MOG Digitech Holdings Limited

馬可數字科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1942

2025 Environmental, Social and Governance Report



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MOG Digitech Holdings Limited (the "**Company**", together with its subsidiaries, collectively the "**Group**" or "**we**") is committed to long-term sustainability of the environment and communities in which it operates. The Group is committed to environmental protection, endeavours to comply with the laws and regulations on environmental protection and adopts effective measures to achieve efficient use of resources, energy saving and waste reduction as well as serving the community, so as to work together to promote green and harmonious development.

ABOUT THIS REPORT

This is the seventh environmental, social and corporate governance ("**ESG**") report (the "**ESG Report**") issued by the Group since the listing date, which discloses the relevant ESG initiatives adopted by and performance of the Group during the period from 1 January 2025 to 31 December 2025 (the "**Reporting Period**" or "**2025**"), in accordance with the "Environmental, Social and Governance Reporting Code" (the "**ESG Reporting Code**") as set out in Appendix C2 under the Rules Governing the Listing of Securities on Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

REPORTING SCOPE

Taking into consideration of the Group's core business and major sources of income, the management of the Group discusses and confirms the scope of the ESG Report based on the materiality principle. This ESG report covers the Group's digital payment solutions related business in the PRC and optical product retail business in Malaysia. The Group will continue to assess the major ESG issues of different business segments and extend the scope of disclosure when and where applicable.

REPORTING FRAMEWORK AND PRINCIPLES

This ESG Report is prepared in accordance with the Environmental, Social and Governance Reporting Code in Appendix C2 of the Main Board Listing Rules of the Stock Exchange. In order to ensure the accuracy of the calculation of environmental key performance indicators ("**KPIs**"), the Group has engaged a professional consulting company to be responsible for the calculation of data and the preparation of this ESG Report. In the process of preparing this ESG Report, the Group had carried out due diligence to ensure that the reporting principles of "materiality", "quantitative", "balance" and "consistency" are followed. This ESG Report discloses the environmental, social and governance issues that are most relevant to our business through materiality assessment. If applicable, this ESG Report will detail the criteria, methods, assumptions and/or calculation tools used, as well as the source of conversion factors, and explain any inconsistencies with previous reports.

Materiality

The Board determines the material ESG issues based on its impacts level resulting from the Group business activities. This ESG Report is prepared based on the importance of each issue derived from stakeholder engagement and materiality assessment processes. The Board has reviewed and confirmed the materiality of relevant issues. Please refer to the sections headed "Stakeholders Engagement" and "Materiality Assessment" for further details.

Quantitative

This ESG Report is prepared in accordance with the ESG Reporting Code and discloses the KPIs in a quantitative manner. Information regarding the criteria, methodology and assumptions, the calculation tools used and the sources of conversion factors used for KPIs have been appropriately disclosed.

Balance

This ESG Report is prepared in an objective and fair manner to ensure that the disclosed information truthfully reflects the Group's overall ESG performance.

Consistency

Except for the change in reporting scope, the statistical methods used in this ESG Report are generally consistent with the ESG Report of last year. If there are any changes that may affect the comparison with last year's report, the Group will provide explanations in the corresponding section.

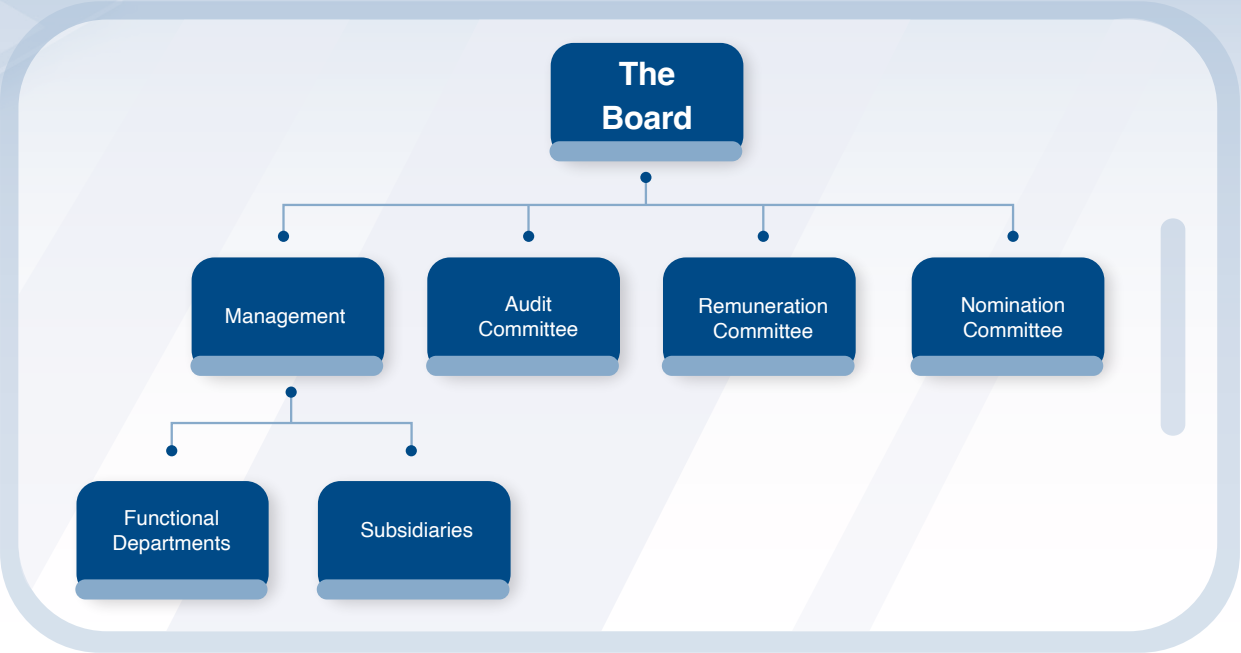
ESG MANAGEMENT SYSTEM

In the process of fulfilling its corporate social responsibility, the Group strives to move towards the goal of achieving sustainable development. The ESG governance structure includes the Board, management and functional departments.

The board of directors (the "**Directors**") of the Company (the "**Board**") takes the overall responsibility for the formulation and implementation of ESG strategy and reporting. The Board is diverse in its composition and the members are equipped with the appropriate technical capabilities, extensive experience, professional knowledge and broad perspectives required to supervise the ESG matters of the Group. In order to better manage the Group's ESG performance, related issues and potential risks, the Board discusses ESG issues collectively on a regular basis, evaluates and identifies ESG-related risks and opportunities, reviews the materiality of ESG issues, as well as the performance of the Group against ESG-related targets at least once a year. In addition, the Board is responsible for ensuring the effectiveness of the Group's risk management and internal control systems and considering and approving disclosures in the ESG Report. In order to assist the Board in discharging its responsibilities on ESG matters, the management reports to the Board on the progress of ESG-related work at least once a year, and provides professional advice on relevant issues to continuously improve the Group's ESG performance.

The Board has delegated the management to systematically identify and manage ESG issues. The management designates relevant personnel from functional departments to collect and analyse relevant ESG data, monitor and evaluate the Group's ESG performance, track and review the Group's progress towards the ESG-related targets, ensure compliance with ESG-related laws and regulations, and assist in materiality assessment and prepare the ESG Report. The management arranges meetings at least once a year to evaluate, determine, monitor and manage the ESG-related risks and review the effectiveness of the ESG management system.

For information related to the Group's corporate governance, please refer to the section headed "Corporate Governance Report" of the annual report.



