2025 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

UNITY AND LOVE

GLOBAL SHARING



Beijing Tong Ren Tang Chinese Medicine Company Limited
北京同仁堂國藥有限公司

(Incorporated in Hong Kong with limited liability)
Stock code: 3613

2025 SUSTAINABILITY HIGHLIGHTS

Awards and Recognitions

Received the **Gold Award** in the Sustainable Development Category at the Quam IR Awards — The Most Remarkable Investor Relations Awards ("QIRA") 2024

Received the **"01 Gold Medal Awards — Outstanding Traditional Chinese Medicine Brand"**

Received the **"Best Listed Company"** of "Golden Kunpeng" Award

Received the **"Gold Medal for Sustainable Finance-related Information Disclosure Pilot Scheme"** from the Hong Kong Quality Assurance Agency ("HKQAA")

Robust Governance

100%
anti-corruption training coverage for directors and employees (including senior management and managerial level employees)

Zero
corruption-related litigation against the Group or its employees

Integrity-Driven Operations

R&D investment of approximately
HK$106.52 million

Total cumulative number of product patents obtained
60+

Zero
material product health and safety complaint

People-Oriented Culture

7,400+
total training hours

1:2
gender ratio (male-to-female)

Zero
work-related fatalities

Environmental Management

First-time establishment of **"2030 Climate Target"**

Completion of **initial climate scenario analysis**, including assessment of the NGFS "Net Zero 2050" and "Current Policies Scenario"

Continuous enhancement of **Scope 3 GHG emissions** inventory

Community Contribution

Continuous investment in three key areas:
Advancing Health Care Accessibility, Promoting Traditional Chinese Medicine ("TCM"), Supporting Community Public Welfare



CHAIRMAN'S MESSAGE

As we enter 2025, the global economy continues to face multiple challenges, including moderating growth momentum, rising protectionism and evolving geopolitical dynamics. Amid this complex backdrop, Hong Kong's economy has demonstrated resilient performance and a steady pace of recovery, creating valuable opportunities for business development. Meanwhile, the pharmaceutical industry is at a pivotal stage of rapid growth and transformation. With population ageing intensifying and healthcare demands continuing to evolve, demand within the pharmaceutical market is steadily increasing. As an integral component of the broader pharmaceutical sector, traditional Chinese medicine ("TCM") is entering a period of unprecedented opportunity. Meanwhile, technological innovation, climate action and the transition to a low-carbon economy are reshaping the industry value chain. These developments are opening up strategic opportunities for integration and innovation as well as value reconfiguration, for sectors such as TCM rooted in tradition yet oriented towards the future.

Rooted in our founding philosophy of "Promote people's health with noble morality and kindness", the Group has consistently upheld this principle as the cornerstone of its business. While continuing to expand our operations, we have deeply embedded the principles of sustainability into our corporate governance and throughout our entire value chain. On the environmental front, we actively respond to the national "Dual Carbon" goals by strengthening green production practices and promoting resource circularity, while advancing the development of a sustainable global supply chain for Chinese medicinal materials. On the social front, we remain committed to stringent product quality standards and continuous innovation in research and development ("R&D"), while actively fulfilling our corporate citizenship responsibilities. Through a range of community initiatives, including public welfare programmes, campus outreach and health ambassador initiatives, we strive to enhance healthcare accessibility and support the preservation and advancement of TCM culture.

Over the past year, with Hong Kong as our strategic hub, the Group has continued to optimise its retail network, completing store image upgrades and product packaging enhancements. Through active participation in exhibitions such as the Hong Kong Hometown Market Carnival, we have brought to life Tong Ren Tang's intangible cultural heritage expertise and profound cultural legacy. We have also further strengthened brand protection by proactively undertaking anti-counterfeiting initiatives in Hong Kong, thereby safeguarding market order and upholding consumer rights. These concerted efforts have not only reinforced our foundation in the local market, but have also revitalised the brand with renewed momentum. In advancing the internationalisation of TCM, the Group has progressed steadily, supporting the global expansion of domestic health products, showcasing modern TCM R&D achievements and promoting the spread of TCM culture. In doing so, we allow "Chinese prescriptions" to benefit a broader global population, while delivering diversified healthcare solutions to communities worldwide.

Looking ahead, we firmly believe that the TCM industry is entering a period of historic opportunity. The Group will remain steadfast in deepening its R&D and innovation strategy, continuously enriching its product portfolio and actively expanding its proprietary offerings, thereby cultivating new growth drivers and supporting our transition into a new phase of high-quality development. At the same time, the Group will continue to broaden our business presence through a deeply integrated online and offline layout strategy, accelerating the expansion of our market footprint while strengthening our core competitiveness, so as to achieve steady and sustainable growth. Staying true to our founding mission, we will further refine our full-industry-chain layout with a global perspective and continue to promote the modernisation and internationalisation of TCM.

Yan Han
Chairman

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ABOUT THE REPORT

Beijing Tong Ren Tang Chinese Medicine Company Limited ("Beijing Tong Ren Tang" or the "Company", together with its subsidiaries, collectively referred to as the "Group" or "We") is pleased to present our Environmental, Social and Governance ("ESG") Report (the "Report") to our stakeholders. This Report aims to disclose the Group's policies, measures and performance in relation to corporate social responsibility and sustainable development during the period from 1 January 2025 to 31 December 2025 (the "Year").

REPORT PURPOSE, PERIOD AND SCOPE

This Report covers the Group's core operations relevant to its business in Asia, Oceania, the Americas and Europe during the Year, including the manufacturing, retail and wholesale of Chinese medicine products and health supplements, as well as the provision of Chinese medicine consultation services. The scope covers the relevant operating locations of the Group and the entities listed of the Group's 2025 Annual Report (the "Annual Report"). The report scope is defined based on its materiality to our business and operations, as well as its impact on sustainable development.

REPORT STANDARDS AND PRINCIPLES

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

Quantitative

Interpretation of Quantitative

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

The Group's Response

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

Materiality

Interpretation of Materiality

The Report should address ESG issues that have a material impact on the Group and its stakeholders. In addition, in accordance with Part D of the ESG Reporting Code, where climate-related risks and opportunities are reasonably expected to affect the Group's short-, medium-, or long-term cash flows, access to finance, and cost of capital, the Group should also make appropriate disclosures.

The Group's Response

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



Balance

The Group's Response

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

Interpretation of Balance

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

Consistency

The Group's Response

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

Interpretation of Consistency

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

The section headed "Appendix III: HKEX ESG Reporting Code Content Index" on the last chapter of the Report is available for quick reference.

CONFIRMATION AND APPROVAL

All the qualitative and quantitative information cited in the Report is sourced from the Group's public information, official documents and related statistical data. The Report was confirmed and approved by the board of directors of the Company (the "Board") on 20 March 2026.

SOURCES OF INFORMATION

Financial data in the Report is extracted from the Annual Report. All other data is derived from the Group's internal records, survey and interview records, and relevant documents. Unless otherwise specified, all monetary amounts and currencies in this Report are denominated in Hong Kong Dollars ("HKD"), the legal tender of the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong"). During the Year, certain data has been restated due to adjustments in the statistical methodology for some information. Where there are inconsistencies with data in previous reports, this Report shall prevail. The Board confirms that this Report does not contain any false or misleading information, and accepts responsibility for the authenticity, accuracy and completeness of its contents.

FEEDBACK AND OPINIONS

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

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

ABOUT THE GROUP

GROUP OVERVIEW

The Company, as the overseas development platform of Tong Ren Tang in China, was listed on GEM in 2013 and successfully transferred its listing from GEM to the Main Board in 2018. Its principal business includes the manufacturing, retail and wholesale of Chinese medicine products and the provision of Chinese medical consultation and treatments. Rooted in Hong Kong with a global presence, the Group undertakes the mission of carrying forward TCM culture outside Chinese mainland. Building on its heritage of traditional pharmaceutical practices and craftsmanship, the Group continues to advance the modernisation of TCM and broaden the scope of its services. Through a development approach that integrates medical services with pharmaceutical offerings, alongside a culture-led promotion strategy, the Group is accelerating the internationalisation of TCM.

CORPORATE BRAND

Established in 1669 (Eighth year on the throne of Emperor Kangxi, Qing Dynasty), Tong Ren Tang has a history over 350 years. Yue Xianyang, as the imperial physician at that time, was the founder of Tong Ren Tang. He established the first drug hall to serve the public in good medicines. This drug hall was named "Tong Ren" as Yue Xianyang liked the term of "Tong Ren" for its meaning and elegance in sound. "Tong Ren", sourced from *Yi Jing*, means just and fair to everyone in Chinese. As the overseas development platform of Beijing Tong Ren Tang, the Group is rooted in Hong Kong, lays out a global footprint, and undertakes the mission of carrying forward TCM culture overseas.

CORPORATE CULTURE

The Group abides by the century-old maxim of "no manpower shall be spared, no matter how complicated the procedures of production are; no material shall be reduced, no matter how much the cost is", upholds the self-disciplinary spirit of "Although patients do not see the process of making TCM, we should always do it earnestly", and takes "Promote people's health with noble morality and kindness" as the core purpose of the enterprise. We are committed to transforming traditional wisdom into high-quality health products and services, actively fulfilling corporate social responsibility, providing high-level health solutions for global consumers, and promoting the internationalisation of TCM.

CORPORATE MISSION

Upholding the corporate spirit of "Promote people's health with noble morality and kindness", we are committed to becoming a sustainability leader in the field of TCM health.



KEY PERFORMANCE HIGHLIGHTS

PROGRESS AGAINST ANNUAL TARGETS FOR KEY FOCUS AREAS

Robust Governance
Reinforcing Sound Governance Foundations

Key Focus Areas	Target	2025 Progress/Achievements	Progress
Business Ethics and Integrity	Upholding high ethical and compliance standards to ensure fair, transparent and compliant operations.	• 100% of directors and employees (including senior management and managerial level employees) completed anti-corruption training • Zero corruption-related litigation cases against the Group or its employees	◉
Risk Management	Establishment of systematic risk management mechanisms to maintain business resilience in a dynamic environment.	• Identified, evaluated and managed significant risks in accordance with the five key elements of the risk management and internal control framework and the "Three lines of defence" model • Established a robust ESG risk and opportunity management and internal control system, with the Board assuming oversight and evaluation responsibilities	◉
Compliance Management	Compliance with all applicable laws and regulations to ensure regulatory conformity.	• Formulated and implemented internal policies and procedures to strengthen compliance management • Zero non-compliance cases related to ESG aspects	◉

Achieved : ◉ In Progress : ◐



Integrity-Driven Operations
Striving to Set Benchmarks in Quality and Excellence

Key Focus Areas	Target	2025 Progress/Achievements	Progress
Product Quality and Safety	Maintenance of high product quality standards to provide compliant and superior TCM products.	• Ensured all manufactured and distributed products meet international and local standards • Provided training to product responsible personnel to ensure their full understanding of relevant regulations • Zero material complaints regarding product health and safety	●
Innovation and R&D	Continuously advancement of R&D and expansion of product portfolio to meet diverse market needs.	• Collaborated with internationally renowned universities and research institutions to conduct in-depth research on key products • Focused on emerging areas in the national pharmaceutical industry and hotspots in the large health industry and increased investment in forward-looking scientific research fields	●
Sustainable Supply Chain	Integration of sustainability considerations into supplier management, promoting responsible procurement and balancing quality with sustainability.	• Integrated ESG considerations into procurement process, and actively encouraged suppliers to practice sustainable procurement • Regularly assessed suppliers' sustainability performance and product quality to ensure alignment with contractual requirements	●

Achieved : ● In Progress : ◐

People-Oriented Culture
Fostering a Harmonious and Healthy Workplace

Key Focus Areas	Target	2025 Progress/Achievements	Progress
Employee Rights and Welfare	Enhancement of employee rights and establishment of a diverse and respectful work culture.	• 1:2 gender ratio (male-to-female) • Ensured all employees are treated fairly and with respect, in compliance with the Group's established code of ethics and conduct • Maintained sound labour relations	◉
Health and Safety	Provision of a safe and healthy working environment, with strengthened risk identification and management.	• Zero work-related fatalities or injuries recorded • Established and continuously enhanced the occupational health and safety management system, ensuring full implementation of all relevant guidelines and requirements • Organised regular occupational health seminars	◉
Development and Training	Implementation of comprehensive training and development programmes supporting long-term career growth.	• Total training hours for employees: 7,400+ hours • Employee training participation rate: 100% • Expanded diversified talent development pathways and promoted international exchange and systematic inheritance of professional knowledge through cross-border cooperation • Provided comprehensive training and workplace guidance for new employees • Collected employee feedback regularly to review, update and refine training content and policies	◉

Achieved : ◉ In Progress : ◐

Environmental Management
Advancing Green Development Proactively

Key Focus Areas	Target	2025 Progress/Achievements	Progress
Climate Change and Resilience	Progressing climate action and supporting the transition to a low-carbon future.	• Improved the Scope 3 data collection process and expanded coverage to 3 categories • Conducted climate scenario analysis for the first time • First-time establishment of “2030 Climate Target”	◉
Emissions Management	Managing emissions and pollutants effectively to reduce impacts on the environment and human health.	• Adhered to the principle of purchasing on demand by procuring packaging materials in quantities corresponding to actual production volumes • Encouraged employees to reduce the use of single-use items, make the best use of them, and sort and recycle such items • Conducted regular spot checks on production and R&D bases to monitor wastewater quality • Encouraged employees to replace business travel with video conferencing or teleconferencing	◉
Resource Circularity	Integration of green design, resource efficiency and environmentally friendly practices throughout products and operations, with strengthened circular resource utilisation.	• Provided environmentally friendly products, restrict excessive packaging and promote green consumption • Strengthened waste reduction, sorted recycling and resource recovery • Actively explored the comprehensive utilisation and recycling of waste materials, wastewater, waste heat and other by-products generated in the production process	◉

Achieved : ◉ In Progress : ◐

Community Contribution
Creating Shared Value Through Collective Progress



Key Focus Areas	Target	2025 Progress/Achievements	Goal Progress
Advancing Healthcare Accessibility	Provision of accessible preventive and healthcare services to diverse communities through a series of initiatives.	• Continuously organise health talks, community free clinics and distribute support supplies • In 2025, the free medical consultation service benefited more than 1,000+ people	◉
Promoting TCM Culture	Promote TCM culture, fostering understanding among younger generations and overseas communities.	• Enabled the opening of the world's first Global TCM Cultural Experience Centre in Macau • Supported the World Essay Competition for College Students: Internationalisation of TCM • Educational programmes are launched to nurture young people's understanding of TCM culture	◉
Supporting Community Welfare	Engage in charitable activities, offering support to disadvantaged groups and actively fulfilling corporate social responsibilities.	• Participation in the Community Chest Walk for Millions is undertaken • Provided comprehensive Chinese medicine services and financial assistance in support of the Tai Po fire relief efforts	◉

Achieved : ◉ In Progress : ◐

2025 TONG REN TANG ESG EVENTS AT A GLANCE

JANUARY

The Group were recognised as a recipient of the "2024 Enterprise ESG Innovation Model Case" award for its outstanding performance in the fields of ESG.



