PROSPEROUS INDUSTRIAL (HOLDINGS) LIMITED

其利工業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 1731

2025

Environmental, Social and Governance Report

Environmental, Social and Governance Report

COMPANY PROFILE

Prosperous Industrial (Holdings) Limited (the "**Company**"), together with its subsidiaries (the "**Group**"), are principally engaged in the design, development, manufacturing and distribution of recreational bags and packs for internationally recognised sports and lifestyle brands. Founded in 1970 and headquartered in Hong Kong, the Group has evolved from a general trading business into a specialised soft goods manufacturer, focusing on sport bags, handbags, luggage bags, laptop cases and cosmetic bags. In addition to its core manufacturing operations, the Group provides integrated supply chain management services covering product development, raw material sourcing, prototyping, production management, quality control and logistics, thereby supporting customers throughout the entire product lifecycle.

REPORTING SCOPE AND BOUNDARY

The Group is pleased to present the 2025 Environmental, Social and Governance (the "**ESG**") Report (the "**ESG Report**") which is prepared in align with the ESG Reporting Code (the "**Code**") as set out in Appendix C2 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**HKEX**").

The report aims to fairly display the efforts made by the Group on its corporate social responsibility in the marketplace, workplace, community and environment and cover the Group's operations in the production and sales of bags and packs commencing from the financial year dated from 1 January to 31 December 2025 (the "**Reporting Year**" or "**FY2025**") which includes the Group's offices and principal manufacturing facilities in Hong Kong, Taiwan, the People's Republic of China (the "**PRC**"), Cambodia, and Vietnam as carried out by its subsidiaries as follows:

- Glorieux International (H.K.) Limited in Hong Kong;
- Prosperous Industrial (Holdings) Limited in Hong Kong;
- 東莞澤榮箱包有限公司 in the PRC;
- 廣洲澤榮旅行用品有限公司 in the PRC;
- Starite International Vietnam Limited in Vietnam;
- Starite (Cambodia) Co., Ltd. in Cambodia; and
- Prosperous Enterprises (Taiwan) Limited in Taiwan.

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BOARD STATEMENT

The board of directors (the "**Board**") of the Company recognises that effective ESG matters is fundamental to the Group's long-term resilience, risk management and sustainable value creation. The Board retains overall responsibility for overseeing the Group's ESG strategy, governance framework, risk management and performance. In fulfilling this responsibility, the Board ensures that ESG considerations, including climate-related risks and opportunities, are appropriately integrated into the Group's overall business strategy, operational planning and enterprise risk management processes.

ESG Governance Structure



To support the discharge of its oversight duties, the Board has established an ESG Team with clearly defined Terms of Reference. The ESG Team is responsible for overseeing, guiding and providing strategic direction on the Group's ESG and climate-related strategies, policies, reporting and initiatives, as well as ensuring compliance with applicable regulatory obligations and sustainability commitments.

Under the direction of the ESG Team, functional departments comprising members of senior management and representatives from relevant functional departments have been formed to act as the operational arm of ESG governance. The functional departments are responsible for:

- conducting internal and external materiality assessments to identify and prioritise ESG-related risks and opportunities;
- monitoring and evaluating ESG performance against established objectives;
- overseeing the implementation of ESG initiatives across business operations;
- preparing the Group's ESG disclosures in accordance with applicable reporting standards and requirements; and
- executing measures and initiatives in alignment with the Group's ESG-related strategies and targets, thereby embedding ESG considerations into daily operational decision-making and business processes.

Through the governance structure described above, the Group adopts a structured approach to evaluate, prioritise and manage material ESG-related issues, including those that may pose risks to its business operations, supply chain resilience and long-term financial performance. Material ESG issues are identified through periodic materiality assessments, which take into account stakeholder expectations, regulatory developments, industry trends and the Group's strategic priorities. The outcomes of these assessments are reviewed by the ESG Team and reported to the Board for consideration.

The Board regularly reviews the Group's progress against ESG-related goals and targets, including environmental performance indicators, climate-related commitments, occupational health and safety objectives and employee development initiatives. Such targets are aligned with the Group's operational footprint and risk exposure across its multi-regional manufacturing platform, enabling the Board to assess the effectiveness of ESG-related measures in supporting business continuity, operational efficiency and regulatory compliance.

Where performance deviations or emerging ESG risks are identified, the ESG Team will escalate such matters to the Board and recommend appropriate corrective actions or strategic adjustments. This governance process enables the Board to ensure that ESG-related risks and opportunities are managed in a manner consistent with the Group's long-term business objectives and sustainability commitments.

CLIMATE-RELATED GOVERNANCE

Climate-related risks and opportunities are governed under the Group's integrated ESG governance framework, which is overseen by the Board and supported by the ESG Team.

The Board has ultimate responsibility for the oversight of climate-related risks and opportunities and for ensuring that appropriate governance structures, competencies and management processes are in place to support the Group's climate-related strategies. The composition of the ESG Team is reviewed annually by the Board to ensure an appropriate balance of expertise and experience to oversee ESG and climate-related matters. Where necessary, the ESG Team may invite external experts or consultants to attend meetings to provide professional advice on climate-related issues and emerging regulatory developments.

The ESG Team meets at least once annually, with additional meetings convened where required, to review climate-related risks and opportunities identified through the Group's materiality assessment and risk management processes. Through these meetings, the ESG Team is regularly informed of:

- the Group's exposure to physical and transition climate risks;
- progress towards climate-related targets and initiatives;
- regulatory and market developments relevant to decarbonisation; and
- the effectiveness of mitigation and adaptation measures implemented across operations.

In overseeing the Group's strategy and major operational decisions, the ESG Team takes into account climate-related risks and opportunities, including potential trade-offs associated with resource allocation, technological upgrades and energy transition initiatives. The ESG Team is also responsible for reviewing and recommending to the Board the Group's climate-related strategies, policies and objectives, and for monitoring ESG performance to ensure compliance with applicable governance frameworks and regulatory requirements.