STAKEHOLDER ENGAGEMENT

The Group understands the success of the Group's business depends on the support from its key stakeholders, who (a) have invested or will invest in the Group; (b) have the ability to influence the performance of the Group; and (c) are interested in or affected by or have the potential to be affected by the impact of the Group's activities, products, services and relationships. This enables the Group to understand risks and opportunities. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders.

Stakeholders are prioritised from time to time in view of the Group's roles and duties, strategic plan and business initiatives. The Group engages with its stakeholders to develop mutually beneficial relationships and to seek their views on its business proposals and initiatives as well as to promote sustainability in the marketplace, workplace, community and environment. Moreover, the Group acknowledges the importance of information and feedback gained from the stakeholders' insights, inquiries and continuous interest in the Group's business activities. The Group has identified key stakeholders that are important to our business and established various channels for communication. The following table provides an overview of the Group's key stakeholders, and various platforms and methods of communication are used to reach, listen and respond to key stakeholders.

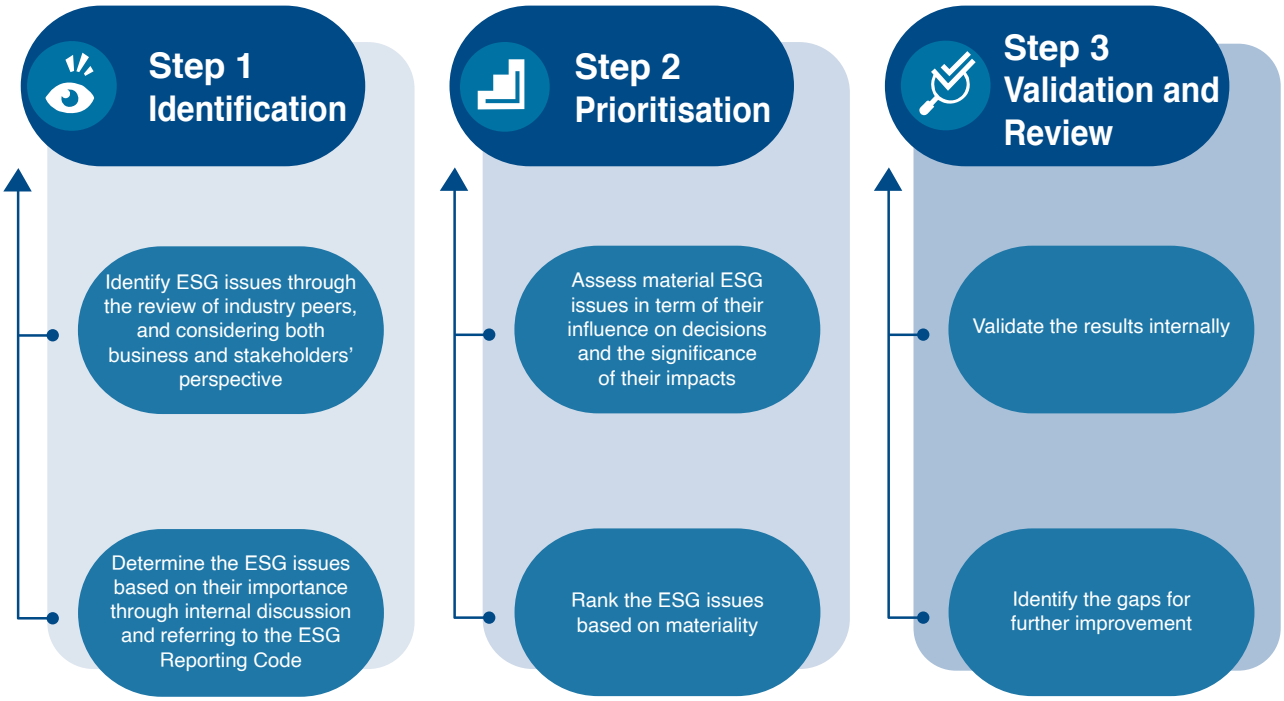
Stakeholders	Engagement Channels	Issues of Concerns
Government and Market Regulator	• Annual reports and announcements • Company website • Supervision and inspection	• Compliance with the laws and regulations • Proper tax payment • Disclosure of information
Shareholders and Investors	• Annual reports, interim reports and announcements • Company website	• Information disclosure and transparency • Protection of interests and fair treatment of shareholders • Reputation
Employees	• Training, seminars, and briefing sessions • Cultural and sports activities • Emails • Employee survey	• Occupational health and safety • Working environment • Career development opportunities • Self-actualisation • Remuneration and benefits
Customers	• Company website, brochures, annual reports and announcements • Retail stores • Customer service hotline • Social media platform	• Safe and high-quality products • Good customer service • Product pricing and promotion
Suppliers and Business Partners	• Business meetings, supplier conferences, phone calls	• Long-term partnership • Honest cooperation • Product and service quality • Pricing and discount • Stability and sustainability
Public and Community	• Charity and social investment • Environmental responsibilities • Social responsibilities	• Contribution to community development • Social Responsibilities • Protection of the environment

MATERIALITY ASSESSMENT

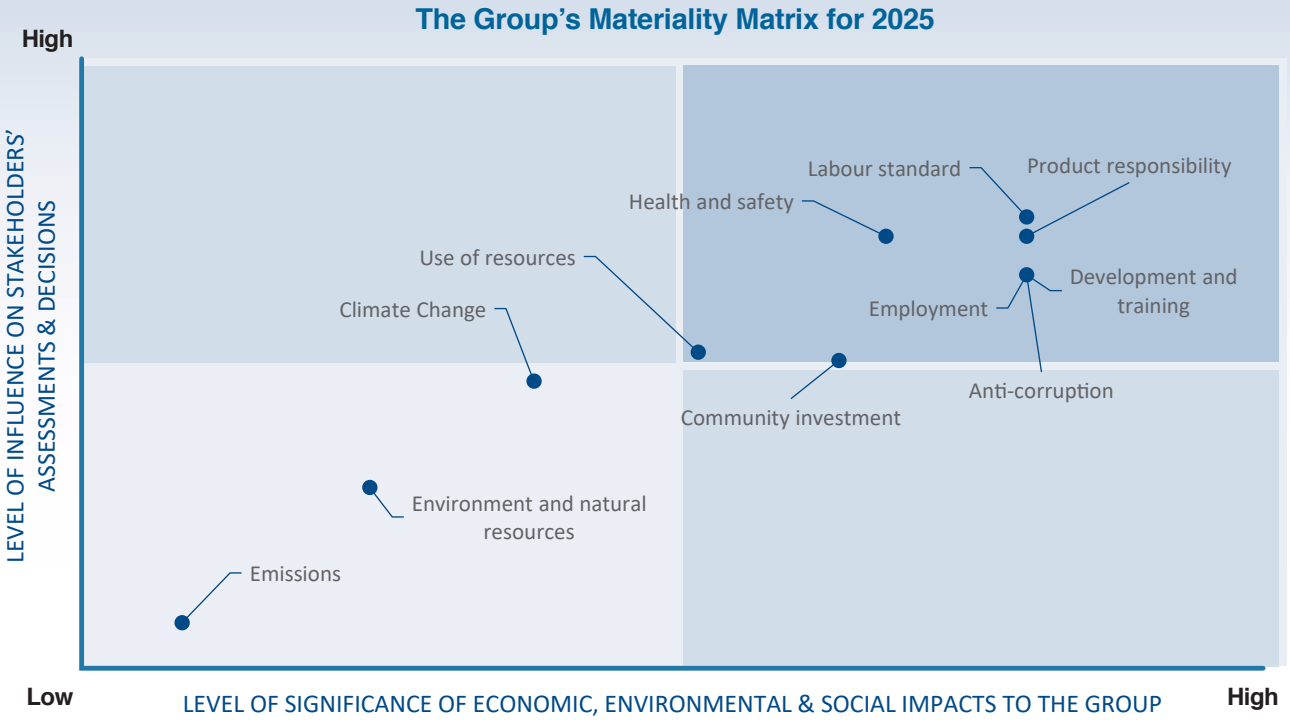
The Group firmly believes that feedback from stakeholders not only provides us with the opportunity to conduct a comprehensive and objective assessment of our ESG performance but also provides us with directions for improving our performance. Our ongoing interaction with key stakeholders – including shareholders, business partners, employees, suppliers, service providers and the community – provides a platform for us to listen to their concerns and build shared goals. This interaction in turn drives our business development plans in the right direction and ensures the sustainability of our operations. Therefore, the Group communicates with stakeholders in an open, honest and positive manner through various channels such as results announcements and annual reports.