FEBRUARY

The Group's invention patent application for "A preparation method and use of an anti-aging product" obtained the official authorisation from the China National Intellectual Property Administration ("NIPA").



MARCH

The Group joined hands with China Mobile Hong Kong (CMHK) to launch the inaugural "Hong Kong Student Ambassador Programme for Chinese Medicine and Health Care", opening a new channel to further advance the international dissemination of Tong Ren Tang's Chinese medicine culture.



APRIL



At the "96th California National Medical Festival" conference, the Beijing Tong Ren Tang Los Angeles Healthcare Centre LLC (known as "the BTRT L.A. Healthcare Centre") was awarded certificates of recognition from U.S. Congress member, Ms. Judy Chu, and California State Assembly member, Mr. Mike Fong.

MAY

The Group's research project on classic prescriptions were awarded a grant of millions HKD by the Innovation and Technology Commission ("ITC") of the Hong Kong Special Administrative Region under the Mainland-Hong Kong Technology Cooperation Funding Scheme ("MHKTCFS"), following the announcement of funded projects under the Scheme.



JUNE



The Group's booth, themed "Inheriting TCM Culture, Safeguarding Public Health", made a splendid appearance at the 3rd Hometown Fair and Carnival in Hong Kong.

JULY

7

At the Quam IR Awards — The Most Remarkable Investor Relations Awards ("QIRA") 2024 ceremony, the Group was honoured with the Gold Award in the Sustainable Development Category for the third consecutive year.



OCTOBER

10

The first global TCM Cultural Experience Centre grandly opened in Macao. As the first experience centre that centrally embodies the characteristics of Tong Ren Tang's TCM culture, it promotes the transformation of retail stores from a single sales function to a multi-dimensional "service + culture" integrated experience.



DECEMBER

12



The Group was awarded the "2025 Most Investment Potential Listed Company Award on the Hong Kong Stock Exchange" at the "2025 The Reputation List of Listed Companies" jointly organised by Nikkei Asia and Hainan Provincial Bureau of International Economic Development (Hainan IEDB), in recognition of its outstanding performance in the field of traditional medicine.

SEPTEMBER

9



During the TCM Theme Day at the 2025 China International Fair for Trade in Services ("CIFTIS") and the 10th Overseas Chinese TCM Conference, the Group and the Uruguay National Meat Institute formally signed a Memorandum of Understanding ("MOU") on Traditional Medicine Cooperation, injecting new momentum into the internationalisation of TCM.

NOVEMBER

11



The Group participated in the 138th China Import and Export Fair (Canton Fair) under the theme of "Integration of Traditional Craftsmanship and Modern Technology", and for the first time systematically set up a dedicated exhibition zone for Tong Ren Tang's non-pharmaceutical health products, covering categories such as health foods, nutritional supplements, and herbal health drinks.

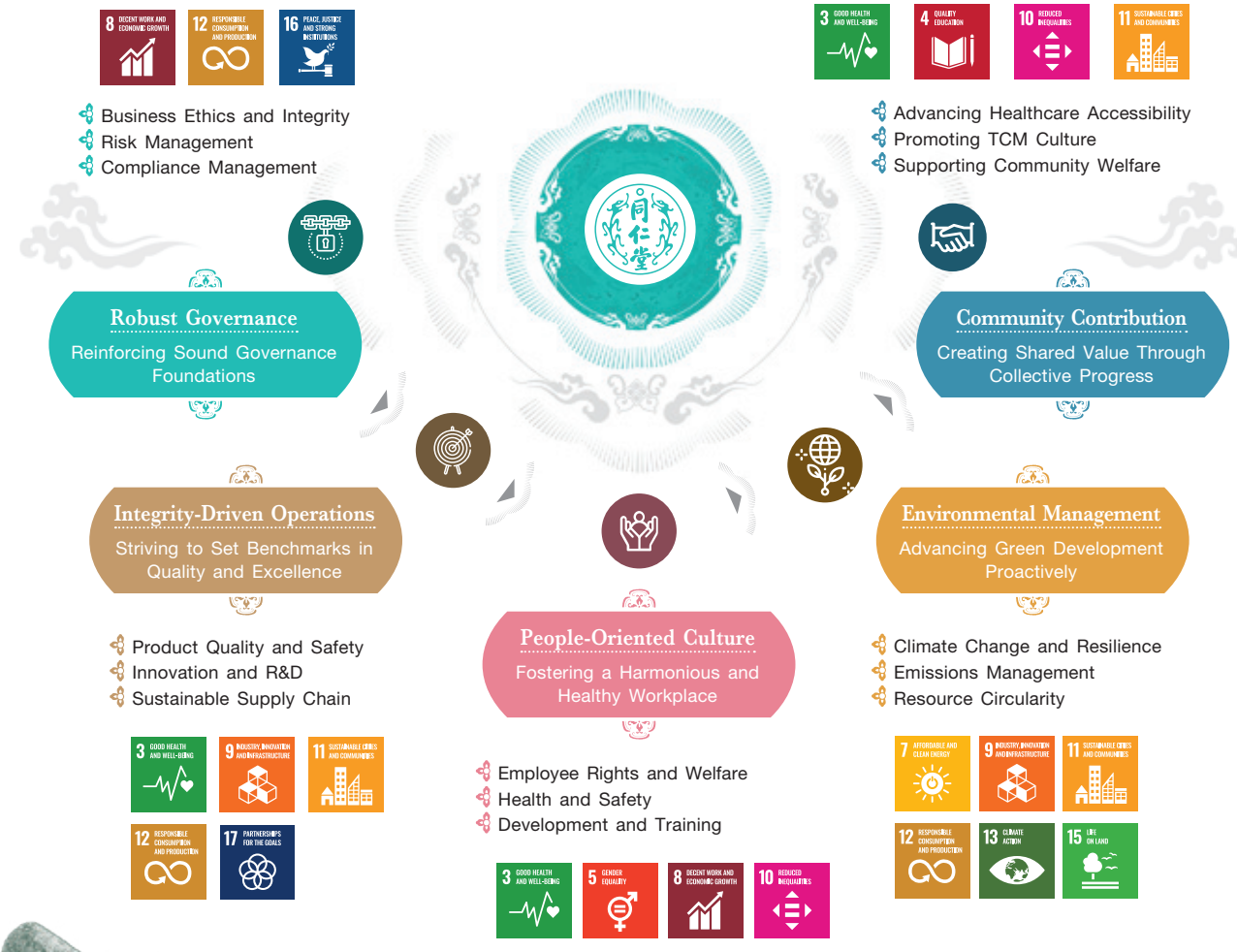
MANAGEMENT APPROACH TO SUSTAINABILITY

SUSTAINABILITY STRATEGY

Since its establishment, the Group has always adhered to the corporate spirit of "Promote people's health with noble morality and kindness", and is committed to becoming a leader in sustainable development in the field of traditional Chinese medicine and healthcare. Our development model focuses on balancing economic benefits and social responsibilities. While achieving steady operations, we actively create long-term value for the environment and society and contribute to local economic and community well-being. Sustainable development has become an important cornerstone of the Group's operations and is deeply integrated into our daily operations.

This Year, the Group has established a sustainable development strategy centred on five pillars, including: Robust Governance, Integrity-Driven Operations, People-Oriented Culture, Environmental Management, and Community Contribution. Based on a solid strategic foundation, the Group is fully promoting the implementation of the sustainability strategy system. The core of this critical stage is to translate strategic plans into concrete actions, integrate sustainable development principles throughout the entire process from research and development, procurement, production to sales and services, and establish sustainable development standards covering all product categories.

Furthermore, this strategy also serves as the cornerstone of our response and contribution to the United Nations Sustainable Development Goals ("SDGs"). The SDGs comprise 17 sustainable development goals that, from the social, economic and environmental dimensions, define the global vision and priority areas for 2030. They also provide a strategic framework for enterprises to align with the requirements of the SDGs and integrate sustainable development into their operations and management. This Year, we have systematically analysed and identified 13 specific SDGs in line with the five pillars mentioned above. Going forward, we will further integrate the SDGs into the Group's sustainable development strategy and contribute to the achievement of the 2030 global goals.



ESG GOVERNANCE

The Group has always upheld the belief of "Stable development and cultural inheritance" and adhered to the corporate spirit of "Promote people's health with noble morality and kindness". We have established a clear and effective governance system to drive the Group towards stable and sustainable development. The Group is committed to integrating ESG management concepts into its corporate strategic planning and operational decision-making processes, earnestly fulfilling its economic, social, environmental and governance responsibilities, and safeguarding the interests of all stakeholders including the government, shareholders of the Group ("Shareholders"), employees, partners, consumers and the public.

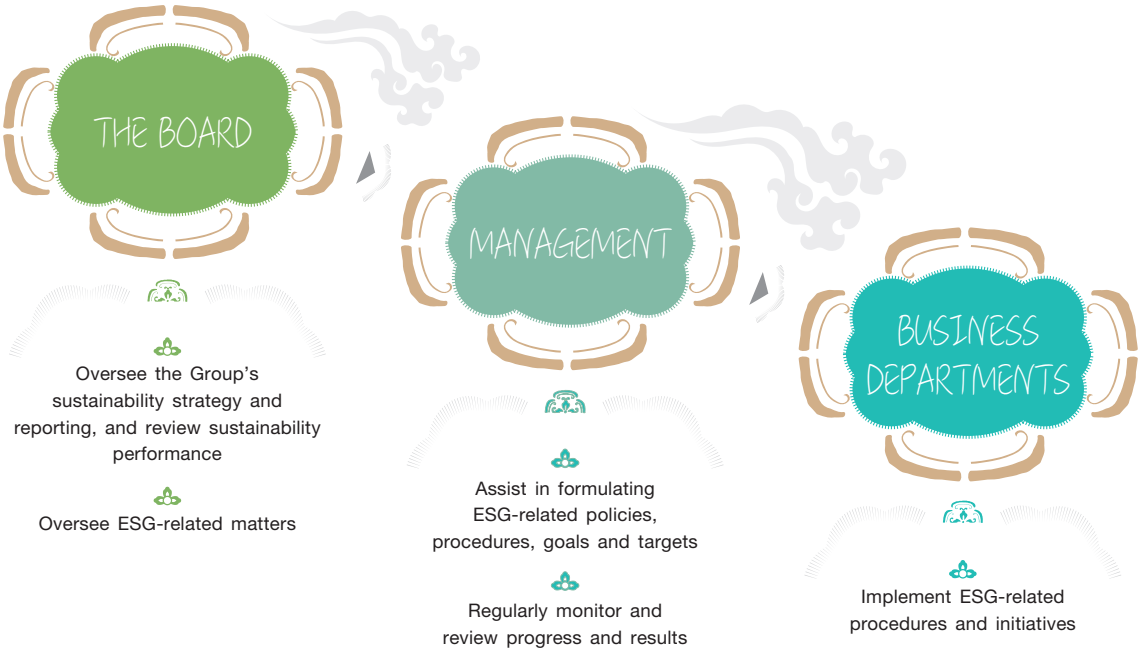
The Group's sustainability strategy is driven at the highest level by the Board. The Board assumes ultimate responsibility for the Group's overall ESG strategy (including but not limited to climate-related matters, risks and opportunities) and reporting, and oversees all ESG-related matters of the Group, with a focus on the Group's long-term development and positioning. Its responsibilities include, but are not limited to, the following:

- Formulate and review the Group's ESG management approach, strategies and policies;
- Identify, evaluate, prioritise and manage ESG-related risks and opportunities (including but not limited to climate-related risks and opportunities, as well as environmental and social risks in the supply chain), and formulate response measures;
- Assess and prioritise sustainability issues, identify material issues for the Group, and establish the long-term ESG strategic direction;
- Set ESG-related metrics and targets based on material sustainability issues relevant to the nature of the Group's business, and regularly review progress;
- Formulate and supervise the implementation of the Group's sustainable development-related measures; and
- Approve the Group's annual ESG report.

To implement the relevant strategies, the Board has delegated certain responsibilities to the management team. As the highest executive body, the management is responsible for assisting in formulating and implementing the Group's ESG strategies and operational plans, and regularly reports to the Board on the achievement and progress of various targets.

For details on the Board and management's climate-related governance, please refer to the section "Adapting to Climate Change".

