the exemption.*	• Environmental • Environmental • Environmental • Environmental

Reference paragraph	Description	Reference and remarks
Business model and value chain		
21. IFRS S2 para. 13	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose: (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets). *Note: An issuer shall use all reasonable and supportable information that is available to the issuer at the reporting date without undue cost or effort to determine the scope of its value chain, including its breadth and composition.*	• Environmental • Environmental
Strategy and decision-making		
22. IFRS S2 para. 14	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose: (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect); (iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	• Environmental • Environmental
23. IFRS S2 para. 14	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	• Environmental

Reference paragraph	Description	Reference and remarks
Financial position, financial performance and cash flows – current financial effect		
24. IFRS S2 para. 16	An issuer shall disclose qualitative and quantitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements. *Notes:* *1. Issuers should account for climate-related matters in the financial statements in accordance with the requirements under HKFRS, IFRS, CASBE or the alternative overseas financial reporting standard acceptable to the Exchange.* *2. Where the quantitative information disclosed pursuant to paragraph 24 is not expressed as a line item in the financial statements, the issuer shall explain how such information is reflected in its financial statements (e.g. identifying the relevant financial item).*	• Environmental There is minimal risk of a substantial adjustment occurring in the upcoming annual reporting period.

Reference paragraph	Description	Reference and remarks
Financial position, financial performance and cash flows – anticipated financial effect		
25. IFRS S2 para. 16	The issuer shall provide qualitative and quantitative disclosures about: (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities. *Notes:* *1. In providing quantitative information about current or anticipated financial effects, an issuer may disclose a single amount or a range.* *2. In preparing disclosures about the anticipated financial effects of a climate-related risk or opportunity, an issuer shall:* *(a) use all reasonable and supportable information that is available to the issuer at the reporting date without undue cost or effort; and* *(b) use an approach that is commensurate with the skills, capabilities and resources that are available to the issuer for preparing those disclosures.* *3. An issuer need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity if the issuer determines that:* *(a) those effects are not separately identifiable; or* *(b) the level of measurement uncertainty involved in estimating those effects is so high that the resulting quantitative information would not be useful.* *4. In addition, an issuer need not provide quantitative information about the anticipated financial effects of a climate-related risk or opportunity if the issuer does not have the skills, capabilities or resources to provide that quantitative information.* *5. If an issuer determines that it need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity applying the criteria set out in note 3 or 4 above, the issuer shall:* *(a) explain why it has not provided quantitative information;* *(b) provide qualitative information about those financial effects, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that climate-related risk or opportunity; and* *(c) provide quantitative information about the combined financial effects of that climate-related risk or opportunity with other climate-related risks or opportunities and other factors unless the issuer determines that quantitative information about the combined financial effects would not be useful.*	• Environmental The Group did not anticipate any material impacts of climate-related risks and opportunities on its financial position, financial performance and cash flows across short-, medium- and long-terms. Moving forward, the Group will evaluate the feasibility of assessing the financial implications of these climate-related factors for future reporting periods.

Reference paragraph	Description	Reference and remarks
Climate resilience		
26. IFRS S2 para. 22	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose: (a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: (i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term; (b) how and when the climate-related scenario analysis was carried out, including: (i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis); (ii) the key assumptions the issuer made in the analysis; and (iii) the reporting period in which the climate-related scenario analysis was carried out. *Note: An issuer shall determine an approach to climate-related scenario analysis that enables it to consider all reasonable and supportable information that is available to the issuer at the reporting date without undue cost or effort. The determination of the approach shall be informed by the assessments of the issuer's exposure to climate-related risks and opportunities and its available skills, capabilities and resources.*	• Environmental • Environmental

Reference paragraph	Description	Reference and remarks
(III) Risk Management		
27. IFRS S2 para. 25	An issuer shall disclose information about: (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period; (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process. *Note: In preparing disclosures to meet the requirements in this paragraph 27, an issuer shall avoid unnecessary duplication with disclosures made pursuant to paragraphs 13(ii) and 14 (Materiality) of this Code. For example, although an issuer shall provide the information required by this paragraph 27, if oversight of ESG-related (including climate-related) risks and opportunities is managed on an integrated basis, the issuer would avoid duplication by providing integrated risk management disclosures instead of separate disclosures for each ESG-related risk and opportunity.*	• Environmental • Environmental • Environmental
(IV) Metrics and Targets		
Greenhouse gas emissions		
28. IFRS S2 para. 29	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	• Performance summary • Performance summary • Environmental • Performance summary