The Group's operations affect many stakeholders, for example, shareholders, employees, suppliers and service providers, etc. who have different expectations for the Group. The Group will continue to communicate with them to continuously optimise our strategies and practices in ESG aspects.

The Group has evaluated the materiality and importance in ESG aspects through the following steps:



While the Group's core business and ESG strategies remain consistent with the prior year, a materiality assessment survey was conducted in 2025 to validate and refresh priorities. The assessment results are as follows:



Based on the result of the materiality assessment, the Board believes that the most pertinent sustainability issues which are material to both the Group and its stakeholders include the following:

- Labour standard
- Product responsibility
- Development and training
- Anti-corruption
- Employment

ENVIRONMENTAL

As an enterprise that upholds corporate social responsibility, the Group acknowledges the importance of reducing its impact on the environment and minimising greenhouse gas ("**GHG**") emissions for sustainable development. To fulfil the Group's corporate social responsibility and improve the Group's ESG performance, we have set specific environmental targets, covering aspects of energy conservation, emission reduction and waste management, with the aim to align with the local government's vision of carbon neutrality and enhance the corporate reputation of the Company.

To achieve these goals, we have taken specific measures including optimising production processes, introducing renewable energy, implementing energy-saving and emission reduction technologies, and evaluating progress through regular environmental audits. We are committed to looking for the best balance between ensuring cost effectiveness, resources efficiency and environmental friendliness to reduce energy consumption and improve resource utilisation efficiency.

During the reporting period, we complied with all applicable environmental laws and regulations, and no serious violations of environmental laws and regulations occurred. We promise to continue to strengthen communication with stakeholders to ensure transparency and sustainability of environmental responsibilities.

A1. Emissions

Due to the Group's business nature, the Group does not directly generate any hazardous emissions and waste in the course of its operations.

Air Pollutants Emission

No substantial direct air pollutants emissions were generated in daily operation as the Group is not engaged in any industrial production. We consider that as the direct air pollutant emissions generated during the Reporting Period were not significant to the Group, the related data are not disclosed in this Report. Nonetheless, we are still committed to doing our best to reduce various environmental impacts through measures including energy conservation, carbon emission reduction and waste management.

If future business changes involve potential air pollution emissions, we will continue to evaluate and take appropriate measures to monitor and report.

Waste Management

Hazardous waste

The Group's major operational activities are not involved directly in the generation of significant hazardous waste. During daily office operation, we inevitably generate some hazardous waste, including electronic waste from ink cartridges that we used for printing and the replacement of ageing equipment. To ensure compliance with waste disposal, we have engaged a licensed waste collector approved by the local authority for scheduled waste disposal.

Nonetheless, we recognise that the management of hazardous waste is equally important and will continue to reduce our environmental impact through measures including reducing waste generation and increasing waste recycling rates. In view of the hazardous waste generated during the reporting period was not significant to the Group, we did not disclose the relevant treatment volume and intensity in this ESG Report. In the future, if there are any new business expansions or changes, we will further review and implement corresponding management measures.

Non-hazardous waste

The generation of non-hazardous waste mainly came from office operation, such as paper and packing material.

Below summarises the data of non-hazardous waste disposal:

Type of non-hazardous waste	Unit	2025	2024
Paper	tonnes	**3.9**	4.3
Paper waste generation intensity[1]	tonnes/employee	**0.01**	0.01

Notes:

1. As of 31 December 2025, the total number of employees within the Group's reporting scope (i.e., the optical product retail business in Malaysia, the digital payment solutions related business in the PRC and Hong Kong office) was 267. As of 31 December 2024, the Group's total number of employees within the reporting scope was 308. This data will also be used for calculating other intensity data in this ESG Report.

With 2023 as the base year (0.02 tonnes/employee), the Group has set a goal to maintain an increase in the non-hazardous waste intensity of no more than 5% in the future. To achieve the goal, the Group has implemented the following initiatives to effectively manage waste and encourage recycling in operations to reduce its impact on the environment:

- Using double-sided printing;
- Utilising electronic media for communication;
- Recycling one-sided printed paper; and
- Avoiding single-use of disposable items.

A2. Use of resources

In the Group's daily operation, energy and water are the major sources of resource consumption. In order to achieve cost optimisation and resource saving, our management remains committed to reducing energy and water usage through rational allocation and effective management. At the same time, we promote the culture of reuse, reduce and recycle and set an annual budget to control the usage of energy, water and other resources such as printing materials to ensure excessive use is avoided.

We also continue to promote energy conservation and emission reduction by introducing energy-saving equipment, optimising work processes, and regularly evaluating resource usage efficiency. To further promote sustainable development, we will continue to strengthen monitoring of resource use and set specific energy conservation and water use goals in an effort to reduce environmental impact.

The Group aims to actively promote resource efficiency and timely monitor the potential environmental impacts of its business operations. The Group has identified that the major resources consumed were electricity, water, and paper. To minimise the usage of these resources, the Group has closely monitored the consumption pattern and implemented relevant measures to raise staff awareness.

Energy Consumption

The Group recognises the importance of properly managing and regulating energy consumption so as to keep operational costs low and help to reduce the impact on the environment.

Below summarises the data of energy consumption:

Type of energy	Unit	2025	2024
Indirect energy consumption			
– Purchased electricity	kWh	**809,532.0**	799,333.8
Total energy consumption	kWh	**809,532.0**	799,334.8
Energy consumption intensity	kWh/employee	**3,032.0**	2,595.2

With 2023 as the base year (2,485.0 kWh/employee), the Group has set a goal to maintain an increase in energy consumption intensity of no more than 5% in the future. The Group's energy consumption intensity is more than 5% higher than the base year in 2025 because of increased business activities. To achieve the goal, the Group will assess and identify energy-saving opportunities at its operating locations. The administrative department has been required to record electricity consumption data and conduct energy usage analysis by comparing it with the consumption in the corresponding period of the year. Where feasible or applicable, we also replace conventional lighting solutions with light-emitting diodes ("**LED**"). Other energy-saving measures are described in the section headed "GHG Emission" at the section headed "Climate-related Disclosure".

Water Consumption

The Group's water consumption is mainly for daily office and retail store operation. The Group's water supply is from local water utilities and we do not have any issue in sourcing water that is fit for purpose.