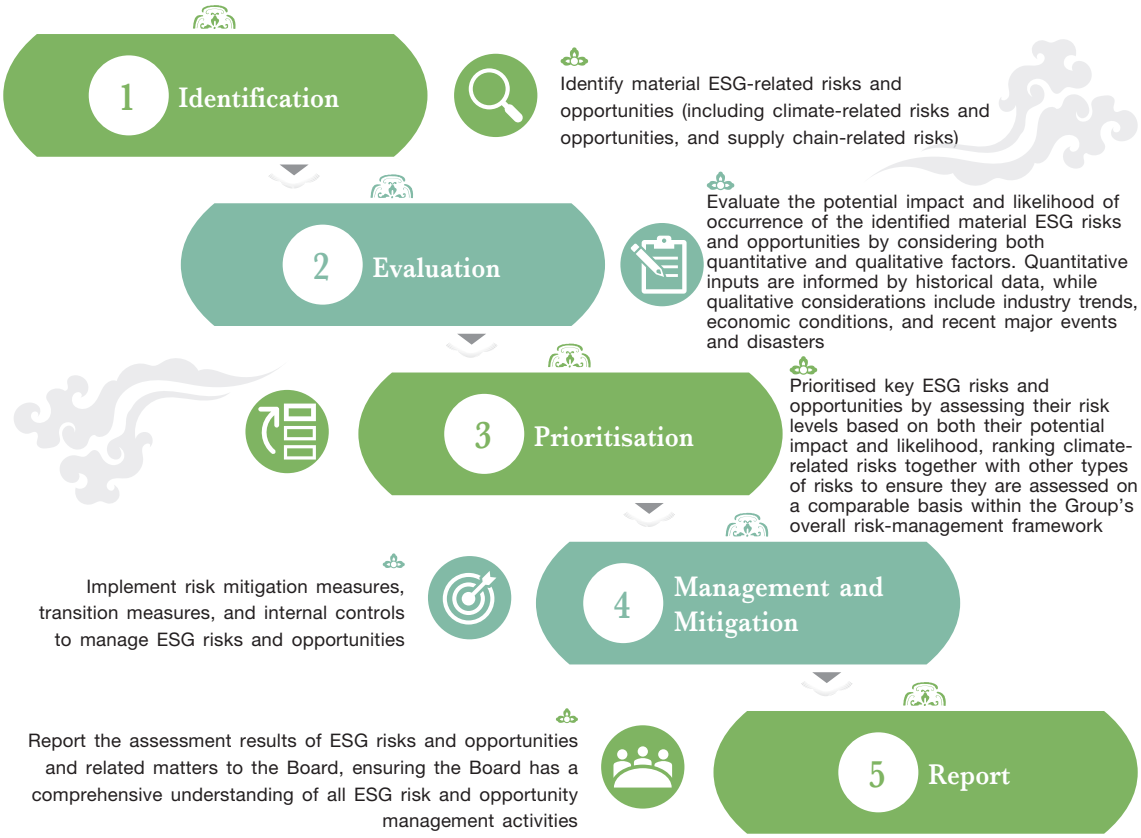
Our ESG Governance Structure



ESG Risk and Opportunity Management

Against the backdrop of accelerating globalisation, evolving green and low-carbon policies and intensifying climate change, the Group fully recognises that these trends present a wide range of risks and opportunities to the global environment and society. To systematically identify and address relevant issues, the Group has established a comprehensive ESG risk and opportunity management and internal control system, with the Board assuming ongoing oversight and evaluation responsibilities to ensure its effective operation.

In addition, the Group has established a clear risk and opportunity management process to help identify and respond to relevant risks and opportunities. Below is an overview of the key steps taken by the Group to assess ESG risks and opportunities.



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

Material ESG-related risks and their potential business and financial impacts

Risk Type	Risk Category and Description	Financial Impacts	Non-Financial Impacts	Response Actions and Transition Measures
Operational Risk	Ⓜ©**Product Quality and Safety:** Risk of customer complaints, product recalls, and compliance issues arising from product design defects, non-compliant quality, and potential safety hazards.	• Direct costs such as customer compensation due to product quality issues may increase. • Customer order renewal rates may decline, exerting a certain impact on relevant revenue.	• Public exposure of product quality issues may easily trigger a consumer trust crisis, resulting in long-term damage to brand reputation.	• Require suppliers of proprietary Chinese medicines to strictly enforce product quality standards of various countries and regions and conduct assessment and review on suppliers of herbal pieces for export to ensure quality. • Optimise testing methods, formulate standard operating procedures and detailed records, and regularly calibrate measuring instruments to ensure accurate and reliable test results. • Provide regular internal training on product quality for new and existing employees.
Strategic Risk	Ⓜ©**Advertising and Labelling:** Risk of regulatory penalties, consumer litigation, and brand reputation damage due to inaccurate or misleading information on product promotions or packaging, which may violate relevant laws and regulations.	• Potential regulatory penalty costs. • Compensation that may arise from false advertising or failure to label allergens, among other issues. • Related costs that may be incurred if ordered by regulatory authorities to remove or recall non-compliant products.	• Inaccurate labelling content or "false advertising" will cause certain damage to brand credibility and consumer trust. • Violation of advertising and marketing regulations may result in penalties from regulatory authorities, product sales bans, and legal proceedings.	• The proprietary Chinese medicines sold and exported by the Group comply with the *Hong Kong Chinese Medicines Regulation*, the *Guidelines on Labels of Proprietary Chinese Medicines* and the *Guidelines on Package Inserts of Proprietary Chinese Medicines* under the Proprietary Chinese Medicine Registration Regulations. Their labels and descriptions do not contain false or misleading content. • Implement an internal label review process, with relevant department personnel responsible for verifying label content to ensure authenticity. • Closely monitor regulatory changes regarding product outer packaging labels both inside and outside China.
Operational Risk	Ⓜ©**Supply Chain Product Quality and Supply Chain Stability Risks:** Risk of operational disruption and product liability for the Group arising from issues related to suppliers' delivery quality, stability, or safety.	• Potential costs of product recalls or batch scrappage due to quality issues with suppliers' raw materials. • Potential revenue losses from production halts caused by disruptions from key suppliers.	• Damage to customer relationships due to delivery delays caused by supplier issues. • Damage to the Group's brand reputation due to potential safety hazards in raw materials/services provided by suppliers. • Decreased operational efficiency due to supply chain disruptions.	• Formulate the *Material Procurement Management Rules* and *Suppliers Management Rules*, conduct supplier reviews and perform regular follow-up assessments. • For first-time suppliers, strictly implement the new supplier approval system and conduct small-volume purchases where conditions permit. • Establish solid and long-term cooperative relationships with major suppliers to ensure supply chain stability.

Risk Type	Risk Category and Description	Financial Impacts	Non-Financial Impacts	Response Actions and Transition Measures
Compliance Risk	Ⓜ Ⓒ **Intellectual Property Risk:** Risk of legal disputes arising from potential infringement of the Group's core intellectual property (e.g., patents, proprietary technologies) by competitors, or unintentional infringement of third-party rights by the Group.	• Potential litigation costs arising from intellectual property disputes. • Potential revenue losses from sales are banned in key markets if products are found to be infringing.	• Negative impacts on relationships with partners and investors due to involvement in intellectual property infringement legal disputes.	• Formulate internal rules including the *Staff Manual* and *Confidentiality Management Regulations*, which incorporate intellectual property policies to safeguard the intellectual property rights of all relevant parties. • Sign confidentiality agreements with all employees who have access to confidential information, acknowledging the Group's ownership of all inventions, technical know-how, and trade secrets related to their work at the company, use of company resources, or the Group's business or property. • Monitor the overseas "Tong Ren Tang" trademark through agents appointed by the Parent Group to detect any unauthorised registration or patent applications by other entities or individuals abroad. • Collaborate with professional institutions to engage them to apply for various intellectual property rights and patents for the Group's R&D achievements.

Ⓢ Short Term (2030) Ⓜ Medium Term (2040) Ⓛ Long Term (2050)

Material ESG-related opportunities and their potential business and financial impacts

Opportunity Type	Opportunity Category and Description	Financial Impacts	Non-Financial Impacts	Response Actions and Transition Measures
Operational Opportunities	Ⓜ Ⓒ **Responsible Procurement:** Growing societal attention to labour rights in the supply chain has made enterprises with responsible supply chains more favoured by customers and investors.	• Suppliers with sound employment standards may bring higher production efficiency and more stable product quality, and can avoid financial losses caused by supply chain disruptions.	• Enhance customer loyalty and brand reputation. • Significantly strengthen operational resilience to cope with external shocks.	• Review the qualification certifications of suppliers, including business registration certificates, wholesale licences for Chinese herbal medicines, health permits, etc. • Consider ESG performance in the inspection and evaluation of suppliers. • Conduct on-site inspections of suppliers on a regular basis to understand their working environment, product and service quality, etc.
Operational Opportunities	Ⓜ Ⓒ **Supply Chain Stability:** Customers tend to choose suppliers that ensure timely delivery of high-quality products and services when purchasing products and services.	• Reduce operational costs such as emergency logistics and production downtime that may result from supply chain disruptions. • Minimise contractual penalties, order cancellations, and return losses arising from delayed delivery or unstable quality.	• Enhance customer loyalty and brand reputation. • Significantly strengthen operational resilience to respond to external shocks.	• Conduct assessments and reviews before engaging new suppliers; only suppliers that meet the requirements can become approved suppliers.

Ⓢ Short Term (Year 2030) Ⓜ Medium Term (Year 2040) Ⓛ Long Term (Year 2050)

For details on climate-related risks and opportunities, please refer to the section "Adapting to Climate Change".

Stakeholder Engagement

We believe the participation of stakeholders is an important part of business development. The stakeholders' opinions help the Group to establish a more comprehensive sustainability strategy. Opinions from different stakeholders are essential to the Group's business development and management, allowing the Group to examine potential risks and opportunities, making business practices more aligned with their needs and expectations.

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

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

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

Materiality Assessment

To ensure the ESG Report reflects the issues of concern to stakeholders and to determine ESG issues that are the most relevant to the Group's business continuity and development as well as stakeholders, the Group conducted stakeholder communication and materiality assessment, through commissioning independent professional consultant, to identify the key ESG issues. The Group also seeks to understand and respond to the expectations and requirements of its stakeholders through the below procedures for the identification of material issues.

1 Determine the Issues

Review the results of past stakeholder engagement and the HKEX's ESG Reporting Code, reporting trends and industry practices, the Sustainability Accounting Standards Board ("SASB") Standards, and the MSCI's ESG Industry Materiality Map to develop a list of ESG issues.

2 Collect Stakeholder's Opinions

Conduct questionnaires through online platform to enable stakeholders to score the issues.

3 Identify and Prioritise Material Issues

Invite internal and external stakeholders to rate each topic based on its impact on the Group's business continuity and development and on stakeholders (impact materiality) to determine its overall level of materiality.

In the materiality assessment, the Group has commissioned independent professional consultant to develop a materiality matrix and a priority list of ESG issues.

4 Management Confirmation and Continuous Improvement

Submit the list of 11 identified material topics and the materiality matrix to the Board for review and approval.

There is a total of 25 topics for the Year, please refer to the following matrix for details:

No.	Topics (in descending order of importance)	Level	Materiality
1	Quality and safety of product and service	Level I	Very important
2	Business ethics and integrity		
3	Remuneration and benefits		
4	Employment compliance		
5	Product innovation and R&D		
6	Responsible supply chain management		
7	Customer health and product safety		
8	Product accessibility and affordability		
9	Occupational health and safety		
10	Protection of intellectual property rights		
11	Training and development		
12	Privacy and data security	Level II	Important
13	Responsible marketing and promotion		
14	Diversity and equal opportunity		
15	Raw material and packaging material management		
16	Compliance management		
17	Risk management		
18	Industry development and collaboration		
19	Waste management	Level III	Moderately Important
20	Community engagement and investment		
21	Air emissions		
22	Ecological protection		
23	Climate change and resilience		
24	Energy efficiency and carbon emissions management		
25	Water resources management		

Environmental Topics : Social Topics : Governance Topics :

Very Important Topics	Corresponding Chapter
Quality and safety of product and service	Integrity-Driven Operations: Striving to Set Benchmarks in Quality and Excellence
Business ethics and integrity	Robust Governance: Reinforcing Sound Governance Foundations
Remuneration and benefits	People-Oriented Culture: Fostering a Harmonious and Healthy Workplace
Employment compliance	People-Oriented Culture: Fostering a Harmonious and Healthy Workplace
Product innovation and R&D	Integrity-Driven Operations: Striving to Set Benchmarks in Quality and Excellence
Responsible supply chain management	Integrity-Driven Operations: Striving to Set Benchmarks in Quality and Excellence
Customer health and product safety	Integrity-Driven Operations: Striving to Set Benchmarks in Quality and Excellence
Product accessibility and affordability	Community Contribution: Creating Shared Value Through Collective Progress
Occupational health and safety	People-Oriented Culture: Fostering a Harmonious and Healthy Workplace
Protection of intellectual property rights	Integrity-Driven Operations: Striving to Set Benchmarks in Quality and Excellence
Training and development	People-Oriented Culture: Fostering a Harmonious and Healthy Workplace

In combination with the impact of the topics on the Group's stakeholders and the importance to the Group's business continuity and development. The following matrix demonstrates the overall importance level of the 25 ESG issues. The 11 topics at the upper right of the materiality matrix are considered the "very important topics" and are highlighted in this Report.

Materiality Matrix





ROBUST GOVERNANCE



Reinforcing Sound Governance Foundations

ROBUST GOVERNANCE: REINFORCING SOUND GOVERNANCE FOUNDATIONS

We are devoted to a culture of fairness, integrity and compliance as the foundation of the Group's sustainable development.

BUSINESS ETHICS

The Group adheres to the three principles of "Virtue", "Honesty" and "Integrity", manages its daily operation performance in a strict and prudent manner, and strictly prohibits any illegal acts such as bribery, extortion, fraud and money laundering. The Group has adopted a series of initiatives, including strict adherence to legal norms, improving the compliance and risk management system, and delivering regular company-wide ethics and compliance training. To further advance integrity building and anti-corruption efforts, the Group formulated and implemented the *Measures for the Implementation of the General Supervision* in accordance with relevant laws and regulations. These initiatives not only meet the expectations of customers and the market, but also safeguard the Group's reputation and boost the healthy development of the industry.

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

The Group aspires to implement good corporate governance and adhere to business ethics in order to safeguard the interests of its stakeholders. Good corporate governance not only enhances the Group's reputation, but also strengthens the trust of investors and customers, laying a solid foundation for the Group's sustainable development. In order to remind and ensure the internal staff of the requirements of the relevant laws, regulations and internal policies, so as to create a clean working environment, the Group has conducted anti-corruption training for directors and employees. This Year, the ratios of anti-corruption training received by the directors and senior management and managerial level employees of the Group are both 100% with average training hours for anti-corruption of 8 hours and 7 hours respectively. The training covers anti-corruption and anti-bribery laws and regulations, as well as case studies on past breaches, with emphasis on how to properly handle potential and actual breaches. This Year, there was no corruption litigation against the Group or its employees.