Reference paragraph	Description	Reference and remarks
29. IFRS S2 para. 29	An issuer shall: (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions including: (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). *Note:* *1. An issuer is required to use all reasonable and supportable information that is available to it at the reporting date without undue cost or effort when the issuer selects the measurement approach, inputs and assumptions it uses in measuring Scope 3 greenhouse gas emissions.* *2. An issuer is permitted to measure its greenhouse gas emissions in accordance with paragraph 28 using information for reporting periods that are different from its own reporting period if that information is obtained from entities in its value chain with reporting periods that are different from the issuer's reporting period, on the condition that:* *(a) the issuer uses the most recent data available from those entities in its value chain without undue cost or effort to measure and disclose its greenhouse gas emissions;* *(b) the length of the reporting periods is the same; and* *(c) the issuer discloses the effects of significant events and changes in circumstances (relevant to its greenhouse gas emissions) that occur between the reporting dates of the entities in its value chain and the date of the issuer's ESG report.* *3. Where an issuer's activities include asset management, commercial banking or insurance, the issuer is encouraged to disclose additional information about the issuer's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions).*	• Performance summary • Environmental • Performance summary • Performance summary • Environmental • Performance summary

Reference paragraph	Description	Reference and remarks
Climate-related transition risks		
30. IFRS S2 para. 29	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	• Environmental Considering the nature of the Group's business, climate change was identified as immaterial in the Group's direct operation.
Climate-related physical risks		
31. IFRS S2 para. 29	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	• Environmental Considering the nature of the Group's business, climate change was identified as immaterial in the Group's direct operation.
Climate-related opportunities		
32. IFRS S2 para. 29	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities. *Note: In preparing disclosures to meet the requirements in paragraphs 30 to 32, an issuer shall use all reasonable and supportable information that is available to the issuer at the reporting date without undue cost or effort.*	• Environmental Considering the nature of the Group's business, climate change has been identified as immaterial to the Group's direct operations. The amount and percentage of assets or business activities aligned with climate-related opportunities are insignificant.
Capital deployment		
33. IFRS S2 para. 29	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	• Environmental Considering the nature of the Group's business, climate change was identified as immaterial in the Group's direct operation.
Internal carbon prices		
34. IFRS S2 para. 29	An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	The Group currently does not apply a carbon price in decision-making.

Reference paragraph	Description	Reference and remarks
Remuneration		
35. IFRS S2 para. 29	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	The Group currently does not factor climate-related considerations into remuneration policy. The Group will explore the feasibility of incorporating these considerations into its remuneration policy in future.
Industry-based metrics		
36. IFRS S2 para. 32	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	The Group currently does not apply industry-based metrics in disclosure. The Group will keep assessing the necessity of industry-based metrics application for future reporting periods.
Climate-related targets		
37. IFRS S2 para. 33	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	
	(a) the metric used to set the target;	• Environmental
	(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	• Environmental
	(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	• Environmental
	(d) the period over which the target applies;	• Environmental
	(e) the base period from which progress is measured;	• Environmental
	(f) milestones or interim targets (if any);	• Environmental
	(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	• Environmental
	(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	• Environmental
	Note: Targets set may or may not be those set out under KPIs A1.5, A1.6, A2.3 and A2.4 of Part C of this Code.	

Reference paragraph	Description	Reference and remarks
38. IFRS S2 para. 34	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
	(a) whether the target and the methodology for setting the target has been validated by a third party;	The Group currently does not validate the target and the methodology for setting the target by a third party. The Group will evaluate the feasibility of third-party validation on targets and methodologies for future reporting periods.
	(b) the issuer's processes for reviewing the target;	• Environmental
	(c) the metrics used to monitor progress towards reaching the target; and	• Environmental
	(d) any revisions to the target and an explanation for those revisions.	During the Year, the Group has developed a Climate Transition Plan and the scope of climate related targets have been updated. Please refer to the "Climate Transition Plan" section in this Report for details.
39. IFRS S2 para. 35	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	• Environmental

Reference paragraph	Description	Reference and remarks
40. IFRS S2 para. 36	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	• Environmental • Environmental The Group considers its target as a gross GHG emissions target. The Group's targets are not derived using a sectoral decarbonisation approach. The Group does not currently use carbon credits to offset greenhouse gas emissions. The Group is committed to optimizing energy efficiency and climate resilience in its business operation and will keep assessing the necessity of purchasing carbon credits in the future.
Applicability of cross-industry metrics and industry-based metrics		
41. IFRS S2 para. 23 and 37	In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	The Group currently does not apply cross-industry metrics and industry-based metrics in its disclosures. The Group will keep assessing the necessity of cross-industry metrics and industry-based metrics application for future reporting periods.