Below summarises the data of water consumption:

Indicator	Unit	2025	2024
Total water consumption[2]	m^3	**5,396.1**	5,554.0
Water consumption intensity	m^3/employee	**20.2**	18.0

Note:

2. Water consumption data is not separately available for the Group's digital payment solutions related business in the PRC, as the applicable water charges are incorporated into the property management fees. The data presented covers only the optical product retail business in Malaysia in 2024. The Group has nevertheless enhanced its data collection methodology to include the PRC operations in 2025.

Due to the nature of the Group's business, water consumption is relatively limited. Despite the above, with 2023 as the base year (17.0 m^3/employee), the Group has set a goal to maintain an increase in water consumption intensity of no more than 5% in the future. The Group's water consumption intensity is more than 5% higher than the base year in 2025 because of increased business activities. To achieve the goal, the Group will actively seek ways to mitigate water consumption by raising employees' awareness on water saving, such as encouraging our staff to conserve water by placing reminder sticker or signboard around the washroom and pantry, reminding staff to turn faucet off tightly and conducting regular inspection and maintenance of water facilities.

Packaging Material

The Group does not consume significant amount of packaging materials in our operations as the Group does not have business activities concerning industrial production or any manufacturing facilities. The packaging material generally used for packing finished goods are paper bags. The Group will monitor the usage in term of sales volume and schedule delivery with multiple orders to optimise the usage of minimum packing size hence reduce the overall packing and distribution cost.

Indicator[3]	Unit	2025	2024
Total packaging material consumption	kg	**16,320.2**	17,710.0
Packaging material consumption intensity[4]	kg/RMB1,000 Revenue	**0.09**	0.10

Notes:

3. The data only relates to the optical product retail business in Malaysia since the Group's digital payment solutions related business in the PRC doesn't involve consumption of significant amount of package material.

4. The Group's revenue from optical product retail business in Malaysia was approximately RMB191,385,000 for the twelve months ended 31 December 2025 (twelve months ended 31 December 2024: RMB174,209,000).

The Group had assigned a specific department to collect and maintain the data of consumption of the above resources on monthly basis and monthly analysis report will be generated for evaluation. In the event any significant fluctuations are found, investigation will be initiated and remedial action will be taken up.

A3. The environment and natural resources

Although the nature of the Group's office-based operations has limited impact on the environment and natural resources, we understand that we do have responsibility to minimise the negative impact of our operations on the environment during the process of achieving sustainable development. We endeavour to mitigate the environmental impact of our activities by adopting the best practices prevailed in this industry, aimed at reducing the consumption of natural resources and effectively managing emissions, so as to create long-term value for the stakeholders and communities.

The Group regularly assesses the environmental risks of its operations and takes preventive measures to minimise such risks and ensure compliance with relevant laws and regulations. The relevant environmental protection measures taken by us are specified at Aspects A1 and A2, including energy management and waste reduction.

Environmental Awareness

As an active advocate of green culture, the Group promotes the concepts of recycling, reuse and reduction use, striving to reduce environmental burden and restore the health of the natural environment. To create and maintain a healthy working environment, we have planted more trees and flowers around the office, and gradually implemented energy-saving and emission-reduction measures in our daily operations.

Part D. climate-related disclosure

The Group recognises that climate change is one of the most urgent challenges for the world today. As a responsible corporate citizen, we are committed to strengthening our resilience to climate change by identifying climate risks and formulating relevant measures to mitigate the impact of climate change on our business.

Governance:

The Board is responsible for overseeing climate issues. Its duties include but not limited to developing the Group's sustainable development strategy, monitoring climate-related risks, as well as approving climate-related disclosures. The Board is dedicated to considering climate-related risks and opportunities in its strategy development, business planning, and operational processes, including the evaluation of major transactions. Climate-related risks and opportunities are discussed as part of the ESG issues on an annual basis through board meetings. To ensure effective oversight of climate issues, the Board annually reviews its composition to maintain an appropriate balance of knowledge and experience in ESG and climate-related matters. At this stage, climate-related performance metrics have not been incorporated into the Group's remuneration policies.

Meanwhile, the management, as delegated by the Board, reviews its GHG performance, assesses GHG emission targets and benchmarks the practices of peers on a regular basis. The management reports to the Board on an annual basis through board meetings, highlighting the Group's ESG performance, the effectiveness of ESG management, and the identified climate-related risks and opportunities. As with other material risks, the management applies its existing risk matrix, risk management and internal control procedures to assess and manage climate-related risks and opportunities.

Strategy:
Even though the Group's business model and value chain do not face significant and concentrated climate-related risks and opportunities, the Group closely monitors related risks that may affect its operations and strives to grasp any related opportunities.

With reference to Hong Kong's climate vision, the Group has defined short to medium-term as 2035 and long-term as 2050. The Group has identified the potential climate-related risks and opportunities that could reasonably affect its financial performance as follows:

Physical Risks (short to medium term)
Extreme weather events such as typhoons, floods and heat waves, which are becoming more frequent and severe, may result in injuries to our employees while at work or commuting, cause structural damage to buildings, and increase the risk of power shortages, thus affecting the Group's operations, increasing operational costs and reducing revenue. Extreme weather events may disrupt the transportation of supplies and the operations of our suppliers, potentially leading to delayed deliveries and interruptions to the Group's overall operations.

In order to better address such physical risks, the Group has put in place a business continuity plan, which is regularly reviewed and updated to ensure that normal operations can be maintained in the event of extreme weather.

Transition Risks (short to medium term)
The trend towards transition to low carbon economy also poses risks to the Group. More aggressive climate policies, laws and regulations are expected to be introduced in the short to medium term in support of carbon reduction targets, which may bring more stringent environmental regulations that expose the Group to a higher risk of claims and litigation, as well as increased operating costs. In addition, corporate reputation may also be adversely affected by failure to meet the climate change compliance requirements.

As a company listed on the Stock Exchange, the Group will work to enhance its disclosure of climate-related information and regularly monitor the emerging climate-related trends, policies and regulations, alerting top management when necessary to avoid reputational risk due to delayed response.

Opportunities (short to long term)

By enhancing resource efficiency through green operations, such as encompassing energy conservation and water management, the total resource consumption is decreased. This has directly lowered expenditure on resources, resulting in a decrease in operating costs and creating clear financial benefits from our sustainability efforts.

Based on the risk assessment, the Group does not anticipate changes to its business model, strategy and resource allocation because of the identified climate-related risks and opportunities. The Group also does not encounter material current financial effects while the identified climate-related risks and opportunities have no material impact on the carrying amounts of assets and liabilities for the next reporting period. When there is more information that is available to the Group without undue cost or effort, the Group will separately identify the anticipated financial effect of the climate-related risks and opportunities, and quantify relevant amounts and changes to the financial position, financial performance and cash flows. The Group will continue to enhance its data capabilities and will disclose such effects as they become measurable in the future. There were no investment and disposal plans, or planned sources of funding to manage climate-related risks and opportunities in the Reporting Period.

The Group is dedicated to enhancing its available skills, capabilities and resources to assess its climate-related risks using scenario analysis. As the Group is still in the early stages of evaluating its climate resilience, there is considerable uncertainty regarding the magnitude and timing of potential climate-related risks and opportunities. The Group's ability to adjust its strategy over time is supported by the operational and planning flexibility embedded in its current business model. The Group believes its capacity to adjust or adapt its strategy and business model to climate change is flexible and adequate.

The Group consistently monitors the performance of its GHG emissions and sets a short-term GHG emissions target. Hence, the transition plan is not currently applicable to the Group. The Group will continue to assess the feasibility of establishing a long-term climate-related target as part of the transition plan.