ROBUST GOVERNANCE:

Reinforcing Sound Governance Foundations

CORRUPTION COMPLAINT HANDLING PROCEDURES



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



INTEGRITY-DRIVEN OPERATIONS



Striving to set benchmarks in quality and excellence

INTEGRITY-DRIVEN OPERATIONS: STRIVING TO SET BENCHMARKS IN QUALITY AND EXCELLENCE

Guided by the tenet that *"no manpower shall be spared, no matter how complicated the procedures of production are; no material shall be reduced, no matter how much the cost is"*, we continually to elevate strengthen our supply chain and quality management to deliver a diverse portfolio of safe, trusted and efficacious TCM products.

WHOLE-PROCESS QUALITY MANAGEMENT

Product Safety and Quality Management

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

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

Hong Kong GMP (Good Manufacturing Practice) Certification for Proprietary Chinese Medicines





International Standard ISO22000: 2018 Food Safety Management System



HACCP (Hazard Analysis Critical Control Point) Certification



INTEGRITY-DRIVEN OPERATIONS:

Striving to set Benchmarks in Quality and Excellence

1 Materials Processing

Pre-storage:
Carry out field inspection for the growing, collection and processing environment of raw materials, auxiliary materials and packaging materials

In-storage:
Segregate qualified and unqualified products for storage; label such information as inspection date and validity period, and prohibit the use and arrange for destruction of expired items

Storage Requirement:
Store products according to their properties, either at room temperature, in a cool place or in cold storage, to avoid microbial growth and cross-contamination

2 Production

Environmental Control:
Monitor the temperature, humidity and cleanliness of the production area, and regularly clean equipment with pure water or 75% ethanol

Pollution Protection:
Set up a clean area in the production zone; require personnel to wear designated work clothes to avoid contamination
Establish standard internal inspection criteria and set up a dedicated laboratory responsible for the testing of materials and the environment

3 Product Inspection

Internal Inspection:
Establish standard internal inspection criteria and set up a dedicated laboratory responsible for the testing of materials and the environment

Finished Product Control:
Conduct inspection on each batch; entrust a third-party institution to test safety items (in compliance with Hong Kong standards).

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

To further enhance product quality, the Group established its strategies on quality development and risk management, which set out its quality development strategy including objectives, targets, planning and annual plans for quality control, and also formulated a series of guidelines and measures to guide all functional departments in improving their management system on quality control on an ongoing basis.

Creating a management system and culture for quality control

Forming a quality management committee which is responsible for formulating, assessing and adjusting the strategies on quality.

Enhancing the management structure on quality to clarify the responsibilities of each working unit so that a culture for quality control can be fostered.

Materialising a "zero-defect" quality control management

Setting up a "zero-defect" management panel which is responsible for determining objectives for achieving "zero-defect", performing regular assessment thereof and offering corresponding remedial solutions.

Developing a recognition system to encourage functional departments and staff to achieve "zero-defect" and provide suggestions.

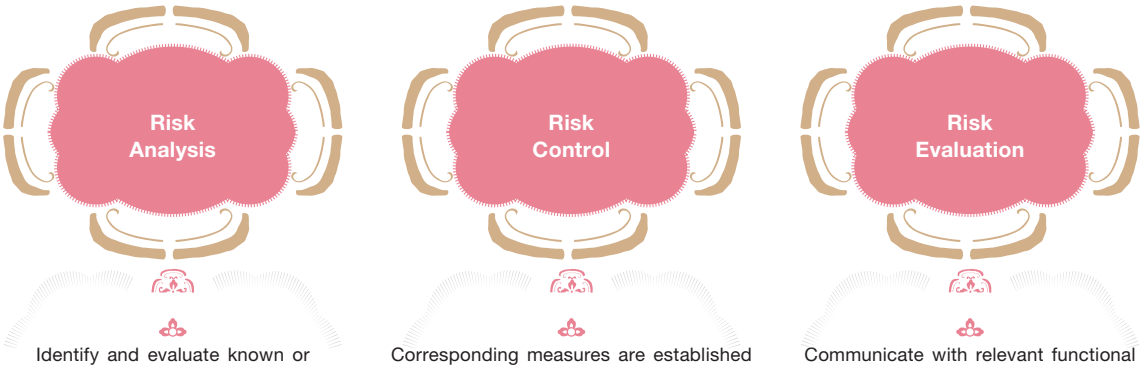
Enhancing standards on quality control

Enhancing and adopting a more stringent standard that covers the management and control over Chinese medicine herbs and raw materials, selection, cooperation, assessment and review of suppliers, product quality control and management, and scopes of retail and medical services, to further improve the management standards.

INTEGRITY-DRIVEN OPERATIONS:

Striving to set Benchmarks in Quality and Excellence

The Group attaches great importance to quality risk management to ensure that potential quality risks can be effectively identified, assessed and responded to in the course of production and operation. Therefore, the Group has formulated the *Rules of Quality Risk Management* to further strengthen the risk management in the process, avoid quality and safety incidents, and enhance the quick response to incidents so as to improve the operational performance.



RESEARCH AND DEVELOPMENT INNOVATION

In recent years, with the Chinese government's high attention to and vigorous support for the TCM industry, TCM has assumed an increasingly prominent role in the country's economic and social development. As a leading enterprise in the TCM sector, the Group has upheld the spirit of innovation in its R&D endeavours, continuously expanding its product matrix and enriching its product portfolio to meet the diversified demands of the market. This Year, the Group continued to develop new products adapted to more diversified market demand, invest a lot of money and research & development personnel in this field, such as nourishing of body condition for the prevention of diseases. In addition, the Group actively advanced its scientific research on key product categories to facilitate further product upgrades and future product development.

To continuously scale up research achievements and further enhance core competitiveness, the Group will continue to adopt "industry-university-research-sales collaboration" strategy through collaboration with world-renowned universities and research organisations for continuous in-depth research on key products' safety, pharmacology and pharmacodynamics and other areas, aiming to provide solid scientific basis for TCM modernisation and internationalisation. It is expected that the results of scientific research will contribute a large amount of quantitative data for the future global expansion of the Group's TCM, and provide a cognitive foundation for Overseas residents to further understand, accept and consume TCM, provide solid technical and data support for the Group in further expanding its presence in Overseas markets and reducing potential market risks and promote the application and development of TCM in the international healthcare field.

The Group continues to collaborate with the "Centre for Chinese Herbal Medicine Drug Development" established by the Hong Kong Baptist University to conduct collaborative research based on Chinese medicinal compounds and will combine teaching and research resources to establish a professional training programme to enhance the strength of the collaborative platform. During the Year, the Group conducted a randomised, double-blind, placebo-controlled clinical trial on non-alcoholic simple fatty liver disease for its product "Lingzhi Turmeric Compound Blood-supplementing and Nerve-calming Capsules". The study was jointly carried out by the Group and Hong Kong Baptist University. The clinical trial protocol has successfully passed expert review, injecting new impetus into the steady development of the Group and providing new evidence for the application of TCM in modern medical practice.

Since its establishment, the Group has been focusing on the emerging areas of the national pharmaceutical industry and the hotspots of the macro-health industry while maintaining its independent innovation in the field of TCM. The Group has continued to increase its investment in forward-looking scientific research in the areas of anti-ageing, anti-cancer and stem cell to accelerate the cultivation of new quality productive forces.

Independent R&D and Innovation of Products

This Year, the Jin Chai Shi Hu San independently developed by the Group was awarded the Chinese Medicine Registration Certification by the Chinese Medicine Council of Hong Kong, further expanding the Group's product matrix. Meanwhile, the invention patent "A Preparation Method of an Anti-Ageing Product and Its Application" developed by the Group's subsidiary was officially authorised by the China National Intellectual Property Administration. This achievement not only reflects the Group's continuous investment in the integrated innovation of TCM and modern biotechnology but also demonstrates the Group's solid capability in thoroughly exploring traditional wisdom in the field of TCM anti-ageing and transforming it through modern scientific methods.

This Year, our Group has promoted a total of 20 scientific research projects. The Group has received a total of approximately HK$5.89 million in project funding support from the Hong Kong Special Administrative Region Government, as well as approximately Macau Pataca HK$12.03 million from the Macau Special Administrative Region Government this Year.

INTELLECTUAL PROPERTY RIGHTS

While upholding product quality and production efficiency, the Group has further strengthened its awareness of brand protection and actively safeguarded the legitimate rights and interests of consumers. Currently, the Group is taking a firm stance to crack down on counterfeiting, targeting infringing products with pinpoint accuracy. We honour the "No Fakes Pledge "Scheme of the Intellectual Property Department of Hong Kong, guide consumers to make prudent purchasing decisions and support authentic products and build a solid defence for brand protection. The Group has officially launched a digital traceability inquiry system on its official website. By scanning the exclusive QR code printed on the packaging of Beijing Tong Ren Tang products, consumers can directly verify product authenticity and check product information through this system. This initiative reinforces the protection of trademarks for genuine products and related intellectual property rights, effectively curbs infringement and counterfeiting activities, and upholds market order and consumer rights and interests.

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

PROTECTING CUSTOMER RIGHTS

Improvement on Customer Communication and Product Recall

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

INTEGRITY-DRIVEN OPERATIONS:

Striving to set Benchmarks in Quality and Excellence

AFTER-SALES MANAGEMENT AND PRODUCT RECALL PROCEDURES



Preparing for the new retailing and consumption patterns of the digital era, the Group diversifies its sales channels, including the establishment of an online shop on the Group's official website to provide customers with seamless experience both online and offline. Its marketing and promotion model is innovated, when the integrated online and offline diversified channels are expanded.

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

Customer Privacy Protection

The Group attaches great importance to the protection of customer privacy and intellectual property rights and is committed to ensuring the confidentiality of all information and the rights of each property holder through internal procedures such as the "Staff Manual" and "Rules on Management of Retailing Safety". Our internal procedures stipulate the staff's responsibility in keeping information confidential. All staff are not allowed to disclose customers' or internal information and data to third parties without prior consent of the Group. Meanwhile, security training and education on confidentiality are also provided to staff with access to confidential information to raise their awareness towards confidentiality. According to "Confidentiality Management Regulations", no staff is allowed to disclose customers' personal information without any prior written consent.

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

RESPONSIBLE PRODUCT MARKETING

The Group regards the provision of authentic, accurate and complete product information as the core responsibility and fundamental normative principle of product marketing. We have established and implemented a stringent internal control system to ensure that all product labels, package inserts, advertisements and promotional materials are fully compliant with the laws and regulations of the applicable jurisdictions, and to eliminate any misleading or false statements. The Group ensures that the packaging and package inserts for its products contain comprehensive information, including principal active ingredients, dosage and administration, functions or pharmacological effects, storage instructions, contraindications or side effects and expiry dates. This empowers customers to select appropriate proprietary Chinese medicine products and safeguards their health and safety. Meanwhile, the Group adheres to relevant regulatory requirements for product advertising and promotion; all advertisements and labels must be reviewed by the Compliance Department prior to release to ensure that the content is authentic, accurate, appropriate, clear and free of fraudulent elements.

If we receive complaints about our product advertisement and labelling, we shall immediately carry out an investigation to find out the reasons and conceive solutions and improvement measures so as to avoid the re-occurrence of similar complaints. This Year, the Group did not receive complaint regarding advertisement and illustration.

SUSTAINABLE SUPPLY CHAIN

To ensure product quality and build a resilient and sustainable supply chain system, the Group has formulated and regularly updated the “Material Procurement Management Rules” and “Suppliers Management Rules” to provide clear guidelines for requirements and procedures of supplier assessment and approval.

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

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

INTEGRITY-DRIVEN OPERATIONS:

Striving to set Benchmarks in Quality and Excellence

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

Key Material Supplier (Type A)

- Conduct on-site audits every two years
- Perform annual supplier evaluations every year and fill in the "Supplier Annual Quality Review Evaluation Form"

Non-key Material Supplier (Type B)

- Perform annual supplier evaluations every year and fill in the "Supplier Annual Quality Review Evaluation Form"

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

This Year, the Group had a total of 275 suppliers, which are located in Asia, Oceania, the Americas and Europe. The selection process established by the Group and the environmental and social risk identification system and monitoring mechanism are applicable to 100% of suppliers for the Year.

PEOPLE-ORIENTED CULTURE



Fostering a Harmonious and Healthy Workplace

PEOPLE-ORIENTED CULTURE: FOSTERING A HARMONIOUS AND HEALTHY WORKPLACE

We are guided by the belief that *"people are at the heart of our development, with individuals and the enterprise advancing in unison"* and aim to cultivate an inclusive, equitable and health-conscious workplace where our people can thrive.

EMPLOYMENT SYSTEM

The Group aims to create a friendly, equal, diverse and respectful working environment for its employees. The Group has clearly stipulated the measures and arrangements related to remuneration, recruitment and promotion, working hours and holidays in the *Staff Manual*, to safeguard employees' rights and obligations.

Remuneration

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

Benefits

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

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

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

Leave Arrangement

Apart from local statutory leave, the Group provides additional paid holidays, including marriage leave, compassionate leave and home leave, to ensure employees rest well.

Fostering a Harmonious and Healthy Workplace

Diversity, Equal Opportunities, and Anti discrimination	The Group follows the principle of "distribution based on contribution and equal pay for equal work" and provides equal development opportunities for all employees and job applicants. No biased decision is made based on race, gender, age, religion or other factors that are not related to the employees' or job applicants' ability, qualifications and experience to build an inclusive and fair working environment. To enhance the diversity of the Board, the policy on diversity of the Group's Board members states that different factors such as gender, age, culture and educational background are taken into consideration when selecting new directors.
Recruitment, Promotion, and Termination	The Group conducts annual performance appraisals for all employees. All recruitment, promotion and termination procedures adopt the principle of fairness and openness, and such decisions shall be made based on factors including work performance, attitude and development direction of employees or applicants. Procedures related to recruitment, promotion and termination are specified in the *Staff Manual* to help employees understand their rights and relevant procedures, and provide a clear and consistent reference for their career development and employment transition arrangements.
Prevention of Child Labour and Forced Labour	The Group prohibits the recruitment or use of child labour and verifies the identity documents of job applicants during the hiring process, keeping records on file. A risk assessment process is established to identify the risks of inadvertently hiring child labour or encountering cases of forced labour, ensuring compliance and eligibility for employment. Working hours and job duties are specified on the employment contract. Employees are only required to perform their job duties thereon and strictly prohibited to forcibly require them to undertake job duties mentioned outside of the contract's requirements or hours in any form. In the event that there is any employment of child labour or forced labour, the Group will handle including reporting to the enforcement branch, assisting the aggrieved employee, and also taking disciplinary actions in accordance with relevant laws and regulations.