The ESG Team oversees the setting of climate-related targets, including GHG emissions reduction goals, and monitors progress against these targets through periodic performance reviews. Where material climate-related risks or performance gaps are identified, such matters are escalated to the Board for further consideration and action.

The Group acknowledges the importance of aligning management incentives with climate-related objectives. During the Reporting Year, climate-related performance metrics have not yet been incorporated into the remuneration policies of the Group. The Board and ESG Team will continue to evaluate the feasibility of integrating ESG-related performance indicators, including GHG emissions reduction targets and energy efficiency improvements, into management performance assessments and incentive structures in future reporting years, taking into account the Group's operational priorities and strategic development.

Functional departments are responsible for the day to day monitoring and implementation of climate related initiatives and support the governance of climate-related risks and opportunities by:

- conducting materiality assessments to identify climate-related risks and opportunities;
- coordinating data collection and performance monitoring across operational units;
- implementing climate mitigation and adaptation measures; and
- integrating climate-related considerations into operational risk management and internal control processes.

Through this governance arrangement, climate-related risks and opportunities are incorporated into the Group's broader risk management framework, enabling management to monitor and manage such risks alongside other strategic and operational risks, and to support informed decision-making across internal functions.

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REPORTING PRINCIPLES

This ESG Report is prepared in alignment with the ESG Reporting Code as set out in the Listing Rules and has complied with the "Mandatory Disclosure Requirements" and "Comply or Explain Provisions", as well as the principles of materiality, quantitative, balance, and consistency as follows:

Reporting principles	Application in this report
Materiality	The Group's stakeholders are engaged in the identification of ESG issues that matter most from their perspectives. The Group assessed the materiality of those ESG issues based on the risks they pose to the sustainability of the Group's businesses. Material ESG issues were identified and prioritised and are disclosed in this ESG Report.
Quantitative	Information on the standards, methodologies, assumptions and/or calculation tools used, and the source of conversion factors used, for the reporting of emissions and energy consumption, where applicable, are disclosed in the respective sections in this ESG Report.
Balance	This ESG Report is prepared on a fair and unbiased basis. The Group fully disclosed the material key performance indicators regardless of whether performance has improved or declined in line with the principle.
Consistency	Unless stated otherwise, the Group applies a consistent methodology in compiling the ESG data reported to ensure a meaningful comparison of ESG performance over time and between entities. Any change in methods or Key Performance Indicators (the "**KPIs**") used is explained.

STAKEHOLDERS ENGAGEMENT

The Group recognises that effective stakeholder engagement is fundamental to identifying and managing ESG-related risks and opportunities that may have a material impact on its business operations and long-term sustainability.

The Group engages with key stakeholder groups regularly, including employees, customers, suppliers, investors, regulators and the local communities in which it operates, through various communication channels such as meetings, surveys, interviews, performance reviews and regular corporate communications.

Stakeholder engagement activities are conducted on an ongoing basis to understand stakeholders' expectations and concerns regarding ESG-related matters relevant to the Group's operations. Feedback obtained through different engagement channels is analysed by the ESG Team to identify potential ESG risks and opportunities that may affect the Group's operational performance, regulatory compliance and long-term development.

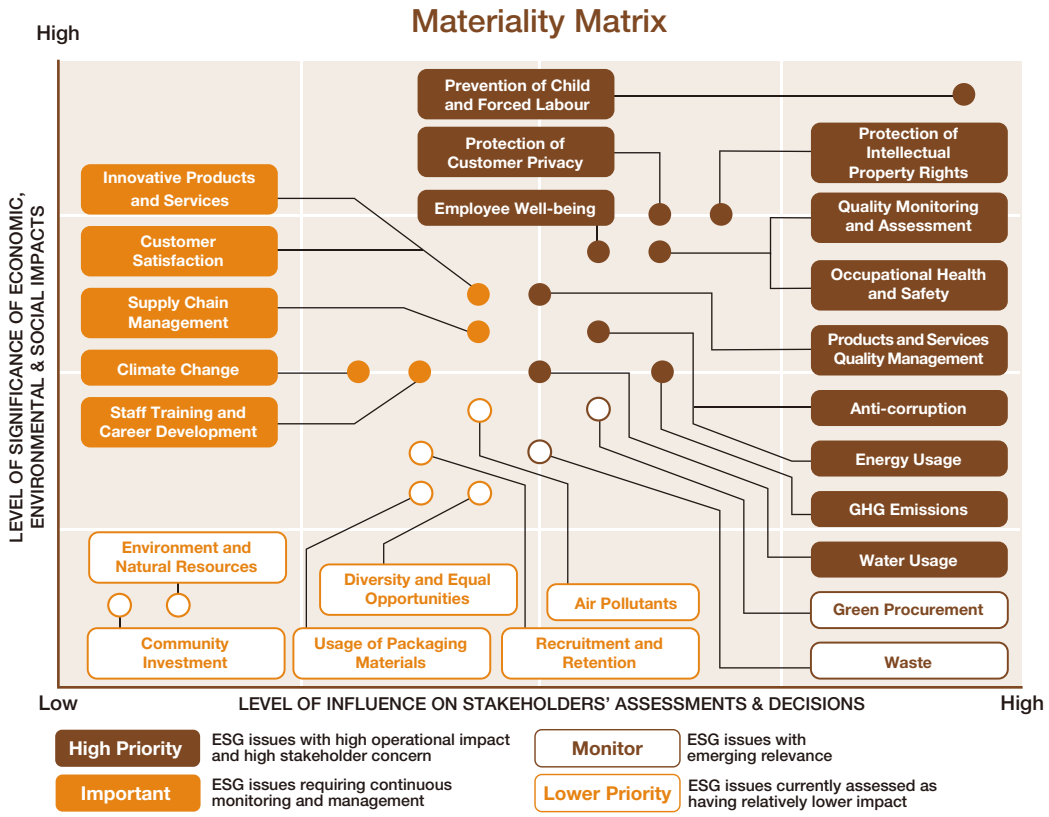
The outcomes of the stakeholder engagement process are incorporated into the Group's materiality assessment to support the identification and prioritisation of material ESG issues. These findings are reviewed by the ESG Team and subsequently reported to the Board for consideration in the formulation of ESG strategies, policies, targets and risk management measures. The Group aims to ensure that stakeholder expectations are appropriately reflected in its decision-making processes and sustainability initiatives.