Risk Management:

Climate-related risks are addressed as part of our risk management along with other types of risk such as strategic, financial, compliance, and operational risks. The assessment is comprised of key risk management processes to ensure key corporate risks are properly identified and adequately assessed, managed and monitored. The management reviews the findings of the assessment annually.

To better identify and assess the climate-related risks, our assessment continues to include pre-determined risk appetite limits which take into account the likelihood and impact of risks. The impact assessment considers factors such as financial loss, legal implications, corporate reputation, environmental safety, and business operations. The likelihood assessment is based on historical data and the information that is reasonably available to the Group during the Reporting Period. The combined scores of likelihood and impact are used to classify risks into different severity levels. Risks that exceed appetite limits based on analysis will be prioritised and reported to our management and the Board annually. Regarding climate-related opportunities, the Group identifies and assesses them through stakeholder engagement, peer review and market updates.

Metrics and Targets:

GHG emissions

The Group applies operation control approach as the measurement approach to focus on emissions that the Group has control, which is same as the previous years. The Group's major source of GHG emissions is the purchased electricity (Scope 2).

Below summarises the data of the GHG emission:

Indicator[5]	Unit	2025	2024
Scope 1 – Energy direct GHG emissions	tonnes carbon dioxide equivalent ("**CO_2e**")	**–**	–
Scope 2 – Energy indirect GHG emissions – Purchased electricity (location-based)	tonnes CO_2e	**453.2**	554.7
Scope 1 & 2 emission intensity	tonnes CO_2e/employee	**1.7**	1.7
Scope 3 – Other indirect GHG emissions – Category 6: Business Travel	tonnes CO_2e	**10.6**	–
Total GHG emission	tonnes CO_2e	**463.8**	554.7
GHG emission intensity	tonnes CO_2e/employee	**1.7**	1.7

Notes:

5. GHG emissions data is presented in terms of carbon dioxide equivalent and are based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to Prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange and 2024 Sustainability Report issued by Tenaga Nasional. For the Reporting Period, the Group enhanced its data collection method and disclosure on GHG emissions by expanding to other indirect GHG emissions (Scope 3) and the GHG emissions are disclosed in tonnes of CO_2 equivalent, covering mainly carbon dioxide, nitrous oxide and methane.

Climate-related targets

While there are no targets that are required to meet by law or regulation, the Group set a gross emission target in 2024 to reduce its GHG emission (in terms of carbon dioxide equivalent ("**CO_2e**")) intensity by 2% by 2030, with 2023 as the base year (1.4 tonnes CO_2e/employee). The target covers scope 1 and scope 2 emissions. The Group calculates GHG emission intensity data in CO_2e/employee annually to ensure it is on track. The target applies to the businesses outlined in the section "Reporting Scope". The Group will strengthen the current target by referencing a sectoral decarbonisation approach, industry-based metrics and the latest international climate change agreement, and obtaining validation by a third party. In the future, the Group may consider buying credible carbon credits, prioritising carbon removal projects to offset its emissions.

To achieve the goal and reduce the Group's carbon footprint, the Group has continued to take the following measures to reduce carbon emissions and control the increase in carbon emissions:

- turning off all electronic appliances when leaving their desk or office for a long period;
- switching off light and air-conditioners during lunch hour;
- promoting the culture of energy saving; and
- notifying and raising awareness about power usage statistics.

Climate-related transition risks, physical risks, opportunities and Capital deployment
When reasonable and supportable information is available, the Group will disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks, physical risks and opportunities. There are currently no amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities. Resources are allocated through operational budgets if necessary. The Group has also not applied industry-based metrics.

Internal carbon price
The Group does not maintain an internal carbon price during the Reporting Period. Nevertheless, the Group will continuously monitor the relevant carbon price in the market and the latest regulations associated with carbon tax to minimise relevant climate-related risks.

EMPLOYMENT AND LABOUR PRACTICES

B1. Employment

The Group is fully aware that employees are our invaluable assets and one of the core factors to the Group's continued success. In an effort to attract and retain the best talents, the Group is committed to providing employees with comprehensive training, competitive remuneration and opportunities for development within the retail stores to help them maximise their potential and enhance their contribution to the Company. At the same time, we also attach great importance to the health, satisfaction and general well-being of our employees, and strive to create a positive working environment for them.

The Staff Handbook of the Group covers standards in respect of compensation, dismissal, recruitment, promotion, working hours, diversity, anti-discrimination, rest periods and other benefits and welfare, ensuring that the Group adheres to the principles of fairness and transparency in all these areas.

To further improve employees' satisfaction and well-being, we regularly conduct employee satisfaction surveys to evaluate their feedback on the working environment and benefits, continuously improve relevant policies, and ensure compliance with all applicable labour laws and regulations to protect the rights and interests of our employees.

During the Reporting Period, the Group was not aware of any material non-compliance with the laws and regulations relating to employee compensation, dismissal, recruitment, promotion, working hours, rest periods, and other benefits and welfare.

As at 31 December 2025, the Group had 267 full-time employees with no part-time employees. As at 31 December 2024, the Group had 308 full-time employees in respect of its optical products retailing business in Malaysia and the digital RMB business in the PRC, with no part-time employee.

Below is the breakdown of employees by gender, age group and geographic location:

	2025	2024
By gender		
Male	**96**	86
Female	**171**	222
By age group		
Age 30 or below	**91**	123
Age 31-50	**171**	176
Age 51 or above	**5**	9
By geographical region		
Malaysia	**206**	288
Hong Kong	**14**	3
The PRC	**47**	17

Employee Turnover Rate

The turnover of staff is relatively higher in retail stores compared to the offices, given differences in job title and responsibilities. To meet this challenge, the Group aims to enhance employees' job satisfaction, attract potential talents and effectively retain existing employees by offering competitive remuneration packages combined with a comprehensive internal motivation mechanism and training programmes.

During the Reporting Period, the Group recorded a turnover rate[6] of approximately 15.7% (2024: approximately 34.1%). The overall employee turnover rate[7] by gender, age group and geographical region is summarised as follows:

	2025[7]	2024
By gender		
Male	**14.6%**	10.7%
Female	**16.4%**	23.4%
By age group		
Age 30 or below	**15.4%**	20.5%
Age 31-50	**16.4%**	13.0%
Age 51 or above	**–**	–
By geographical region		
Malaysia	**19.4%**	34.1%
Hong Kong	**7.1%**	–
The PRC	**2.1%**	–

Notes:

6. Overall turnover rate = total number of employees who left the Group during the reporting period (excluding employees of the disposed entities) over the total number of employees as at the end of the reporting period X 100%. The Group has disposed of certain entities, which accounted for 93 employees.

7. Turnover rate by category = total number of employees who left the Group by category during the reporting period over total number of employees as at the end of the reporting period X 100%

General Employment Policies

The Group has formulated a holistic Human Resources Management Policy which specifies the employee recruitment processes and procedures in an aim to ensure that the core values of equal opportunities, diversity and anti-discrimination are upheld in the process of hiring.

Compensation is an important tool to attract, retain and motivate talents. We offer competitive remuneration to our employees according to their performance, experience and relevant skill set in recognition of their valuable contribution to the Group.

The Group is committed to providing employees with a competitive welfare system, including health care insurance, staff discount, festival welfare and other allowances. We advocate our employees to maintain a work-life balance, hence, we have regularly organised a range of leisure activities, such as holiday parties and annual dinners, to promote a healthy working style and enhance employees' sense of belonging.