For details on employee distribution, please refer to "Appendix I: Key Performance Indicators".

PEOPLE-ORIENTED CULTURE:

Fostering a Harmonious and Healthy Workplace

EMPLOYEE HEALTH AND SAFETY

The Group provides a safe and healthy work environment for employees. A series of internal control systems have been formulated, including the *Rules on Management of Retailing Safety*, *the Rules on Safety Risk Classification and Control System*, and *the List of Production Safety Responsibilities for All Personnel*, which specify safety management requirements for workplaces and warehouses to mitigate potential risks and impacts that daily duties may pose to employees.

Plan

Health and safety hazard assessment

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

Workplace and storage layout

All work sites (including retail outlets and warehouses, among others) must comply with safe operation specifications and be equipped with appropriate and clearly visible safety signs. Firefighting equipment shall also be regularly inspected and maintained by designated professional.

Inflammable items, poisonous and hazardous substances in the Tai Po Production and R&D Base are stored in designated space and labelled. A valid licence has been granted to the Group and annual safety and electricity inspection has been conducted by the Fire Services Department to ensure ongoing safety.

Policy

Safety rules and guidelines

The Group formulated the *Rules on Management of Retailing Safety* and *Safety Regulations for Dust Explosion Prevention* and Protection and other internal policies, specifying the provisions for safety management of workplaces and warehouses.

Execution

Establishing safety culture and enhancing safety education

To enhance employees' health and safety awareness, we develop annual training plan which includes monthly training with different themes in accordance with the requirements of the Department of Health.

We conduct regular safety production training, including standard operation of equipment, safety and emergency management, fire safety knowledge and facility usage, as well as traffic and security safety.

Investigation

Regular inspections and accident investigations

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

Health management and promotion

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

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

PEOPLE-ORIENTED CULTURE:

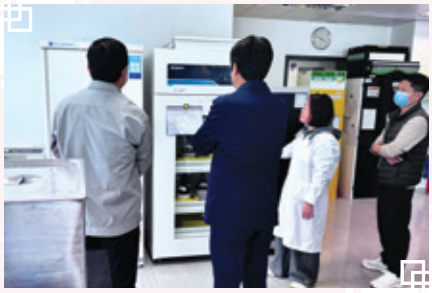
Fostering a Harmonious and Healthy Workplace

During the Year, the Group systematically carried out a series of safety inspections and diverse safety practices, ranging from risk identification and special drills to regular training, to comprehensively strengthen the Group's workplace safety production defence line.

Advancing Workplace Safety through "Work Safety Month Campaign"

Safety Thematic Meeting at Hong Kong Production and R&D Base

The Group held a work safety meeting at its production and R&D base in Tai Po, Hong Kong, to convey the Group's requirements. The meeting clarified key prevention points for production workshops, laboratories, and special equipment, emphasised that safety is a non-negotiable red line, and implemented the principle that "department heads are the primary responsible persons".



Fire Drill at Beijing Office



The Group organised a fire evacuation drill at its Beijing office. Under the guidance of professional firefighters, scenarios including smoke evacuation and fire extinguishing operations were simulated to enhance employees' emergency response and self-rescue capabilities, and to implement the safety philosophy of "prevention first, combining prevention with rescue".

PEOPLE-ORIENTED CULTURE:

Fostering a Harmonious and Healthy Workplace

TRAINING AND DEVELOPMENT

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

At the same time, we have also established the *Rules on Management of Training* to develop appropriate training plans in response to enterprise development goals, and the specific needs of different job positions, to ensure that employees possess the safety knowledge required for their positions. We also attach great importance to providing training to retail outlets staff in order to continuously improve their working skills so as to provide high-quality customer services. We regularly collect opinions from employees to review and update the training programmes to further improve our approaches of training.



During the Year, the Group actively expanded diversified talent development channels and promoted the international exchange and systematic inheritance of professional knowledge through cross-border cooperation.

Joint Establishment of an Education and Training Base with The Chinese Medicine Council of New Zealand ("CMCNZ")



During the Year, the Group signed a Memorandum of Understanding ("MOU") on Joint Training of TCM Talents with the Register of New Zealand Traditional Chinese Medicine Practitioners Inc. This collaboration marks a key step in the development of an international TCM education system and injects new impetus into the inheritance and development of TCM in New Zealand. The two parties will jointly establish a standardised training system to systematically enhance the professional and academic capabilities of local TCM practitioners, improve the talent echelon, and aim to build a professional, international, and sustainable TCM talent team, providing solid support for the Group's overseas business expansion and the global dissemination of TCM.



ENVIRONMENTAL MANAGEMENT



Advancing Green
Development Proactively

ENVIRONMENTAL MANAGEMENT: ADVANCING GREEN DEVELOPMENT PROACTIVELY

We uphold the conviction that *"although patients do not see the process of making TCM, we should always do it earnestly"* to strive for excellence in R&D while advancing environmental stewardship.

Against the backdrop of mounting challenges arising from climate change, environmental degradation and resource constraints, we fully recognise the critical importance of corporate environmental responsibility in advancing sustainable development. The Group complies with environmental protection laws and regulations in all locations where it operates, strictly abiding by the requirements of national, local and overseas laws and regulations. Drawing on the characteristics of the TCM industry and its actual production and operation, the Group has formulated a series of internal policies and measures to systematically regulate the management of emissions, waste, energy and water resources.

Meanwhile, the Group is committed to integrating climate resilience into its operational strategies and proactively conducts climate risk identification and prevention to minimise the potential impacts of extreme weather events on its production and operations. During the Year, we also established the "2030 Climate Target" for the first time, further clarifying the pathway for climate action.

ADAPTING TO CLIMATE CHANGE

The Group fully recognises the far-reaching impacts of climate change on society and its business operations. We collaborate closely with stakeholders to advance climate action and pursue a steady transition to a low-carbon economy. During the Year, we turned challenges into opportunities by proactively assessing the resilience of our operations to climate-related risks and opportunities, while accelerating GHG emission reductions across our business.

Governance

Board's Role and Oversight

The Board has ultimate responsibility for the oversight of climate-related risks and opportunities. With the support of the management, the Board oversees the Group's climate-related matters, including climate change policies, the management of climate-related risks and opportunities, and the progress of the 2030 Climate Target. The management reports to the Board at least annually on sustainability matters, and climate-related issues, risks and opportunities are considered as part of the Board's ongoing oversight of the Group's strategy and risk management. The scope of reporting covers climate-related issues, climate-related risks and opportunities. The Board considers trade-offs between climate factors in strategy formulation, major transaction decisions and risk management processes, balancing them against other business, financial and operational priorities, as well as progress on climate target implementation, thereby integrating climate considerations into the Board's overall decision-making.

Members of the Board and the management possess sufficient knowledge of climate-related matters and understand their impacts on the Group's business and operations. The Group provides regular climate-related training and materials to ensure timely updates and informed oversight.

Management's Role

Under the supervision of the Board, the management is responsible for assessing and managing climate-related risks and opportunities, planning and implementing climate-related measures, and reviewing climate-related policies. The management implements the strategic direction set by the Board by incorporating climate considerations into our daily operations.

See "ESG Governance" for details.

Strategy

In response to the long-term challenges posed by climate change, the Group continues to strengthen its capabilities in identifying and managing climate-related risks and opportunities and integrates such considerations into its sustainability risk and opportunity management mechanism. During the Year, we further enhanced the breadth and depth of our climate strategy planning by assessing the financial and non-financial impacts of climate change on the Group across multiple dimensions, including business operations, the supply chain and the market environment, thereby strengthening our climate resilience. A summary of the key identified climate-related risks and opportunities over three distinct time horizons is presented in the table below. We continue to apply time horizons that are aligned with our strategic decision-making and planning, and global and/or national best practices. However, since data availability and quantification methods continue to develop or evolve, we will continue to monitor and, where feasible, describe the concentration of climate-related risks and opportunities across our business model and value chain. As research in this area continues to evolve, we expect to strengthen our understanding and further identify relevant risks and opportunities across our core operations.

Key Climate-Related Risks and Their Impacts

Risk Type	Risk Category and Description	Financial Impacts	Non-Financial Impacts	Response Actions and Transition Measures
Physical risk				
Operational Risk	**Acute Physical Risk:** Increasing frequency and intensity of extreme weather events (e.g., typhoons, flooding caused by heavy rainfall, extreme high temperatures) pose direct physical impacts on the Group's global operational network.	**Current Financial Impacts** • Increase equipment repair and maintenance costs. • Result in partial sales losses and additional warehousing costs in coastal business regions. **Anticipated Financial Impacts** • Increase costs of preventive measures (e.g., infrastructure reinforcement and maintenance) due to frequent extreme weather events in short to medium term. • Potential increase in property insurance premiums in medium to long term amid more frequent extreme weather events	• The Group's overseas operations rely on stable regional supply chains; extreme weather may disrupt production plans and customer deliveries. • Physical assets such as production facilities and warehouses face risks of direct damage, leading to operational disruptions and production capacity losses. • Extreme weather raises risks to employees' commuting or workplace safety.	• The Group has formulated relevant policies to enhance climate resilience and adaptive capacity in response to climate change. • Require management teams of all domestic and overseas business operation sites to closely monitor local weather warnings, and implement waterproofing, reinforcement and other protections for key equipment before severe weather. • Regularly inspect climate-related safety hazards at operation sites. • The Group will explore business interruption insurance to cover all potential and actual losses. • Maintain stable relationships with major suppliers to ensure timely delivery of products and/or raw materials. • Strengthen training and education; disseminate knowledge and precautions on responding to severe weather events (e.g., typhoons, rainstorms, flooding) through corporate groups and noticeboards to remind employees of travel safety and enhance emergency awareness. • Arrange flexible working hours in accordance with weather warnings to prevent accidents.

ENVIRONMENTAL MANAGEMENT:

Advancing Green Development Proactively

Risk Type	Risk Category and Description	Financial Impacts	Non-Financial Impacts	Response Actions and Transition Measures
Operational Risk	Ⓜ Ⓛ **Chronic Risk:** Long-term changes in climate patterns (e.g., sea level rise, persistent high temperatures) have led to the deterioration of operating environments in many regions globally.	**Current Financial Impacts** • No significant direct financial loss. **Anticipated Financial Impacts** • Energy costs may increase in medium to long term due to higher demand for air conditioning • Equipment maintenance costs may increase in medium to long term due to high-temperature wear and tear. • If the Group deploys key long-term assets in coastal areas both domestically and overseas, such assets may face long-term impairment risks arising from sea level rise in long term.	• Persistent high temperatures may increase the risk of heatstroke among employees, raise equipment failure rates, affect supply chain stability, and may also increase operational compliance pressure due to water usage restrictions.	• Formulate relevant policies to strengthen its climate resilience and adaptive capacity in response to climate change. • Optimise the operational efficiency of heating, ventilation and air conditioning systems to reduce power consumption amid rising temperatures.
Transitional risk				
Operational Risk	Ⓜ Ⓛ **Policy and Legal Risk:** Regulators worldwide and in various jurisdictions are accelerating emission reduction requirements, including China's "Dual Carbon" strategy, carbon pricing, and the expansion of carbon markets. Meanwhile, the HKEX has enhanced climate-related disclosures. Overall, climate policies are becoming increasingly stringent, and enterprises are facing higher transparency and emission reduction requirements.	**Current Financial Impacts** • No significant direct financial losses. **Anticipated Financial Impacts** • Revenue loss in medium to long term due to reputational damage and/or loss of social licence to operate.	• Failure to adapt to policy changes or meet disclosure requirements may result in strategic misalignment, regulatory penalties, and reputational damage.	• Regularly monitor the latest regulatory changes in operating locations including Chinese mainland, Hong Kong, the United States, Europe, Singapore, and Australia to ensure compliance. On this basis, we will improve the management systems of overseas companies and establish a comprehensive risk prevention and control network • Explore the feasibility of implementing the new climate-related disclosure requirements proposed by the HKEX, and gradually formulate and implement work plans, progress, and timelines. • Provide regular training to enhance employees' and suppliers' (where applicable) understanding of climate-related government policies and regulatory requirements to comply with new regulations.
Financial Risk	Ⓜ Ⓛ **Market (Rising Raw Material Costs):** The Group relies on a wide range of raw materials for production. Extreme weather events may restrict suppliers' production capacity, potentially leading to supply shortages and price increases, intensifying pressure on production and operating costs.	**Current Financial Impacts** • Tight supply of specific raw materials and low-carbon materials may drive up current procurement expenditures. **Anticipated Financial Impacts** • In medium to long term, decarbonization costs of suppliers and raw material providers may be passed on as higher procurement prices, pushing up partial costs. • Cost increases in the medium to long term may compress profit margins.	• Disruption to the continuity of production plans may lead to delivery delays and potential customer loss in long term.	• Optimise the supplier ESG management framework and explore strategies to drive the green supply chain transformation. • Establish a list of multiple alternative suppliers for key raw materials, continuously identify and evaluate new suppliers, and include them in the procurement assessment process to avoid supply disruption risks. • Maintain multiple alternative suppliers, continuously include the development of new suppliers in the procurement assessment scheme, actively seek alternative materials and optimise production processes. • Regularly analyse suppliers' supply risks, strengthen strategic cooperation with suppliers, and increase inventory stocking by key suppliers.