Stakeholders	Areas of concern	Communication and responses
HKEX	Compliance with Listing Rules, and timely and accurate disclosures.	Meetings, training, website updates, and announcements.
Government and regulatory authorities	Compliance with laws and regulations, prevention of tax evasion, and social welfare.	Interaction and visits, government inspections, tax returns, and other information.
Suppliers	Payment schedule and stable demand.	Business meetings, site visits.
Investors	Corporate governance, business strategies and performance, and investment returns.	Interviews, Company website, Shareholders' meetings, general meeting, financial reports, and operational reports for investors, media, and analysts.
Media and Public	Corporate governance, environmental protection, and human rights.	Company's announcements, interim and annual reports.
Customers	Product and service quality, delivery schedule, reasonable prices, service value, and personal data protection.	Meetings, after-sales services.
Employees	Rights and benefits, employees' compensation, training, and development, working hours, working environment, labour protection and work safety.	Training, interviews with employees, staff meetings.
Community	Community environment, employment and community development, and social welfare.	Community activities, employee voluntary activities, community welfare subsidies, and donations.

MATERIALITY ASSESSMENT

The Group conducts periodic materiality assessments to identify ESG issues that may have a significant impact on its business operations, stakeholders and sustainable development.

In the previous reporting year, the Group conducted a materiality assessment through stakeholder engagement and internal evaluation. ESG issues were identified with reference to the Group's operational characteristics, stakeholder expectations, industry practices and internationally recognised frameworks, including the Sustainability Accounting Standards Board's (the "**SASB**") Materiality Map.



Each identified ESG issue was assessed based on two key dimensions:

- the level of influence on stakeholders' assessments and decision-making; and
- the level of significance of the Group's economic, environmental and social impacts arising from its business operations.

The assessment results were analysed and mapped to a materiality matrix to prioritise ESG issues based on their relative significance. ESG issues were categorised into four priority levels:

- High Priority – ESG issues with high operational impact and high stakeholder concern;
- Important – ESG issues requiring continuous monitoring and management;
- Monitor – ESG issues with emerging relevance; and
- Lower Priority – ESG issues currently assessed as having relatively lower impact.

During the Reporting Year, the Group reviewed the material ESG issues identified in the previous reporting year. As there were no significant changes in the Group's business operations, risk exposure or stakeholder expectations, the Board and ESG Team considered that the previously identified material ESG issues remained relevant and applicable to the Group's current operations. Accordingly, no new materiality assessment was conducted during the Reporting Year.

Based on the review conducted, the Group has identified the following ESG issues as High Priority, which will continue to be the primary focus of the Group's ESG strategy and management approach:

- Prevention of Child and Forced Labour
- Protection of Customer Privacy
- Protection of Intellectual Property Rights
- Quality Monitoring and Assessment
- Product and Service Quality Management
- Occupational Health and Safety
- Employee Well-being
- Energy Usage
- Anti-corruption
- GHG Emissions
- Water Usage

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SUSTAINABILITY APPROACH

The Group is committed to promoting a sustainable working and living environment through the continuous reduction of emissions, the efficient use of resources, and the responsible management of environmental impacts arising from its operations. Environmental protection is embedded in the Group's broader CSR and ESG framework, under which environmental considerations are integrated into business operations, decision-making processes and day-to-day management practices.

Given the nature of its manufacturing operations, the Group recognises the importance of maintaining effective controls over air emissions, discharges into water and land, and the generation and handling of hazardous and non-hazardous waste. To support this commitment, the Group has established a series of environmental guidance, internal compliance measures and designated personnel responsible for overseeing environmental compliance matters across the jurisdictions in which it operates. These measures are intended to ensure that environmental risks are properly identified, managed and monitored as part of the Group's operational and internal control processes.

The Group strictly complies with applicable environmental laws and regulations in the jurisdictions where it operates, including the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), the Appraising of Environment Impacts Law of the PRC (《中華人民共和國環境影響評估法》), the Law on Environmental Protection of Vietnam (越南《環境保護法》) and the Law on Environmental Protection and Natural Resource Management of Cambodia (柬埔寨《環境與自然資源法典》). During the Reporting Year, the Group complied with all relevant environmental laws and regulations that had a significant impact on the Group.

The Group believes that appropriate protection and management measures are in place to support compliance with applicable national and local environmental laws and regulations in the PRC, Vietnam and Cambodia. In addition, the Group will continue to strengthen its environmental management practices, monitor its environmental performance and implement practical measures to reduce emissions, conserve resources and improve waste management across its operations.

AIR EMISSIONS

During the Reporting Year, the Group's air emissions[1] were primarily generated from the consumption of natural gas and liquefied petroleum gas ("**LPG**") used in cooking stoves at employee canteens, fuel consumption by the Group's fleet of private cars and light goods vehicles for transportation and goods delivery, as well as the operation of an electricity generator in Cambodia for supplementary power supply. The major air pollutants emitted by the Group were nitrogen oxides ("**NO_x**"), sulphur oxides ("**SO_x**") and particulate matter ("**PM**").