The Group is an equal opportunities employer who endeavours to create a diverse and inclusive work environment, so as to ensure that our employees are treated with dignity and respect. The principle of equal opportunities is applied in all employment policies, in particular in recruitment, training, career development and promotion of employees. We promote fair competition and prohibits discrimination and harassment on gender, age, marital status, religion, race, nationality, disability or any status protected by law. The Group will strictly follow objective criteria such as qualifications, experience, competencies and contributions in recruitment, appointment, promotion and remuneration distribution to ensure fairness and transparency.

We offer equal promotion opportunities to all employees which serve as a motivation to continue learning and improving work performance. Through regular performance evaluation, we comprehensively assess employees' working ability, behavioural performance and development potential, and rank and adjust job positions based on the results thereof. We are committed to helping our employees fully develop their talents to achieve their personal career development goals, while supporting the business objectives of the Group. In rewards for their contributions, several incentive schemes are in place to promote employees to achieve goals of the performance hence increasing their job satisfaction.

B2. Health and safety

The Group develops sophisticated workplace safety guidelines and implements occupational health and safety measures to ensure strict compliance with relevant laws and regulations in Malaysia and the PRC, while protecting the health and safety of its employees. When accidents do occur, it is the Group's policy to report to the relevant department in a timely manner and take necessary measures to address it. We remain committed to raising employees' awareness of health and safety standards in the workplace, improving the working environment and striving to achieve zero or minimal reportable serious work-related injury incidents.

The Group was not aware of any material non-compliance with the laws and regulations relating to health and safety that had significant impact on the Group during the Reporting Period.

Safe Working Environment Policy

The Group has developed a robust Health and Safety Policy to provide a safe working environment for all employees. We have purchased adequate insurances for all employees to ensure effective protection in the event of any work-related accident or injury, and provide comprehensive medical insurance. The management will regularly conduct an annual review of the Policy and related health and safety measures to evaluate the adequacy and sufficiency of the coverage in a way that ensures continuous improvement and complies with the latest safety standards.

During the Reporting Period, the Group has been in compliance with the laws and regulations relating to health and safety and protecting employees from occupational hazards. No work-related injuries and fatalities were recorded during the past three years, including the Reporting Period and no lost days due to these injuries were recorded during the Reporting Period.

B3. Development and training

The Group is committed to creating a work environment where learning opportunities thrive to ensure that every employee is provided with the opportunity to grow and develop. We arrange high-quality and comprehensive trainings through various channels, including face-to-face training, department sharing and internal and external training, and continue to promote a culture of learning and sharing to ensure that employees at all levels are well-equipped to excel in work and in life.

In order to better respond to employees' needs, the Group seeks continuous improvements on the effectiveness of trainings by regular assessment. This initiative helps us to continuously improve the training programmes offered at all levels, thereby improving the personal performance of employees and facilitating them to excel in their respective positions.

During the Reporting Period, a total number of 304 employees[8] were trained, of whom 36.2% and 63.8% are male and female respectively. In respect of breakdown by employee category, 5.92%, 33.6% and 60.5% are senior management, middle management and general staff, respectively. The total percentage[9] of employee trained is 75.6%, with an average of 16.1 training hours[10] per employee. The following charts highlight the percentage of employees trained and the average training hours, by gender and employee category:

	Percentage of trained employees[11] 2025	Average training hours[12] 2025
By gender		
Male	**74.8**	**16.0**
Female	**76.1**	**16.2**
By employee category		
Senior Management	**81.8**	**16.7**
Middle Management	**69.4**	**14.8**
General staff	**79.0**	**16.8**

Note(s):

8. Total number of employees trained includes employees who left the Group during the reporting period.

9. Percentage of employees trained = total number of employees trained during the reporting period over the total number of employees during the reporting period (includes employees who left the Group during the reporting period) X 100%

10. Average training hours per employee = total number of training hours over the total number of employees during the reporting period (includes employees who left the Group during the reporting period)

11. Percentage of employees trained (by category) = total number of employees trained (by category) during the reporting period over total number of employees (by category) during the reporting period (includes employees who left the Group during the reporting period) X 100%

12. Average training hours (by category) = total number of training hours (by category) over the total number of employees during the reporting period (by category) (includes employees who left the Group during the reporting period)

Apart from conducting the in-person trainings, we also were engaging the virtual training which are more convenient, effortless and it allows more staff participation without concerning about the time, date and venue of the training being conducted. In addition, the Group are granted the access to several supplier's E-Learning platforms for product development and training.

Performance Management System (the "PMS")

Since 2022, the Group has initiated the PMS with the aim to enhance the staff development and to promote the fairness and transparency within the Group. With its introduction, our staff gain a clearer understanding of their roles and responsibility in achieving their individual's KPI towards the goals of the Group as a whole. The system will continue to be adopted for staff evaluation, improvement and development, enabling them to clarify their growth direction while ensuring the fairness and consistency of performance management.

B4. Labour standards

The Group attaches great importance to, and strictly abides by all applicable labour laws and regulations on employment in Malaysia and the PRC, including Labour Law of the People's Republic of China, Law of the People's Republic of China on Protection of Minors, Employment Law of Malaysia and Children and Junior (Employment) of Malaysia. During the Reporting Period, the Group was not aware of any material non-compliance with the relevant laws and regulations related to recruitment of child labour or forced labour practices that had significant impact on the Group.

Child and Forced Labour

The Group has a zero-tolerance attitude towards child labour and forced labour. During the recruitment and hiring process, we will strictly verify the applicants' personal identification to ensure that they are 16 years of age or above. We sign fair labour contracts with our employees to ensure that they are not forced to work beyond normal working hours. If any violation of this policy is found, the Group will promptly report it to the relevant departments and hold the relevant personnel accountable.

Labour Practice

For maintaining a good practice of labour standard, the Group has prepared the Employee Handbook to ensure that the rights of each employee are being treated equally and fairly. The Group will review this handbook annually to ensure that it's aligned and complied with the applicable law and regulation.

The Group maintains an open, fair and equal environment for all our employees. Employment policies in respect of compensation, working hours, overtime, performance evaluation, recruitment, reimbursement and statutory holidays are specified in the Employee Handbook. Equal opportunity and anti-discrimination policies are implemented to ensure no one is discriminated against due to gender, age, disability or ethnicity, etc. In addition, we have a Whistle Blowing Policy for any employee or relevant person to voice any grievances, file a complaint against the Group or to report on unethical and illegal behaviour. This will be described in detail in aspect B7 "Anti-corruption".

OPERATING PRACTICES

B5. Supply chain management

The Group understands the importance of maintaining good relationship with its suppliers to meet its immediate and long-term business goals. The Group's Procurement Policy outlines the processes and procedures in term of selection of suppliers, product planning, ordering, receiving and payment. The executive Directors are fully responsible for the overall supervision and administration of the policy while the Head of Merchandising shall ensure that the policy is being complied with. All such suppliers are subject to the practices relating to engaging suppliers.

Internal Approved List of Suppliers

Our supplier management process is the core foundation for ensuring fair supplier engagement. In engaging and retaining suppliers, we strictly follow the established selection and assessment procedures. We use a variety of assessment methods, including but not limited to on-site inspections and supplier audits, to comprehensively assess our suppliers' performance in terms of delivery efficiency, service quality and reliability, management systems and process control. This process is designed to ensure that our relationship with our suppliers remains efficient, transparent and reliable.

All suppliers being selected are required to meet the Group's internal selection criteria before being eligible to be placed on the internal approved list. All approved suppliers had been selected through the Group's procurement process to ensure the products that the Group purchases are from the brand owners or authorised suppliers and meet the approved quality standard as declared. The approved list will be reviewed at least once in a year as stated in our policy to promote good practices.