Ⓢ Short Term (2030) Ⓜ Medium Term (2040) Ⓛ Long Term (2050)

Key Climate-Related Opportunities and Their Impacts

Opportunity Type	Opportunity Category and Description	Financial Impacts	Non-Financial Impacts	Response Actions and Transition Measures
Climate-Related Opportunity				
Operational Opportunity	Ⓜ Ⓛ **Energy Source:** Against the global decarbonization trend, renewable energy is becoming increasingly economical and accessible, creating strategic opportunities for the Group's operations.	**Current Financial Impacts** • Reduce expenditure on purchased electricity. **Anticipated Financial Impacts** • Explore participation in local green electricity trading or application for renewable energy certificates to develop potential revenue streams in medium and long term.	• Enhance brand reputation and market competitiveness, while mitigating regulatory risks.	• Actively promote green production and have implemented a series of energy conservation measures and policies, such as adopting energy-efficient lighting, turning off all equipment and lighting systems after work or when not in use, and arranging electricity use reasonably in accordance with production needs.
Operational Opportunity	Ⓜ Ⓛ **Resource Efficiency:** Investment in high energy-efficiency equipment and optimised operational management can significantly lower long-term operating costs.	**Current Financial Impacts** • Reduce operating costs by adopting higher energy-efficiency equipment and improving resource efficiency in daily operations. **Anticipated Financial Impacts** • Reduce regulatory expenditures in medium and long term	• Lower carbon emissions generated from operations to meet increasingly stringent carbon emission regulations and disclosure requirements, while enhancing brand reputation and market competitiveness.	• Adopt high energy-efficiency equipment and LED lighting to improve energy efficiency. • Provide regular training for employees on resource efficiency.

Ⓢ Short Term (2030) Ⓜ Medium Term (2040) Ⓛ Long Term (2050)

Climate Scenario Analysis

During the Year, the Group initiated its first climate scenario analysis to assess the resilience of its strategy and business model to a range of potential climate outcomes. The analysis was conducted across core operations in Hong Kong at the Group level and was designed to inform strategic planning and risk management. The results informed our strategic planning, risk and opportunity management and resource allocation for various time horizons.

Scenario and Modelling Approach

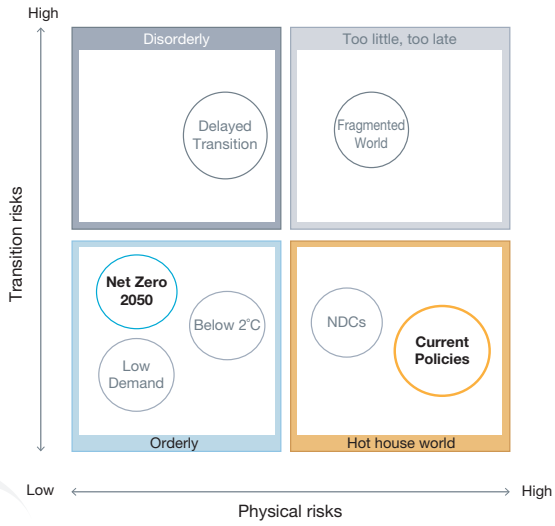
We used the Network for Greening the Financial System ("NGFS")[1] as the primary dataset and selected both low-carbon and high-carbon scenarios, namely Net Zero 2050 scenario and the Current Policies scenario as they are the internationally recognised, are among the publicly available scenario sources, and are directly relevant to the Group. The scenarios were not intended to be predictions of the future; rather, they sought to stress test our business against several plausible future states. The uncertainty is subject to the current limitations of available literature and data in quantifying the influence of climate with a high degree of certainty. Our current approach was based on a snapshot of our current situation and assumed no change in our major business operations, operating locations or carbon mitigation measures, and no correlation between different climate risk variables. Going forward, we will continue to refine our approach to climate scenario analysis as new credible data and methodologies become available.

[1] NGFS is a group of central banks and supervisors who share best practices, contribute to developing climate and environment risk management in the financial sector, and mobilise mainstream finance to support the transition to a sustainable economy.

ENVIRONMENTAL MANAGEMENT:

Advancing Green Development Proactively

The NGFS scenario overview is presented in the figure below.



In analysing the relevant indicators, we integrated global climate models, regional climate data, and industry forecasts to evaluate physical and transition risks relevant to the Group's operations. The analysis considered physical risk indicators such as cyclones, floods, and heatwaves, as well as transition risk factors impacting operating costs and transition pressures, including carbon pricing. The results indicate that, across all assessed scenarios, identified risks remain low.

Please refer to the tables below for an overview of the selected time horizons, climate scenarios, and analysis results.

Time Horizons and Climate Scenarios Selection

Risk Indicators/Variables		Time Horizons	NGFS Scenarios Selection
Physical Risk	**Acute Risk:** • Cyclones • Floods **Chronic Risk:** • Heatwaves	**2030 (short-term)** **2040 (medium-term)** **2050 (long-term)**	**Net-Zero 2050 (Orderly Pathway):** • Assumes immediate, ambitious climate policies and rapid technological transition, achieving net zero CO2 emissions around 2050, limiting warming to 1.5°C[2] with minimal overshoot, low physical risks, and high transition risks. **Current Policies (Hot House World):** • Assumes only existing policies are maintained, leading to emissions growth until 2080 and about 3°C of warming, resulting in severe physical risks, including irreversible impacts like higher sea levels.
Transition Risk	**Policy and Legal Risk:** • Carbon Pricing		

[2] In line with the Paris Agreement's goal of limiting global temperature rise to within 1.5°C this century.

Scenario Analysis Results

Risk Level: High Moderate Low

Risk Category		Hong Kong	Impact Level					
			Net-Zero 2050 Scenario			Current Policies Scenario		
			2030	2040	2050	2030	2040	2050
Physical Risk	Cyclones	✓						
	Floods	✓						
	Heatwaves	✓						
Transition Risk	Carbon Pricing	✓						

Climate Resilience and Adaptive Capacity

The results of the climate-related scenario analysis inform the Group's assessment of the resilience of its strategy and business model under different scenarios and time horizons. The analysis supports an understanding of how climate-related changes could affect the Group's operations and strategic positioning, and provides a basis for identifying areas where enhanced risk and opportunity management, strategic adjustment or resource allocation may be required.

We maintain the capacity to adapt our strategy and business model over short, medium, and long term through existing risk management and strategic planning processes. Scenario analysis outcomes are incorporated into these processes to support timely decision-making, enabling the Group to respond proportionately to evolving climate-related risks and opportunities while supporting long-term resilience and sustainable value creation.

Risk Management

The Board bears ultimate responsibility for the design and implementation of the risk management mechanism. Under the supervision of the Board, the Group conducts sustainability risk and opportunity assessments, including climate-related risks and opportunities. We identify, assess and manage climate-related risks and opportunities in terms of their potential impacts and likelihood, and prioritise them accordingly. Based on the assessment results, the Group formulates appropriate mitigation measures to enhance its risk response capabilities.

For further details, please refer to the section "ESG Risk and Opportunity Management".

Metrics and Targets

In support of China's 3060 goal, namely peaking carbon emissions by 2030 and achieving carbon neutrality by 2060, and taking into account the Paris Agreement, an international climate agreement aimed at limiting global warming to 1.5°C above pre-industrial levels, the Group has formulated a clear carbon reduction pathway based on its business characteristics and is steadily advancing its low-carbon transition. Within this framework, we disclosed key climate-related metrics in our annual ESG Report, including Scopes 1, 2 and 3 GHG emissions and energy consumption, etc., and have established our "2030 Climate Target"[3]. We report the progress of these metrics and targets to the Board on an annual basis to enable ongoing oversight and continuous improvement of our environmental performance.

- Reduce 15% of our absolute GHG emissions (Scopes 1 & 2) (compared to our 2024 baseline year) by 2030

The "Appendix I: Key Performance Indicators" section of this Report discloses the Group's direct and indirect energy consumption, as well as the corresponding GHG emissions. Scope 3 emissions for 2025 incorporate available data from three applicable categories, reflecting our continued progress in enhancing data accuracy and refining calculation methodologies. While the Group's impact on certain Scope 3 categories remains relatively limited, we will continue to monitor such emissions and are committed to further enhancing related disclosures and reducing carbon emissions across the entire value chain in the near future.

[3] The Group's GHG target applies to the Group's core businesses, and covers three GHG as defined under the Kyoto Protocol: carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O). Details of the scope are set out in the section headed "Report Purpose, Period and Scope". We will consider the potential use of quality carbon credits and renewable energy certificates ("RECs") as part of our decarbonisation pathway and continue to monitor relevant guidance and market developments relating to carbon credits and offsets, including HKEX guidance on the use of carbon credits to offset GHG emissions in achieving GHG emissions targets.

WASTE AND EMISSIONS MANAGEMENT

Waste Management

The Group is well aware of the impact of waste on the environment and society, and we handle waste generated during operations with caution. The waste generated in our operations is mainly divided into hazardous waste and general non-hazardous waste. To ensure proper handling, the Group implemented internal regulations such as *Measures on the Administration of Environmental Management Protection of Production Bases* and *Rules on Management of Laboratory Waste*, and implemented specific supervision and handling measures for each category of waste to effectively prevent environmental risks arising from misclassification or improper disposal.

Hazardous Waste

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

Chemicals and other hazardous waste	Medical waste
• Toxic and hazardous waste (e.g., chemical containers, waste oil) must be sorted and placed in clearly labelled dedicated containers. • Waste shall be transferred to licensed recyclers for proper disposal, with full records kept and filed throughout the process. • The Group also encourages employees to recycle hazardous waste such as ink cartridges and used batteries, and hand them over to qualified professional recyclers.	• The needles used by the Group in Chinese medical consultation and acupuncture fall within the scope of clinical waste Group 1 — Used or Contaminated Sharps. • Following the provision of acupuncture services at retail outlets, staff must immediately replace the protective cap on used needles. • Capped needles shall be placed in clearly labelled dedicated medical waste containers and stored separately from other waste. • Sealed medical waste shall be transferred to licensed medical waste collectors for proper disposal.

Non-hazardous Waste

The Group's daily operation generates non-hazardous waste such as packaging materials and domestic wastes. Upholding the principle of reducing waste at source, the Group actively promotes reusing and recycling resources, and strives to reduce the non-hazardous waste generated by the operation.

Waste generated from production process and packaging materials	Domestic waste
• The Group adheres to the approach of "purchase-on-demand", where we purchase packaging material based on the production volume of our products accordingly. Employees at Tai Po Production and R&D Base are encouraged to reuse resources, and prevent wilful discard of recyclable waste such as newspapers and paper boxes. Employees are required to collect and separate recyclable waste, which will be sent to waste collectors for recycling.	Food waste generated from the canteen of the Tai Po Production and R&D Base is collected and stored at designated rubbish bins to be collected and disposed by our collector. The qualified collector will regularly collect and handle wastewater and waste oil being discharged from the kitchen to the grease traps subsequently. Meanwhile, office staff are encouraged to reduce the use of, as well as making best use and recycle any single-use items by types: • Meanwhile, office staff are encouraged to reduce using as well as making best use and recycle any single-use items by types • Establish a new electronic system, adopt electronic communications to reduce printing • Use both sides of papers and reuse single-side printed paper • Collect paper and deliver it to independent professional recyclers for follow-up processing

Sewage Management

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

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

In relation to domestic water consumption, the Group has proactively implemented a suite of integrated measures across its office premises, including water recirculation, multi-purpose water utilisation and wastewater reuse, with the aim of improving water use efficiency. Domestic water quality monitoring and testing are conducted annually at the Group's production and R&D bases to ensure full compliance with applicable standards.

Air Emission Management

Air pollutants are mainly generated from emissions from gasoline and diesel burned from vehicles operating in each operating sites, liquefied petroleum gas consumed by cooking herbs in Asia operating sites, the burning of natural gas by cooking herbs in the Americas operating sites and the burning of natural gas in Europe for heating purpose. To enhance air pollution prevention and control, the Group has formulated and implemented a series of internal management systems, including the *Clean Production Management Measures*, in accordance with relevant regulations such as the *Air Pollution Control Ordinance* and the *Ozone Layer Protection Ordinance*. These measures aim to systematically control pollutant emissions from source to production, actively promoting cleaner production practices.

To further reduce air pollutant emissions, we have continued to conduct publicity and training on clean production to enhance employees' environmental awareness and practical capabilities, while gradually phasing out highly polluting and inefficient technologies and equipment. Meanwhile, the Group encourages employees to replace business travel with video or telephone conferences, increase the use of public transport, and implement measures such as turning off engines while parked. Through such concrete actions, we strive to reduce our carbon footprint.

ENHANCING RESOURCE EFFICIENCY

Energy Use

The Group is committed to enhancing energy efficiency through effective management and sustainable operational strategies, in fulfilment of its commitment to low-carbon operations.

To reduce energy consumption, the Group has implemented a series of energy conservation measures, including the promotion of digitalised systems, optimisation of equipment operational efficiency, and the adoption of energy-saving and waste-reduction principles in daily operations. Furthermore, the Group actively promotes the development of distributed photovoltaic power generation and makes full use of new energy technologies such as ground-source heat pumps and air-source heat pumps. In eligible existing office buildings and industrial facilities, we have appropriately deployed distributed photovoltaic power generation systems and developed innovative "PV+" application scenarios. Concurrently, we continue to improve energy efficiency for key energy-consuming equipment, regularly update equipment registers, and strengthen energy conservation monitoring.

As energy consumption is the primary source of the Group's GHG emissions, we will continue to focus on and strive to enhance the energy usage efficiency at the Tai Po Production and R&D Base, offices and retail outlets.

Primary measures	Actions
Resource-saving facilities	• The air conditioning and lighting system of the Tai Po Production and R&D Base is set to day or night modes; All electrical equipment is turned off after work; high energy-consuming equipment is regularly inspected; • Install timers in the public areas of the Tai Po Production and R&D Base; Timers are installed for outdoor fixtures; Prioritise the use of natural light, and additional light tubes are installed.
Data monitoring and management	• Arrange power supply based on production demands and install information card for production equipment; • Regularly analyse energy and water consumption.
Ecological environment optimisation	• Highly adaptable plant species are used for greening around production and R&D bases to enhance environmental regulation.