	Unit	2025	2024
NO_x emissions	kg	729.83	547.69
SO_x emissions	kg	1.22	1.28
PM emissions	kg	67.97	51.58

[1] The air emission calculation is based on the emission factor from "How to prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs" by HKEX.

In line with the Group's commitment to minimising air pollutant emissions from its operations, the Group has set a target to progressively reduce air emissions from mobile and stationary combustion sources by FY2030, using FY2025 as the base year, with a focus on NO_x, SO_x, and PM, through vehicle management, equipment upgrades, energy efficiency enhancement and strengthened fuel-use control. During the Reporting Year, the Group continued to implement emission reduction initiatives across its operations and to monitor progress against this target. However, the overall air emissions reduction target was not achieved, mainly due to the refinement of our data collection method, which provided a more precise categorisation of certain vehicles as higher-emission types. This adjustment ensures greater transparency and accuracy in our environmental disclosures.

To mitigate air emissions, the Group has implemented a range of control measures at both operational and site levels. At the Group level, the Group conducts regular checks on vehicle fuel consumption, arranges vehicle usage through a centralised system to improve dispatch efficiency, and records the odometer reading of each trip to enhance route management and monitor fuel performance. In Cambodia, the Group also reduced the use of belt-driven sewing machines by approximately 70%–80%, replacing them with direct-drive or energy-efficient motor sewing machines where practicable. In addition, designated personnel are responsible for identifying and repairing compressed air leakage points to reduce unnecessary energy loss associated with production operations.

At employee canteens in the Cambodia's manufacturing site, the Group has upgraded ageing cooking equipment, strengthened food quantity planning by reviewing food preparation and leftovers in order to improve ordering accuracy, and encouraged more efficient cooking practices, such as using pot lids during stir-frying to shorten cooking time. Designated chefs are also required to inspect LPG valves regularly and ensure that they are properly shut off after cooking.

The Group will continue to strengthen the management of combustion-related emission sources, improve the efficiency of vehicle and equipment use, and adopt cleaner and more energy-efficient equipment where feasible. The Group will also enhance the control of temporary construction-related emissions in order to drive continuous improvement in air emissions performance in future reporting years.

WASTE MANAGEMENT

The Group continues to strengthen waste management across its operations through process optimisation, source segregation and responsible disposal. By streamlining production processes and identifying issues at an early stage, the model supports the principle of "Do It Right the First Time", helping to reduce defects, avoid unnecessary material loss and minimise waste generated during manufacturing.

The Group's operations generate both hazardous and non-hazardous waste. Hazardous waste is identified and managed in accordance with the applicable laws and regulations of the jurisdictions in which the Group operates. For internal reporting consistency, the Group adopts a standardised definition of chemical waste, which includes waste arising from operational, maintenance or production activities that contains or is contaminated by chemical substances, such as used drums, machine oils, paint, spent batteries, mercury-containing lamps, contaminated rags and chemical packaging. On the other hand, non-hazardous waste generated by the Group mainly includes cartons, scrap metal, plastics, glass, rags, paper and commercial and industrial waste.

The Group has established procedures for the regular collection, segregation and temporary storage of waste in designated, secure areas prior to off-site handling. Hazardous and non-hazardous wastes are sorted at source by designated personnel and stored in accordance with internal handling procedures and applicable regulatory requirements. Hazardous waste is collected and disposed of by qualified waste management contractors, while non-hazardous waste is collected by authorised third-party waste service providers for reuse, recycling, energy recovery or final disposal, as appropriate.

For non-hazardous waste, the Group adopts multiple treatment routes based on the nature and recyclability of the waste stream. Recyclable materials such as scrap metal, certain plastic waste and carton waste are directed to open-loop recycling channels. Glass waste are managed through closed-loop recycling where feasible. Waste not suitable for recycling, such as certain rags and commercial and industrial waste, may be sent for combustion or landfill disposal, depending on the availability of local infrastructure and regulatory requirements.

To strengthen waste reduction performance, the Group has set a new target to maintain and progressively reduce both hazardous and non-hazardous waste intensity by FY2030 from a FY2025 baseline. During the Reporting Year, the Group met the hazardous waste intensity reduction target set for the previous year, primarily due to the timely completion of equipment maintenance and painting projects, resulting in a significant decrease in chemical-related waste generation.

Moreover, the Group achieved the total non-hazardous waste intensity target for the year, driven by enhanced waste segregation at source and improved recycling of packaging and scrap materials. The Group will continue to maintain hazardous waste generation at a minimal level through tighter material control, process optimisation and enhanced chemical management practices. In addition, the Group will continue to review the effectiveness of these initiatives and progressively expand waste reduction measures across its production bases.

	Unit	2025	2024
Total hazardous waste produced	tonnes	3.18	5.55
Chemical waste	tonnes	3.18	5.55
Total Hazardous waste produced per piece produced	kg/piece produced[2]	0.0001	0.0002
Total Hazardous waste produced per employee	kg/employee[3]	0.41	0.66
Total non-hazardous waste produced	tonnes	2,111.84	2,350.39
Commercial & Industrial (C&I) Waste	tonnes	2,111.84	2,350.39
Non-hazardous waste produced per piece produced	kg/piece produced	0.09	0.10
Non-hazardous waste produced per employee	kg/employee	272.25	278.81

[2] The Group's production volumes for FY2024 and FY2025 were approximately 24.2 million units and 23.7 million units, respectively. These figures have also been applied in the calculation of other environmental intensity metrics.

[3] The Group's number of employees for FY2024 and FY2025 was 8,430 and 7,757, respectively. These figures have also been applied in the calculation of other environmental intensity metrics.