With the principles of fairness and impartiality, the Group makes comprehensive appraisals on suppliers based on factors such as suppliers' quality of the goods and services, efficiency, qualifications and experience to determine the internal approved list. To ensure the product quality of the Group, disqualified suppliers will be removed from the internal approved list.

Environmental and Social Risk Management in Supply Chain

To identify and manage the ESG risks in the supply chain, we use a detailed assessment process to review our suppliers' environmental and social policies. The assessments cover a wide range of areas including environmental performance, occupational health and safety, human rights and ethics. To continuously monitor suppliers' ESG performance, we require suppliers to develop and submit guidelines on their environmental and social commitments and review their effectiveness annually. For designated suppliers, we also provide support to help them develop relevant policies and procedures to enhance their capabilities and performance in environmental and social responsibility in the long run. This approach helps to ensure sustainable development and duty performance in the supply chain.

In addition, the Group maintains active communication and interaction with its suppliers in its daily operation, and conducts regular discussion and exchanges with them on cooperation plans, so as to ensure that we can reach a consensus with suppliers in cooperation for the coming years. We also endeavour to integrate ESG elements into our operations to minimise our negative impact on society, natural resources and ecosystems, and share this philosophy with our suppliers, aiming to realise sustainable development by promoting joint efforts from such parties as concerned in our supply chain.

The majority of the Group's suppliers are locals so as to minimise its carbon footprint. The number of trading suppliers by country/region of purchase is summarised below.

Country/region	2025	2024
Malaysia	**67**	62
Mainland China	**21**	20
Hong Kong	**3**	2
Japan	**1**	1
South Korea	**–**	1
Philippine	**–**	1
Thailand	**1**	–
Total	**93**	87

B6. Product responsibility

The Group recognises the importance of product quality and corporate reputation, and is committed to constantly improving its products and services. The Group maintains communication with its customers to ensure their needs and expectations are understood and satisfied. The Group also actively monitors the quality of its products and services through internal controls. During the Reporting Period, the Group was not aware of any material non-compliance with the laws and regulations in relation to product health and safety, advertising, labelling and privacy matters that would have a significant impact on the Group.

Quality Control

With an aim to maintain good quality of product and service, the Group ensures all qualified optometrists and opticians are well trained to serve our customers in a professional manner. In addition, the Group constantly improves the customer experience and service quality by continuously upgrading existing equipment and machineries with introduction of the latest innovative technology.

The Group's policy clearly stipulates that all internationally branded optical products must be sourced through the brand owners or their authorised agents or suppliers to ensure that the products sold are genuine. At the same time, quality of all products must meet the required standards. The Group follows quality control procedures in a strict manner to ensure that the products sold meet the requirements. Once the products are delivered to the central warehouses or the retail stores of the Group, employees from the merchandising department or the retail stores will conduct visual inspections to ensure that none of the products are damaged and that the quantity and product type matches the purchase order details. Where products are found to be damaged or the quantity and product type do not match the purchase order details, the Group will immediately inform the relevant supplier and arrange for return or replacement.

During the Reporting Period, the Group did not have to recall any products sold or shipped due to safety and health reasons (2024: nil). In case any defective products are found that need to be recalled from customer, the Group will evaluate the affected batches and contact the relevant customer for return or replacement.

Customer Feedback

We appreciate the positive customer reviews and valuable comments but at the same time we are also highly concerned with the negative feedback and complaints from our customers, especially those which might affect the Group's overall reputation. Complaints received against the front-line retail store employees will generally be dealt with by the relevant branch manager or assistant branch manager and may be reported to the marketing department of the Group if necessary for further reviews and proposal of improvement measures. Customers may also make complaints through other channels, such as emails and social platform of the Group which will be reviewed and processed by the marketing manager. Where certain complaints are prevalent, the Group may devise additional training and guidelines for front-line employees so as to prevent recurrences of similar events and ensure constant improvement in service quality.

All personal information relating to the customer's feedback will be kept strictly confidential according to our Privacy Policy.

During the Reporting Period, the Group received 19 complaints in relation to its products or services (2024: nil). Customer complaints are addressed promptly through communications, with follow-up actions resulting in high levels of customer satisfaction.

Data Privacy

Adhering to the principle of attaching great importance to customers' privacy, the Group has formulated a comprehensive data privacy policy and is committed to protecting the security of customers' personal information. The policy details how the Group collects, stores and uses customer data to ensure that their privacy is fully protected. All confidential information relating to the Group's business and customer data is strictly secured and restricted to internal use only. Disclosure of confidential data to any third party is strictly prohibited. To ensure the continued effectiveness of privacy protection measures, the Group reviews and updates its policies and procedures on a regular basis.

Intellectual Property

The Group is one of the largest optical products retailers in Malaysia and is committed to offering a wide range of optical products. These products cover lenses, frames, contact lenses and sunglasses from internationally renowned brands, the Group's own brands and manufacturers' brands. To protect its legal interests, the Group has registered its own trademarks with the Intellectual Property Corporation of Malaysia to ensure that the rights to use the trademarks are not infringed upon by others. For optical products under both own brands and manufacturers' brands, it is the Group's policy to strictly scrutinise their designs to ensure that there is no conflict of intellectual property rights with products of international brands. At the same time, the Group also requires suppliers to ensure that the optical products they provide do not infringe the intellectual property rights of others.

Advertising and Labelling

Due to the Group's business nature, the Group did not have any material advertising and labelling matters to deal with during the Reporting Period.

B7. Anti-corruption

The Group has zero tolerance on corruption or bribery. All employees or persons representing the Group are prohibited from offering or accepting any bribes in any form, extortion, fraud, and money laundering during any course of business. The Group is committed to achieving the highest possible standards of transparency and integrity through adopting good corporate governance structure and effective anti-corruption measures which involve all levels of employees.

The Group provides anti-corruption related training or reading materials to employees and Directors at least annually. Relevant materials will be provided to Directors and employees by the Group for their self-study. For newly joined employees, the anti-corruption training will be conducted as part of their orientation. The Group has provided 2,432 hours of anti-corruption training to 304 employees and 144 hours of anti-corruption training to 18 management staff.

During the Reporting Period, the Group was not aware of any material non-compliance with the laws and regulations in relation to bribery, extortion, fraud and money laundering that would have a significant impact on the Group, and there were no legal cases involving corruption brought against the Group or its employees.

Whistleblowing Policy

The Group facilitates whistleblowing and reporting by establishing an effective communication channel for employees to raise concerns over misconduct, malpractices or irregularities in any matters related to the Group. Any staff member who becomes aware of any suspected misconduct is encouraged to report the same to the Chairman of the Audit Committee via a written report. The Group will take immediate action to investigate the issue and adopt necessary measures to handle the same following receipt of relevant whistleblowing. The Group will also make every effort to keep the complainant's identity confidential to protect him/her from retaliation. Any cases involving criminal offence, corruption or bribery are subject to disciplinary actions including termination of employment and are reported to the relevant law-enforcement authority.

Relevant policies and procedures regarding anti-corruption and whistleblowing will be reviewed regularly by the Group to ensure their effectiveness.