Resource Circularity

Amid growing stakeholder focus on the circular economy, the Group is committed to integrating green design, resource conservation and environmentally friendly practices into its entire product and operational lifecycle. The Group attaches importance to the ecological impacts of products and packaging. At the design stage, priority is given to non-toxic, harmless, biodegradable or readily recyclable materials, while right-sized packaging is promoted to minimise excessive material use and reduce packaging waste. In its retail operations, the Group actively offers eco-friendly products, reduces the use of single-use items and plastics, restricts excessive packaging, and encourages more sustainable consumption behaviours.

Meanwhile, the Group continues to enhance waste reduction, classification, recycling and resource recovery practices. It actively explores the comprehensive utilisation and recycling of by-products generated during production, including waste materials, wastewater and residual heat, with a view to advancing closed-loop resource management and fulfilling its corporate environmental responsibilities.

ENVIRONMENTAL AND NATURAL RESOURCES

The Group consistently adheres to the principles of respecting, aligning with and protecting nature, and is committed to maintaining ecosystem stability and biodiversity. We actively protect wild medicinal resources, and firmly oppose illegal harvesting, trading, acquisition or processing of state-protected wild plants, as well as acts that damage their habitats, thereby promoting the sustainable use of medicinal resources and ecological balance. For precious raw materials including calculus bovis, musk and ganoderma lucidum used in products such as Angong Niuhuang Wan and Sporoderm-Broken Ganoderma Lucidum Spores Powder Capsules, the Group maintains a strictly traceable and responsible supply chain. We prioritise suppliers adopting sustainable farming and cultivation practices to ensure sourcing does not affect wild populations and habitat stability. Through technological innovation and industry collaboration, we pursue a balanced approach between resource conservation and the preservation of medicinal efficacy.

COMMUNITY CONTRIBUTION



Creating Shared Value
Through Collective Progress

COMMUNITY CONTRIBUTION: CREATING SHARED VALUE THROUGH COLLECTIVE PROGRESS

We carry forward the spirit of *"promote people's health with noble morality and kindness"* to champion healthy living and sustain the enduring legacy of TCM within the communities we serve.







Upholding the mission and vision of "Healthy Life Global Choice", the Group strictly abides by the *Measures for the Administration of External Donations*, and is committed to improving the accessibility of pharmaceutical services, providing the public with convenient and reliable medical services, and contributing to overall public health and well-being. In addition, we collaborate with various sectors of society to advance public welfare initiatives, promote the education and cultural heritage of TCM, and actively fulfil the responsibilities as a corporate citizen by giving back to the community through tangible actions.

PROMOTE HEALTH ACCESSIBILITY

To effectively improve the accessibility of pharmaceutical services, the Group has extended TCM health support to communities and daily life scenarios. Through health lectures, community free clinics, and the distribution of support materials, we have enabled different groups to access essential prevention, treatment, and healthcare services in a more convenient and accessible manner.







COMMUNITY CONTRIBUTION:

Creating Shared Value Through Collective Progress

Launched the "Step Out" Series of Activities to Empower Women in the Workplace and the Elderly

During the Year, the Group's Macau subsidiary launched the "Step Out" series of activities, leveraging TCM health services as a link to bring health support to different communities. For working women, we collaborated with Air Macau to organise TCM health promotion activities themed "Identify Constitution, Regulate Body and Mind, Enjoy Health", tailored for female flight attendants. For the elderly, the team also visited community organisations to provide TCM health preservation and meridian dredging lectures for senior volunteers, demonstrated the use of health care tools, and led meridian exercises, helping the elderly integrate health preservation knowledge into their daily lives. In the future, this series of activities will continue to expand its service scope, enabling more people to benefit from TCM culture.





Since 2016, under the initiative of "Show Love and Care to Stroke Prevention", the Group has continuously brought stroke prevention knowledge and TCM culture to the community through diverse and innovative forms, covering all sectors of Hong Kong society. From health lectures to community free clinics, from the elderly care to public science popularisation, "Show Love and Care to Stroke Prevention" has become an influential public welfare health brand in Hong Kong.

Over the decade since its launch, the initiative has…

Cumulatively invested more than
10,000+
hours of effort

Reached
5 million+
people

Distributed more than
10,000+
Tong Ren Care Packages to elderly residents and people in need in the community

Reaching Workplaces and Communities, Building a Multi-layered Prevention Network

During the Year, "Show Love and Care to Stroke Prevention" extended to workplaces and continued to support the elderly community, providing tailored health support to people of different ages and lifestyles. For office workers, Beijing Tong Ren Tang collaborated with various enterprises to hold occupational health lectures. TCM practitioners delivered lectures on stroke prevention, supplemented by Baduanjin demonstrations and acupoint health care teaching. On-site interaction sessions were arranged, and "Tong Ren Care Packages" were distributed, bringing practical workplace wellness and stroke prevention knowledge to the office. For the elderly, the activities were held at community centres, combining health lectures, free clinics, Chinese medicine sachet workshops, and Baduanjin exercises. Through interactions between student ambassadors and the "Bronze Man", intergenerational integration was promoted, comprehensively strengthening the community's mobilisation for stroke prevention.

PROMOTE TCM CULTURE

The Group continues to deepen its efforts in promoting TCM culture. Through a series of activities, it has brought TCM knowledge, healthy lifestyles and disease prevention concepts to diverse communities, and fostered greater understanding and dissemination of TCM culture among the younger generation and overseas communities.

The Group's First Global TCM Cultural Experience Centre Opened in Macao, Driving the Global Dissemination of TCM Culture and Showcasing the Profound Heritage of TCM to the World

In October of the Year, the Group's first global TCM Cultural Experience Centre opened in Macao. This important milestone marks the continuous in-depth expansion of TCM culture into the field of "global health".

As the first experience centre that centrally embodies the characteristics of TCM culture, it will actively drive the "service and culture" upgrade of retail terminals, realising the transformation of stores from a single sales function to an integrated "service + culture" experience. Meanwhile, it will strengthen the systematic presentation and immersive experience of businesses including TCM cultural study tours, cultural and creative retail, and cultural exhibitions, enabling the health and wellness philosophy with Chinese characteristics to be more deeply integrated into the global vision.

Participated in the 3rd Hometown Fair and Carnival to Showcase TCM Culture

In June of the Year, the 3rd Hometown Fair and Carnival was held in Hong Kong. At the event, the booth, themed "Inheriting TCM Culture, Safeguarding Public Health", displayed more than 130 kinds of medicines and medicinal and edible products of the Group, providing rich choices for Hong Kong citizens in health preservation.

In addition, through product display walls, QR code-guided explanations, TCM free clinics, and the exhibition of national quintessence and intangible cultural heritage products, citizens were able to appreciate the unique charm of traditional culture through immersive experiences.

Title-sponsored the World Essay Competition for College Students: Internationalisation of TCM to Promote the Cultural Exchange of TCM

To promote the cultural exchange of TCM and the cultivation of young talents, the Group has supported the World Essay Competition for College Students: Internationalisation of TCM for three consecutive years and title-sponsored the "Tong Ren Tang Chinese Medicine Cup" 6th edition. Participants elaborated on their insights and learning experiences regarding the Internationalisation of TCM around topics such as clinical application, international communication, education and legislation, policy orientation, and brand strategy. Through hosting this competition, the Group aims to further advance the exchange and dissemination of TCM culture among the younger generation worldwide.



To date, the event has ...

Covered more than
30+
countries and regions

Attracted over
70+
universities and colleges

Engaged more than
1,900+
students

COMMUNITY CONTRIBUTION:

Creating Shared Value Through Collective Progress

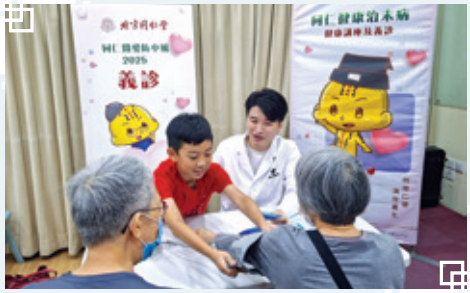
The 10th "Show Love and Care to Stroke Prevention" Campaign Made Its Debut on Campus to Promote TCM Culture to the Youth

During the 10th "Show Love and Care to Stroke Prevention" Campaign, the Group joined hands with "Edubile", the education brand of China Mobile Hong Kong Company Limited, to launch the first "Hong Kong Student Ambassador Programme for Chinese Medicine and Health Care". This innovative initiative marks the campaign's expansion from communities to campuses.

Over 50 Hong Kong students, through a carefully designed curriculum, not only learned to plant herbs firsthand but also utilised the 5G+AIoT technology provided by "Edubile" to observe, record, and analyse plant growth data, effectively cultivating a scientific research spirit and innovative thinking. Furthermore, students stepped out of the classroom and went deep into the community, participating in visits to elderly centres and stroke prevention health lectures, delivering health care through practice and becoming health messengers connecting campuses and communities.

This campaign emphasised the inheritance and innovation of TCM. In the future, the Group will continue to promote similar educational programmes, committed to nurturing more young students with innovative thinking and opening a window for the younger generation to understand TCM.





SUPPORT COMMUNITY PUBLIC WELFARE

As an inheritor of centuries-old TCM culture, the Group has deeply embedded public welfare into its corporate development. We participate in various forms of public welfare activities and volunteer services, engage in charitable causes, provide support to vulnerable groups in society, and actively fulfil corporate social responsibilities. In addition, we extend a helping hand when disasters strike, providing assistance to affected residents to the best of our ability.

COMMUNITY CONTRIBUTION:

Creating Shared Value Through Collective Progress

Consecutive Participation in the Community Chest Walks for Millions to Support Underprivileged Families and Children

The Group has participated in the Community Chest Walks over Millions for many consecutive years. During the Year, the Community Chest Walks for Millions was held in Hong Kong, with more than 50 employees from the Group taking part. The event aims to raise funds through charity walks and other sports activities, with all proceeds donated to social welfare organisations providing services for underprivileged families and children, encouraging people from all sectors of society to build a harmonious relationship of mutual encouragement and care.





Standing United: Full Support for Tai Po Fire Relief Efforts

In November of the Year, a major fire broke out at Wang Fuk Court in Tai Po, Hong Kong. The Group launched an immediate full-scale rescue effort and provided comprehensive TCM support. Following the fire, the Group quickly activated its emergency response mechanism, organised coordinated support from its retail outlets, and established an extensive service network. A team of senior TCM practitioners were stationed on-site to provide professional diagnosis and treatment services to affected residents.

For symptoms such as respiratory discomfort and acute hypertension experienced by the victims, as well as emotional distress caused by shock, the TCM practitioners paid special attention to patients' sleep quality and emotional state during consultations, offering professional counselling to help many victims alleviate anxiety and restore mental well-being.





APPENDIX I: KEY PERFORMANCE INDICATORS[4, 5]

ENVIRONMENT

	Unit	2025[6]	2024
GHG Emissions[7, 8]			
Total GHG emissions (Scopes 1 and 2)	t-CO_2e	**1,621.98**	1,815.90
Total GHG emissions (Scopes 1, 2 and 3)	t-CO_2e	**2,008.28**	1,941.0
Direct emissions (Scope 1)	t-CO_2e	**213.26**	114.60
Energy indirect emissions (Scope 2) — location-based	t-CO_2e	**1,409.78**	1,701.30
Other indirect emissions (Scope 3)	t-CO_2e	**386.32[7]**	
Category 5 : Waste generated in operations	t-CO_2e	**257.65**	125.10
Category 6 : Business travel	t-CO_2e	**101.40**	
Category 7 : Employee commuting	t-CO_2e	**27.26**	
Intensity of total GHG emissions (Scopes 1 and 2)	t-CO_2e/million HKD revenue	**1.07**	—
Intensity of total GHG emissions (Scopes 1, 2 and 3)	t-CO_2e/million HKD revenue	**1.33**	1.20
Total GHG removal by tree planting	t-CO_2e	**1.06**	—
Emissions			
Nitrogen oxides (NO_x)	kg	**146.63**	106.70
Sulphur oxides (SO_x)	kg	**31.55**	0.30
Particulate matter (PM)	kg	**1.37**	8.40
Waste			
Total hazardous waste	tonnes	**1.15**	1.40
Intensity of total hazardous waste	tonnes/million HKD revenue	**0.0008**	0.0008
Total non-hazardous waste	tonnes	**449.94**	692.0
Intensity of total non-hazardous waste	tonnes/million HKD revenue	**0.30**	0.43

4 Environmental performance data cover available data from the Group's core business operations, while social performance data cover the Group's core business operations.

5 Totals may not be the exact sum of numbers stated here due to rounding.

6 In 2025, we optimised our environmental data collection systems in the Group's core business operations to enhance data quality and accuracy.

7 The calculation of GHG emissions made reference to the GHG Protocol published by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). Scope 2 (Energy Indirect) emissions cover GHG emissions of indirect energy resulted from purchased electricity consumed by our operations, while Scope 3 (Other Indirect) emissions that occur in the Group's value chain.

8 Carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O) are included in the GHG calculations.

9 The Scope 3 emissions include available data arising from Category 5: waste generated in operations, Category 6: business travel and Category 7: employee commuting.

APPENDIX I:

Key Performance Indicators

	Unit	2025[6]	2024
Energy			
Total energy consumption	MWh	**5,000.02**	4,176.40
Purchased electricity (Direct energy consumption)	MWh	**3,988.29**	3,688.30
Natural gas	MWh	**846.44**	254.20
Gasoline	MWh	**131.39**	177.40
Diesel oil	MWh	**20.77**	52.90
Liquefied petroleum gas	MWh	**–**	3.65
Towngas	MWh	**13.13**	–
Intensity of total energy consumption	MWh/million HKD revenue	**3.30**	2.60
Water Consumption[10, 11]			
Total water consumption	m^3	**43,936.49**	28,479.30
Intensity of total water consumption	m^3/million HKD revenue	**29.03**	17.70
Packaging Material			
Paper	tonnes	**24.86**	31.10
Metal	tonnes	**78.41**	77.50
Plastic	tonnes	**41.58**	29.60
White wax	tonnes	**2.92**	–
Total packaging materials	tonnes	**147.77**	138.20
Intensity of total packaging materials	tonnes/million HKD revenue	**0.10**	0.09

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

11 The Group's water consumption is mainly from manufacturing, sales and office operation, and has no difficulty in acquiring water resources as needed.