ENERGY USE AND MANAGEMENT

To mitigate environmental impact and promote sustainable operations, the Group has established a series of policies and operational controls on the efficient use of resources, with particular focus on energy conservation, low-carbon operations and responsible resource management. These policies apply across the Group's production facilities, warehouses, offices, staff-related operational areas and transportation activities, and are integrated into daily operational management, procurement, equipment maintenance and employee awareness initiatives. In line with this approach, the Group incorporates energy-saving criteria into its procurement framework by progressively replacing conventional lighting with LED lighting and prioritising equipment with high energy-efficiency ratings. The Group also implements operational controls to ensure that electrical appliances are switched off, or placed in standby mode where appropriate, when not in use.

	Unit	2025	2024
Total energy consumption	kWh	9,933,155.02	10,176,032.96
Total energy consumption per piece produced	kWk/piece produced	0.42	0.42
Total energy consumption per employee	kWk/employee	1,280.54	1,207.12
Direct energy consumption[4]	kWh	1,144,451.02	1,228,510.80
Unleaded petrol	kWh	322,982.34	433,092.68
Diesel	kWh	477,202.13	406,382.43
Natural gas	kWh	147,146.11	190,760.62
LPG	kWh	197,120.44	198,275.07
Indirect energy consumption	kWh	8,788,704.00	8,947,522.16
Purchased electricity	kWh	8,095,704.00	8,947,522.16
Purchased renewable electricity	kWh	693,000.00	N/A

During the Reporting Year, the Group's energy consumption comprised both direct and indirect energy. Direct energy mainly included unleaded petrol and diesel consumed by the Group's fleet of private cars and light goods vehicles used for transportation and goods delivery, diesel used for the operation of a supplementary electricity generator in Cambodia, as well as natural gas and LPG used in cooking-related facilities, particularly employee canteens. Indirect energy mainly comprised purchased electricity used across production buildings, warehouses, offices and other operational areas. Natural gas consumption decreased during the Reporting Year following the decommissioning of the staff residential quarters at the Guangzhou manufacturing facility and the removal of the associated natural gas pipelines. LPG consumption remained broadly stable, with a slight decrease attributable to improved food quantity planning and more efficient cooking practices at canteen operations.

[4] The unit conversion method of direct energy consumption data is based on the "Energy Statistic Manual" issued by the International Energy Agency (the "**IEA**").

During the Reporting Year, the Group continued to implement a range of energy-saving measure, including:

- replacing fluorescent lamps and explosion-proof lamps in production buildings with LED lighting and other applicable alternatives;
- reducing the use of belt-driven sewing machines by approximately 70%–80% and replacing them with direct-drive or energy-efficient motor sewing machines where practicable;
- carrying out regular inspection and maintenance of production machinery;
- assigning designated personnel to control and manage lighting, air compressors and exhaust fans, as well as identify and repair compressed air leakage points;
- setting computer monitors to switch off automatically after 3 minutes of inactivity when staff leave their workstations;
- optimising the switching schedule of lighting and air-conditioning systems;
- installing solar-powered lighting in certain factory areas for night-time illumination; and
- strengthening employee training on electricity conservation and environmental protection, as well as communicating and displaying electricity-saving and environmental protection messages at operational sites.

In addition, the Group has taken steps to improve the sustainability of its electricity sourcing. During the Reporting Year, the Group commenced direct procurement of green electricity from a third-party provider at one of its manufacturing sites in the PRC. The Group also plans to increase the green electricity purchase ratio at that site in 2026. The Group also continued to switch from non-certified power grids to government-regulated grids where feasible to enhance sustainability performance and reduce GHG emissions associated with purchased electricity.

The Group achieved the energy intensity target set in the previous year, which was mainly attributable to tighter operational controls, progressive equipment upgrades, LED retrofits, reduced reliance on less efficient sewing machines, strengthened maintenance of production equipment and compressed air systems, and closer monitoring of electricity consumption across operational sites. The Group has set a new energy use efficiency target to maintain or gradually reduce its energy consumption intensity by FY2030, using FY2025 as the baseline year. To achieve this target, the Group will continue to enhance energy monitoring, improve operational discipline, expand the use of energy-efficient equipment and LED lighting, optimise the operation of air-conditioning and other electrical systems, strengthen preventive maintenance, and increase the share of renewable electricity in its purchased electricity mix.

WATER USE AND MANAGEMENT

The Group recognises water management as a material environmental issue and is committed to the efficient use of water across its operations. In view of the nature of the Group's business, water is mainly used at office premises for drinking and general cleaning, and at factory premises for staff canteens, dormitories and sanitary facilities. Water use in storage and transportation activities is not material to the Group's operations, while water use associated with buildings and ancillary equipment is limited to daily operational and hygiene purposes.

To minimise the environmental impact of its operations, the Group collects and treats wastewater generated at its factories through wastewater treatment facilities, where applicable, and monitors discharge quality to ensure compliance with the applicable industrial wastewater discharge standards in the jurisdictions in which it operates. Based on the Group's current operational profile and water sourcing arrangements at its operating locations, the Group did not encounter any material issues with sourcing water that is fit for purpose during the Reporting Year.

	Unit	2025	2024
Total water consumption	m^3	175,601.00	193,793.00
Total water consumption per piece produced	m^3/piece produced	0.01	0.01
Total water consumption per employee	m^3/employee	22.64	22.99

The Group monitors both total water consumption and water consumption intensity per piece produced as key indicators of water efficiency. During the Reporting Year, the Group's water consumption intensity per piece produced remained stable as compared with the previous reporting year, reflecting the effectiveness of its water management measures and the successful achievement of the target set for the year. In addition, the Group has set a water efficiency target to maintain water consumption intensity at or below the FY2025 baseline level by FY2030, while continuing to identify site-level improvement opportunities where practicable.