COMMUNITY

B8. Community investment

The Group always adheres to the principle of giving back to the communities in which it operates, believing that the fulfilment of corporate social responsibility will help to form a virtuous circle that will not only contribute to the construction and development of sustainable environment, but also bring far-reaching benefits to the public. We envision a future world where all can enjoy a good life, living in harmony with nature. In order to make this vision reality, the Group keeps looking into areas that will better benefit the community as a whole in terms of providing employment opportunities, enhancing environmental awareness and performing social responsibility. In the future, we will continue to focus on community care and staff development, with the goal of promoting social progress through active participation in community activities and improving social well-being.

Social Responsibility

The Group is constantly looking for opportunities to assist and support the community by participating and supporting them with various kind of activities being held for the benefit of the public. In 2025, the Group continued its dedication to fostering community engagement and social development through targeted contributions totalling RM 128,000 (≈ RMB226,560). Key initiatives include:

- Sponsorship of RM 14,000 (≈ RMB24,780) for the Sin Chew Business Excellence Awards Dinner Package organised by Sin Chew Media Corporation Berhad, recognising outstanding business achievements and promoting excellence in the Malaysian corporate landscape.

- Donation of RM 10,000 (≈ RMB17,700) for the Chinese New Year Celebration 2025 to the Malaysia Retail Chain Association, supporting the retail industry's festive gathering and networking event that celebrates Chinese New Year traditions and industry unity.

- Substantial contribution of RM 100,000 (≈ RMB177,000) to the United Nations Children's Fund for programmes benefiting children, underscoring our commitment to child welfare, education, and protection on a global scale.

- Support for the fundraising event in aid of Church of the Holy Spirit, Kwasa Damansara, through the purchase of 3 VVIP seats RM 3,000 (≈ RMB5,310) for the Chapel of Kristus Aman.

- Donation of RM 1,000 (≈ RMB1,770) to Lembaga Pengelola SJK (C) Sam Chai.

THE ESG REPORTING CODE CONTENT INDEX OF THE STOCK EXCHANGE

Mandatory Disclosure Requirements	Section
Governance Structure	ESG Management System
Reporting Principles	Reporting Principles
Reporting Boundary	Reporting Scope

Aspects	General Disclosure/KPIs	Index/Reference
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.	Emission
KPI A1.1	The types of emissions and respective emissions data.	
KPI A1.2	Repealed 1 January 2025	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	
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.	

Aspects	General Disclosure/KPIs	Index/Reference
Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Use of resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	
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.	
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	
Aspect A4: Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	
KPI A4.1	Repealed 1 January 2025	

Aspects	General Disclosure/KPIs	Index/Reference
B. Social		
Employment and Labour Practices		
Aspect B1: Employment General Disclosure	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	
Aspect B2: General Disclosure	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	
KPI B2.2	Lost days due to work injury.	
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	

Aspects	General Disclosure/KPIs	Index/Reference
Aspect B3: Development and Training		
General Disclosure	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
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	
KPI B3.2	The average training hours completed per employee by gender and employee category.	
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.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	

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

Aspects	General Disclosure/KPIs	Index/Reference
Aspect B7: Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-Corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	
KPI B7.3	Description of anti-corruption training provided to directors and staff.	
Aspect B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	

Part D: Climate-related Disclosures

Subject Areas, Aspects, General Disclosures & KPIs	Description	Section/Declaration
Governance		
19	An issuer shall disclose information about:	Climate-Related Disclosure-Governance
(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; and	
(b)	management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	
Strategy		
Climate-related risks and opportunities		
20	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:	Climate-Related Disclosure-Strategy
(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	

Subject Areas, Aspects, General Disclosures & KPIs	Description	Section/Declaration
(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.	
Business model and value chain		
21	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:	Climate-Related Disclosure-Strategy
(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).	
Strategy and decision-making		
22.	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:	Climate-Related Disclosure-Strategy
(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.	
(b)	information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	

Subject Areas, Aspects, General Disclosures & KPIs	Description	Section/Declaration
23.	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Climate-Related Disclosure-Strategy
Current financial effect		
24.	An issuer shall disclose qualitative and quantitative information about:	Climate-Related Disclosure-Strategy
(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.	
Anticipated financial effect		
25.	The issuer shall provide qualitative and quantitative disclosures about:	Climate-Related Disclosure-Strategy
(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; 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.	

Subject Areas, Aspects, General Disclosures & KPIs	Description	Section/Declaration
Climate resilience		
26.	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:	Climate-Related Disclosure-Strategy
(a)	the issuer's assessment of its climate resilience as at the reporting date; and	
(b)	how and when the climate-related scenario analysis was carried out.	
Risk Management		
27.	An issuer shall disclose information about:	Climate-Related Disclosure-Strategy-Risk Management
(a)	the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks;	
(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.	

Subject Areas, Aspects, General Disclosures & KPIs	Description	Section/Declaration
Metrics and Targets		
Greenhouse gas emissions		
28.	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:	Climate-Related Disclosure-Metrics and Targets-GHG emissions
(a)	Scope 1 greenhouse gas emissions;	
(b)	Scope 2 greenhouse gas emissions; and	
(c)	Scope 3 greenhouse gas emissions.	
29.	An issuer shall:	Climate-Related Disclosure-Metrics and Targets-GHG emissions
(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;	
(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).	

Subject Areas, Aspects, General Disclosures & KPIs	Description	Section/Declaration
Climate-related transition risks		
30.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Climate-Related Disclosure-Metrics and Targets-Climate-related transition risks, physical risks, opportunities and Capital deployment
Climate-related physical risks		
31.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Climate-Related Disclosure-Metrics and Targets-Climate-related transition risks, physical risks, opportunities and Capital deployment
Climate-related opportunities		
32.	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Climate-Related Disclosure-Metrics and Targets-Climate-related transition risks, physical risks, opportunities and Capital deployment
Capital deployment		
33.	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Climate-Related Disclosure-Metrics and Targets-Climate-related transition risks, physical risks, opportunities and Capital deployment

Subject Areas, Aspects, General Disclosures & KPIs	Description	Section/Declaration
Internal carbon prices		
34.	An issuer shall disclose:	Climate-Related Disclosure-Metrics and Targets-Internal carbon price
(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;	
Remuneration		
35.	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).	Climate-Related Disclosure-Governance
Industry-based metrics		
36.	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.	Climate-Related Disclosure-Metrics and Targets-Climate-related transition risks, physical risks, opportunities and Capital deployment

Subject Areas, Aspects, General Disclosures & KPIs	Description	Section/Declaration
Climate-related targets		
37.	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:	Climate-Related Disclosure-Metrics and Targets-Climate-related targets
(a)	the metric used to set the target;	
(b)	the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	
(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);	
(d)	the period over which the target applies;	
(e)	the base period from which progress is measured;	
(f)	milestones or interim targets (if any);	
(g)	if the target is quantitative, whether the target is an absolute target or an intensity target; and	
(h)	how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	

Subject Areas, Aspects, General Disclosures & KPIs	Description	Section/Declaration
38.	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	Climate-Related Disclosure-Metrics and Targets-Climate-related targets
(a)	whether the target and the methodology for setting the target has been validated by a third party;	
(b)	the issuer's processes for reviewing the target;	
(c)	the metrics used to monitor progress towards reaching the target; and	
(d)	any revisions to the target and an explanation for those revisions.	
39.	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.	Climate-Related Disclosure-Metrics and Targets-GHG emissions
40.	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	Climate-Related Disclosure-Metrics and Targets-Climate-related targets
(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.	

Subject Areas, Aspects, General Disclosures & KPIs	Description	Section/Declaration
Applicability of cross-industry metrics and industry-based metrics		
41.	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).	Climate-Related Disclosure-Metrics and Targets-Climate-related targets