12 Calculation standard and methodology for Scope 3 carbon emissions: GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard published by the WBCSD and the World Resources Institute are used for calculation and disclosure with available data.

APPENDIX I:

Key Performance Indicators

SOCIAL

	Unit	2025	2024
Employee Distribution			
Number of Employees (Global Employees, Directors and Senior Management)			
Global employees[13]	Number of people	**769**	771
Directors and senior management	Number of people	**11**	11
By gender			
Global Employees			
Male	%	**32**	31
Female	%	**68**	69
Directors and Senior Management			
Male	%	**73**	73
Female	%	**27**	27
By age group			
Global Employees			
Below 30	%	**12**	12
Between 30–39	%	**26**	28
Between 40–49	%	**27**	27
Between 50–59	%	**22**	23
At or above 60	%	**13**	10
Directors and Senior Management			
Below 30	%	**0**	0
Between 30–39	%	**9**	0
Between 40–49	%	**18**	27
Between 50–59	%	**55**	55
At or above 60	%	**18**	18
By employee category[14]			
Directors and senior management	%	**1**	2
Managerial level employees	%	**6**	4
General employees	%	**93**	94
By employee contract[14]			
Full-time	%	**99**	98
Part-time	%	**1**	2
By geographical regions			
Asia	%	**71.8**	73.4
Oceania	%	**19.6**	18.2
Americas and Europe	%	**8.6**	8.4

[13] Global employees comprise managerial level employees and general employees, excluding directors and senior management.

[14] The figure for 2024 has been adjusted to reflect the actual situation.

APPENDIX I:

Key Performance Indicators

	Unit	2025	2024
Turnover Rate[15]			
By gender			
Male	%	**19.3**	6.2
Female	%	**8.4**	6.5
By age group			
Below 30	%	**16.5**	11.1
Between 30–39	%	**13.1**	6.8
Between 40–49	%	**14.8**	4.3
Between 50–59	%	**9.8**	4.9
At or above 60	%	**2.9**	9.1
By geographical regions			
Asia	%	**13.0**	6.3
Oceania	%	**3.9**	2.1
Americas and Europe	%	**20.9**	16.7
New Hires Rate[16]			
By gender			
Male	%	**17.3**	6.2
Female	%	**8.9**	8.2
By age group			
Below 30	%	**25.8**	21.1
Between 30–39	%	**11.1**	8.6
Between 40–49	%	**16.3**	6.2
Between 50–59	%	**5.2**	3.3
At or above 60	%	**1.0**	2.6
By geographical regions			
Asia	%	**10.7**	7.3
Oceania	%	**8.5**	4.2
Americas and Europe	%	**26.9**	16.7
Health and Safety			
Lost days due to work injuries	Days	**0**	0
Number of work-related fatalities	Number of cases	**0**	0

[15] Employees turnover rate (%) = Number of employees turnover of the category/total number of employees of the category at the end of the Year × 100%

[16] New hires rate (%) = Number of new employees of the category/total number of employees of the category at the end of the Year × 100%

APPENDIX I:

Key Performance Indicators

	Unit	2025	2024
Training[17]			
Total Training Hours			
By gender			
Male	Hours	**1,716**	2,160
Female	Hours	**5,748**	2,858
By employee category			
General employees	Hours	**6,285.5**	4,610
Managerial level employees	Hours	**888**	302
Directors and senior management	Hours	**290.5**	106
Percentage of Employee Trained			
By gender			
Male	%	**100**	100
Female	%	**100**	100
By employee category			
General employees	%	**100**	100
Managerial level employees	%	**100**	100
Directors and senior management	%	**100**	100
Average Training Hours			
By gender			
Male	Hours	**5.7**	8.9
Female	Hours	**10.1**	5.3
By employee category			
General employees	Hours	**7.8**	6.3
Managerial level employees	Hours	**17.1**	8.9
Directors and senior management	Hours	**26.4**	9.6
Number of Suppliers			
Total Suppliers	Number of Suppliers	**275**	280
— Asia	Number of Suppliers	**188**	69
— Oceania	Number of Suppliers	**76**	26
— Americas and Europe	Number of Suppliers	**11**	5
Product Responsibility			
Number of products and service related complaints received	Number of cases	**0**	2
Percentage of total products sold or shipped subject to recalls for safety and health reasons	%	**0**	0
Anti-Corruption			
Number of concluded legal cases regarding corrupt practices	Number of cases	**0**	0

[17] Employee training data are calculated based on the Group's total headcount during the Reporting Period and include data for employees who have left, to accurately reflect the Group's investment in training. Percentage of employees trained = Number of employees trained (by category)/Number of employees (by category) at the end of the Reporting Period.

APPENDIX II: THE GROUP'S POLICIES AND SIGNIFICANT LAWS AND REGULATIONS

Aspects	Significant Laws and Regulations (Hong Kong Region)	The Group's Policies
Aspect A. Environment	• Air Pollution Control Ordinance • Ozone Layer Protection Ordinance • Water Pollution Control Ordinance • Waste Disposal Ordinance • Codes of Practice for the Management of Clinical Waste • Hazardous Chemicals Control Ordinance • Product Eco-responsibility Ordinance • Environmental Impact Assessment Ordinance	• On the Administration of Environmental Protection of Production Bases • Rules on Management of Laboratory Waste
Aspect B1. Employment **Aspect B4. Labour Standards**	• Employment Ordinance • Employees' Compensation Ordinance • Minimum Wage Ordinance • Personal Data (Privacy) Ordinance and various discrimination ordinances	• Staff Manual • Rules on Management of Implementation of Employment Contracts
Aspect B2. Health and Safety	• Occupational Safety and Health Ordinance	• Rules on Management of Retailing Safety • Rules on Management of Training • Dust Explosion Prevention Safety Management System



APPENDIX II:

The Group's Policies and Significant Laws and Regulations

Aspects	Significant Laws and Regulations (Hong Kong Region)	The Group's Policies
Aspect B6. Product Responsibility	• Chinese Medicines Regulation • Chinese Medicine Ordinance • Regulation of Registered Proprietary Chinese Medicines • Food Adulteration (Metallic Contamination) Regulations • Pesticide Residues in Food Regulation • Food Safety Ordinance • Undesirable Medical Advertisements Ordinance • Trade Descriptions Ordinance • Personal Data (Privacy) Ordinance	• Product Quality Standards • Confidentiality Management Regulations • Rules on Management of Retailing Safety • Staff Manual • After-sales Product Consultation and Complaint Handling Management Rule • Product Return Management Rule • Rules for Management on the Quality of Retail Services • Adverse Drug Reaction Reporting and Monitoring Procedures • Management Procedures for Product Market Sampling • Management Procedures for Product Recall • Implementation Suggestions on Publicity Management and Information Release • Work Management System for "Immediate Handling of Received Complaints" • Rules of Quality Risk Management • Good Manufacturing Practice (GMP) • International Standard ISO22000: 2018 Food Safety Management System • Hazard Analysis and Critical Control Points (HACCP)
Aspect B7. Anti-corruption	• Prevention of Bribery Ordinance	• Staff Manual • Execution Plan for General Supervision • Regulations on the Behaviour Management of Senior Management and Employees • Measures for the Coordination and Integration of Supervision by Discipline Inspection and Supervision, Inspection, Auditing, Finance, and Organisation Departments of National Pharmaceutical Company • Measures for the Coordination and Integration of Supervision by Discipline Inspection and Supervision, Inspection, Auditing, Finance, and Organisation Departments of National Pharmaceutical Company • Internal Control Evaluation Manual

APPENDIX III: HKEX ESG REPORTING CODE CONTENT INDEX

General Disclosure Requirements		Chapter/ Explanation
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.	Waste and Emissions Management Appendix II: The Group's Policies and Significant Laws and Regulations
KPI A1.1	The types of emissions and respective emissions data.	Appendix I: Key Performance Indicators
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.	Waste and Emissions Management





APPENDIX III:

HKEX ESG Reporting Code Content Index

General Disclosure Requirements		Chapter/ Explanation
A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Enhancing Resource Efficiency
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).	Appendix I: Key Performance Indicators
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.	Appendix I: Key Performance Indicators
KPI A2.5	Total packaging material used for finished products, and if applicable, with reference to per unit produced.	Appendix I: Key Performance Indicators
A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Environmental 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.	Environmental and Natural Resources
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 System
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Appendix I: Key Performance Indicators — Social
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	

APPENDIX III:

HKEX ESG Reporting Code Content Index

General Disclosure Requirements		Chapter/ Explanation
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.	Employee Health and Safety Appendix II: The Group's Policies and Significant Laws and Regulations
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix I: Key Performance Indicators — Social
KPI B2.2	Lost days due to work injury.	
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Employee Health and Safety
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.	Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix I: Key Performance Indicators — Social
KPI B3.2	The average training hours completed per employee by gender and employee category.	
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 System Appendix II: The Group's Policies and Significant Laws and Regulations
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.	
B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Sustainable Supply Chain
KPI B5.1	Number of suppliers by geographical region.	Appendix I: Key Performance Indicators — Social
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, 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.	Sustainable Supply Chain
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	

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General Disclosure Requirements		Chapter/ Explanation
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.	Protecting Customer Rights Appendix II: The Group's Policies and Significant Laws and Regulations
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Appendix I: Key Performance Indicators — Social
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Protecting Customer Rights
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.	
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.	Upholding Business Ethics Appendix II: The Group's Policies and Significant Laws and Regulations
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 whistle-blowing procedures, how they are implemented and monitored.	
KPI B7.3	Description of anti-corruption training provided to directors and staff.	
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 Contribution: Creating Shared Value Through Collective Progress
KPI B8.1	Focus areas of contribution.	
KPI B8.2	Resources contributed to the focus area.	

APPENDIX III:

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Climate-Related Disclosures			Chapter/Explanation
(I) Governance			
19.	An issuer shall disclose information about:		ESG Governance Adapting to Climate Change — Governance The Group has not yet incorporated climate-related performance indicators into its remuneration policy. We will explore the feasibility of enhancing our remuneration policies.
	(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:	
		(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.	

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Climate-Related Disclosures		Chapter/Explanation
(II) 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:	Adapting to Climate Change — 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	
	(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:	Adapting to Climate Change — Strategy Since data availability and quantification methods continue to develop or evolve, we will continue to monitor and, where feasible, describe the concentration of climate-related risks and opportunities across our business model and value chain.
	(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).	

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Climate-Related Disclosures		Chapter/Explanation
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:	Adapting to Climate Change — Strategy Adapting to Climate Change — Metrics and Targets
	(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;	
	(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).	
23.	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Not Applicable

APPENDIX III:

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Climate-Related Disclosures		Chapter/Explanation
Financial position, financial performance and cash flows		
Current financial effect		
24.	An issuer shall disclose qualitative and quantitative information about:	Adapting to Climate Change — Strategy We have identified major climate-related risks and opportunities and disclosed their current and/or anticipated qualitative financial effects. Given the high level of measurement uncertainty arising from data limitations and evolving climate science and methodologies, the resulting quantitative financial effects may not provide meaningful insights. We will continue to review the feasibility of disclosing such data as our business operations evolve.
	(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.	No significant risk of a material adjustment within the next annual reporting period.
Anticipated financial effect		
25.	The issuer shall provide qualitative and quantitative disclosures about:	Adapting to Climate Change — Strategy We have identified major climate-related risks and opportunities and disclosed their current and/or anticipated qualitative financial effects. Given the high level of measurement uncertainty arising from data limitations and evolving climate science and methodologies, the resulting quantitative financial effects may not provide meaningful insights. We will continue to review the feasibility of disclosing such data as our business operations evolve.
	(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.	

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Climate-Related Disclosures				Chapter/Explanation
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:			
	(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;	
		(iii)	the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term; and	
	(b)	how and when the climate-related scenario analysis was carried out, including:		
		(i)	information about the inputs used, including:	Adapting to Climate Change — Strategy
			(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.	

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Climate-Related Disclosures			Chapter/Explanation
(III) Risk Management			
27.	An issuer shall disclose information about:		ESG Risk and Opportunity Management Adapting to Climate Change — Risk Management
	(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.	

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Climate-Related Disclosures		Chapter/Explanation
(IV) 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 tonnes of CO_2 equivalent, classified as:	Appendix I: Key Performance Indicators — Environment
	(a) Scope 1 greenhouse gas emissions;	
	(b) Scope 2 greenhouse gas emissions; and	
	(c) Scope 3 greenhouse gas emissions.	
29.	An issuer shall:	Appendix I: Key Performance Indicators — Environment No revisions to our climate-related targets were made during the Reporting Period. We will explore the feasibility of purchasing quality REC and carbon credits to offset GHG emissions in our operations.
	(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).	
Climate-related transition risks		
30.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.

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Climate-Related Disclosures		Chapter/Explanation
Climate-related physical risks		
31.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.
Climate-related opportunities		
32.	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.
Capital deployment		
33.	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.
Internal carbon prices		
34.	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.	Internal carbon pricing is currently not a part of our decision-making. We will explore the use of internal carbon pricing in the future.

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Climate-Related Disclosures		Chapter/Explanation
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).	The Group has not yet incorporated climate-related performance indicators into its remuneration policy. We will explore the feasibility of enhancing our remuneration policies.
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.	Not Applicable
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:	Adapting to Climate Change — Metrics and 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.	

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Climate-Related Disclosures		Chapter/Explanation
38.	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	Adapting to Climate Change — Metrics and Targets We will explore the feasibility of having our targets validated by a third party.
	(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.	No revisions have been made during the reporting period.
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.	Adapting to Climate Change — Metrics and Targets
40.	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	Adapting to Climate Change — Metrics and Targets Currently, these targets have not been developed based on a sectoral decarbonisation approach. We will explore the feasibility of purchasing quality REC and carbon credits to offset GHG emissions in our operations.
	(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).	

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Climate-Related Disclosures		Chapter/Explanation
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).	Adapting to Climate Change — Metrics and Targets Appendix I: Key Performance Indicators — Environment



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