To achieve this target and further reduce unnecessary water consumption and wastewater discharge, the Group has implemented the following measures to promote water conservation awareness and good housekeeping practices among employees:

- conducting regular inspections, repairs and preventive maintenance of water equipment and pipeline systems to minimise leakage and seepage;
- implementing the principle of "use only when needed and turn off promptly after use" in toilets and other water-use areas;
- displaying water-saving posters and reminders in prominent workplace locations to enhance employee awareness; and
- reviewing water usage performance regularly to support continuous improvement in water efficiency.

USE OF PACKAGING MATERIALS

Packaging materials used for the Group's finished goods primarily comprise corrugated cartons and paper-based materials, which are primarily used for the packaging, storage and transportation of products manufactured at the Group's production facilities. In line with the Group's policy on the efficient use of resources, the Group strives to optimise packaging design and material consumption while ensuring adequate product protection, transportation efficiency and compliance with customer specifications.

	Unit	2025	2024
Total packaging materials used	tonnes	4,631.44	6,076.65
Total packaging materials intensity	tonnes/pieces	0.20	0.25

During the Reporting Year, the total amount of packaging materials used for finished goods decreased, mainly in line with the reduction in production volume at the Group's manufacturing plants. While the Group's products are designed and packed in accordance with customer specifications and product protection requirements, the Group recognises that packaging weight is not the sole consideration in material selection. Accordingly, the Group seeks, where practicable, to reduce packaging material consumption and to encourage the use of more sustainable, recyclable and lighter-weight packaging alternatives, without compromising product quality, safety or logistics performance.

The Group achieved the total packaging materials intensity target set in the previous year. In addition, the Group has set a new target to maintain and gradually reduce packaging material intensity by 2030, using FY2025 as the baseline year, through continuous review of packaging specifications, optimisation of material usage and ongoing engagement with customers on more sustainable packaging solutions.

THE ENVIRONMENTAL AND NATURAL RESOURCES

The Group is committed to minimising the environmental impacts of its operations and promoting the responsible use of natural resources. Although the Group is not engaged in resource-extractive activities, its manufacturing operations may affect the environment through energy, water and material consumption, as well as emissions, wastewater discharge and waste generation. To manage these impacts, the Group has implemented environmental management measures focused on regulatory compliance, resource efficiency, pollution prevention and continuous operational improvement.

The significant environmental impacts associated with the Group's activities primarily relate to energy consumption, water use, wastewater discharge, waste generation and the use of raw and packaging materials. In response, the Group continues to optimise production processes, improve the efficient use of resources, strengthen waste management and proper wastewater handling, and promote more sustainable materials and practices where practicable. The Group will continue to review and enhance its environmental management approach to reduce its impact on the environment and natural resources over time.

CLIMATE CHANGE

The Group has established climate strategies to address the escalating climate-related risks while leveraging opportunities that foster long-term sustainability and business resilience.

To strengthen our approach, we conducted scenario analysis and risk prioritisation exercises to identify climate-related risks and opportunities that are critical to our business and value chain. This assessment encompassed both financial and non-financial impacts, enabling us to respond to climate challenges in a structured and informed manner.

The Group conducts climate scenario analysis to identify and assess potential climate-related physical and transition risks, as well as opportunities to its operations, asset portfolios and value chain over short- to medium-term horizons (2030 and 2035) and medium- to long-term horizons (2050). These timeframes align with the global objective of reducing emissions and achieving net zero by 2050. While projections beyond 2050 involve significant uncertainty due to underlying assumptions, our approach balances data reliability with addressing long-term risks.

For physical risks, the assessment begins with a high-level screening of asset types to understand their inherent exposure to acute and chronic climate-related hazards. This is followed by an evaluation of geographical markets in which the Group operates, considering spatial and temporal variations in climate hazards under different climate scenarios. The analysis considers the proportion of assets exposed to climate-related risks based on asset characteristics and geographical locations, without factoring in existing adaptation or mitigation measures. Changes in physical risk exposure over time are assessed by combining projected climate conditions under selected scenarios and expected changes in the Group's asset portfolio, providing insight into how physical climate risks may evolve over the long term.

For transition risks, the Group assesses potential impacts arising from the transition to a low-carbon economy, including changes in climate-related policies and regulations, market dynamics, technology developments and stakeholder expectations. The assessment evaluates the sensitivity of key business activities to transition drivers under different climate scenarios. Potential financial and operational impacts are analysed across defined time horizons, with reference to the Group's strategic direction and decarbonisation plans. The outcomes of the climate scenario analysis are used to inform risk management, strategic planning and capital allocation, and to enhance the Group's resilience under a range of plausible climate futures.

Steps in the Risk Integration Process



To evaluate the potential implications of climate change in our business, we utilised climate pathways developed by globally recognised institutions, including the Intergovernmental Panel on Climate Change (the "**IPCC**") and the IEA. These scenarios incorporate a broad range of factors – political, environmental, economic, and social indicators. Key variables include projected shifts in population, economic activity, weather patterns, energy usage, land-use patterns, technology, and climate policy. Separate sets of scenarios were applied to physical and transition risks to reflect distinct risk drivers. Insights from this analysis inform our climate strategy by identifying risk hotspots and guiding actions to strengthen long-term resilience.

Inputs and Approach of Scenario Analysis

Scope of Analysis

- Please refer to the Reporting Scope and Boundary

Scenario Used

Time Horizons	• Short- to medium-term horizons (2030) • Medium- to long-term horizons (2050)	
Rationale	• The scenarios developed take reference from IPCC (physical risks) and IEA (transition risks) • The selected sources model most severe climate futures, enabling us to inform risk mitigation planning, guide capital investment decisions and strengthen operational resilience • The scenarios chosen will help the Group assess the level of exposure from physical and transition risks, and support our future strategic planning	
Climate Risks	**Physical Risks**	**Transition Risks**
Scenario	**IPCC SSP5-8.5 Scenario**	**IEA Current Policies Scenario (CPS)**
Scenario Description	A high GHG emissions scenario driven by rapid economic growth and heavy fossil fuel use, leading to severe climate change with warming of about 4°C by 2100.	An energy future based solely on policies already enacted into law, projecting continued growth in fossil-fuel demand and a resulting global temperature rise of roughly 2.9°C by 2100.
Risks Assessed	Acute risk: • Heavy precipitation • Typhoon Chronic risk: • Rising average temperature	• Increasing cost from carbon offsets • Increasing electricity costs

Key Assumptions for Scenario Analysis and Asset Location Identification

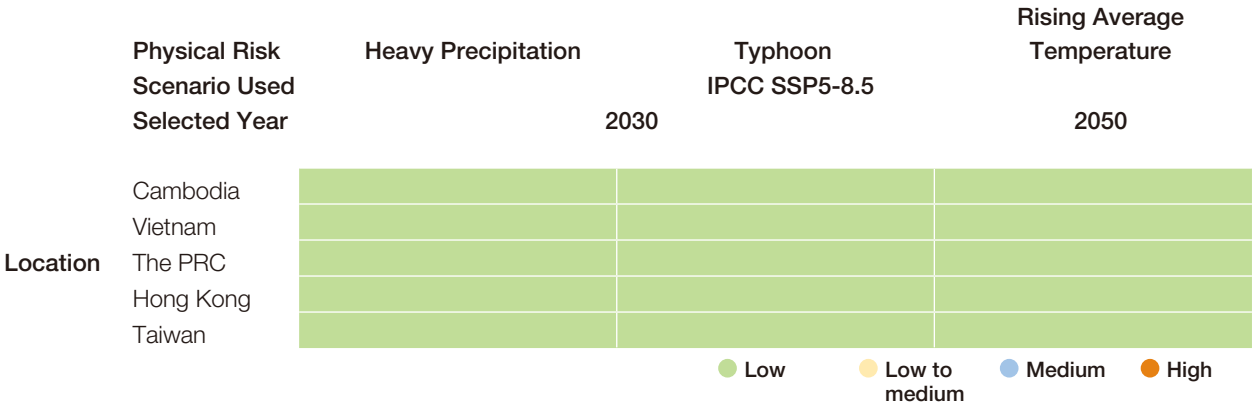
- Expect asset locations to remain the same over the time horizons
- No existing adaptation or mitigation measures

To proactively model the most severe possible climate futures, the analysis applied the IPCC SSP5-8.5 scenario, representing a high-emissions pathway, to evaluate projected impacts on operation units and assets in Cambodia, Vietnam, Hong Kong, Taiwan, and the PRC at the 2030 and 2050 horizons.

The assessment utilised advanced climate modelling methodologies that integrate historical records with future projections of key climate variables. Geospatial analysis incorporating satellite imagery, topography, vegetation, and building related emission was also employed to assess the likelihood and impact of physical risks to our assets. This science-based, data-driven approach enables us to better anticipate climate risks and design informed resilience strategies.

Three physical risks, assessed as having low impact under the selected climate scenarios, and are summarised in the table below. While the supplementary table provides an overview of their potential business and value chain, and financial implications, together with the Group's response and opportunities.

Risk Exposure Level



Risk Type	Acute Physical Risks	Chronic Physical Risks
Description	• Heavy precipitation and typhoons may affect the Group's manufacturing facilities, warehouses, offices and transportation routes across its operating locations, potentially causing short-term but disruptive operational interruptions.	• Rising average temperature may affect the Group's labour-intensive manufacturing operations, employee welfare and the storage conditions of raw materials and finished goods over the medium to long term.
Potential Financial Impact on Business Model and Value Chain	• Revenue loss arising from production downtime, shipment delays and temporary business interruption. • Additional repair, maintenance and reinstatement costs for damaged facilities, equipment or inventory. • Higher logistics, emergency response and site protection costs during extreme weather events.	• Increased operating costs due to higher electricity consumption for cooling and ventilation. • Additional expenditure on employee protection measures and workplace adaptation. • Potential upstream procurement disruption and related cost pressure if suppliers or transport routes are affected by prolonged heat conditions.

Risk Type	Acute Physical Risks	Chronic Physical Risks
Responses	• Develop and regularly review emergency response and business continuity plans for extreme weather events. • Strengthen site-level physical protection measures, including flood prevention facilities, drainage management, wind barriers and backup pumping/ generator arrangements where necessary. • Enhance weather monitoring, internal communication and emergency coordination to minimise disruption to employees and operations. • Review logistics contingency arrangements to reduce transportation and delivery disruption. • Schedule shipments in advance and implement flexible production measures accordingly.	• Implement heat stress prevention measures, including ventilation improvement, rest arrangements, hydration reminders and employee awareness programmes. • Monitor temperature-sensitive storage areas and strengthen facility maintenance to protect supplies and finished goods. • Periodically assess exposure of operating locations and suppliers to long-term climate-related heat risks.

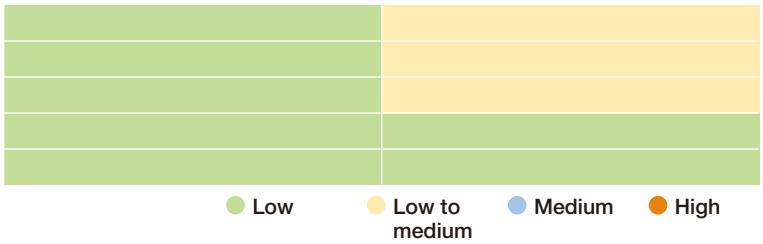
To assess transition risks associated with the shift toward a low-carbon economy, we focused on the Group's core business operations in Cambodia, Vietnam, Hong Kong, Taiwan, and the PRC. To proactively model the most severe possible climate futures, the analysis applied the IEA CPS, continued growth in fossil-fuel demand and high transition risks covering 2035 horizons.

To complement this analysis, we conducted a qualitative review of local policy trends and regulatory developments in the locations where the Group operates, recognising that global scenarios may lack regional specificity. We also distributed surveys internally to gather practical insights on operational resilience and transition risk exposure across our operations, taking into account policy, economic, and market factors. Additionally, the analysis acknowledges inherent uncertainties, not only from climate modelling assumptions but also those arising from evolving regulatory environments and expert judgments influenced by market sentiment.

The findings are summarised in the following table, detailing the identified transition risks, their potential business and value chain impacts, financial impacts, and the Group's corresponding responses and opportunities.

Risk Exposure Level

	Transition Risk	Increasing Cost from Carbon Offsets	Increasing Electricity Costs
	Scenario Used	CPS	
	Selected Year	2030	
Location	Cambodia		
	Vietnam		
	The PRC		
	Hong Kong		
	Taiwan		



Risk Type	**Transition Risk**
Description	Increasing cost from carbon offsets may arise as climate-related regulations, market expectations and decarbonisation requirements continue to evolve, potentially increasing the Group's exposure to carbon-related compliance costs across its manufacturing and supply chain operations.
Potential Financial Impact on Business Model and Value Chain	• Increased pressure to invest in energy-efficient and low-carbon technologies to reduce future carbon-related cost exposure. • Increased business uncertainty arising from evolving regulations, customer expectations and global decarbonisation trends. • Increased capital expenditure on low-carbon technologies, equipment upgrades and operational improvement initiatives. • Additional compliance, training and internal implementation costs relating to climate-related policy and regulatory developments. • Increased expenditure associated with carbon pricing, offset procurement or other decarbonisation-related measures.
Response and Opportunities	• Assess the Group's potential exposure to carbon pricing and carbon-related compliance costs, and explore practical pathways for emissions reduction. • Identify opportunities to invest in energy-efficient or low-carbon technologies that reduce long-term offset requirements and improve operational resilience. • Strengthen energy management, equipment upgrades and renewable electricity adoption to lower the Group's GHG emissions over time. • Explore government incentives, green financing or other external support mechanisms to facilitate decarbonisation investments.
Description	Increasing electricity costs may affect the Group's manufacturing operations, as electricity is consumed across production buildings, warehouses, offices and other operational areas, and future tariff increases or power market changes may raise the cost base of day-to-day operations.

Risk Type	Transition Risk
Potential Financial Impact on Business Model and Value Chain	• Direct increases in utility expenditure across factories, warehouses, offices and supporting facilities. • Pressure to upgrade production equipment and supporting systems to more energy-efficient or lower-carbon alternatives. • Higher operating costs arising from increased electricity tariffs, grid decarbonisation measures or changes in the energy mix. • Increased margin pressure and potential competitiveness loss relative to peers that have already invested in energy efficiency or renewable electricity sourcing. • Greater price volatility may complicate budgeting, long-term planning and investment appraisal, resulting in increased forecasting uncertainty.
Response and Opportunities	• Conduct energy audits and strengthen energy monitoring to identify efficiency improvement opportunities across operational sites. • Continue replacing conventional lighting and equipment with more energy-efficient alternatives, and optimise the operation of lighting, air-conditioning and production machinery. • Explore long-term renewable electricity procurement arrangements, including PPAs where appropriate, to improve price stability and reduce emissions exposure. • Increase the share of renewable or green electricity in the purchased electricity mix where feasible. • Consider electrification, process redesign or operational optimisation measures that improve efficiency and support long-term low-carbon competitiveness.

During the Reporting Year, the Group initiated the collection of Scope 3 GHG emissions data as part of its ongoing commitment to strengthening GHG emissions management practices. Recognising the importance of expanding the Scope 3 emissions inventory, the Group will continue to enhance its data collection processes in the following years. This comprehensive approach enables the Group to analyse GHG emissions by location and category, thereby improving its capacity to effectively monitor and manage overall emissions performance. Further details of the Group's emission reduction initiatives are provided in the Air Emissions and Energy Use and Management and Waste Management sections of this Report.

During the Reporting Year, the Group's GHG emissions were primarily attributable to the following key sources:

i. Scope 1 (Direct) GHG emissions mainly arose from the combustion of fuels utilised in the Group's operational activities. These included unleaded petrol and diesel consumed by company-owned vehicles for transportation and logistics purposes; diesel used in electricity generators at the manufacturing facilities; and LPG and natural gas consumed in cooking facilities within employee.

ii. Scope 2 (Indirect) GHG emissions were primarily generated from purchased electricity consumed across offices, manufacturing facilities, and other operational premises.

iii. Scope 3 (Other Indirect) GHG emissions were generated from upstream and downstream value chain activities in align with the GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard, including Category 1 (Purchased Goods and Services), Category 2 (Capital Goods), Category 4 (Upstream Transportation and Distribution), Category 5 (Waste Generated in Operations), Category 6 (Business Travel), and Category 9 (Downstream Transportation and Distribution).

GHG Emissions	Source of Emission Factors	Unit	2025	2024
Total GHG emissions (Scope 1 and 2)		tCO_2e	5,473.03	5,794.78
GHG emissions (Scope 1 and 2) per piece produced		$kgCO_2e$/pieces	0.23	N/A
GHG emissions (Scope 1 and 2) per employee		$kgCO_2e$/employee	705.56	N/A
Total GHG emissions (Scope 1, 2, and 3)		tCO_2e	80,597.33	5,919.71
GHG emissions (Scope 1, 2 and 3) per piece produced		$kgCO_2e$/pieces	3.40	0.24
GHG emissions (Scope 1, 2, and 3) per employee		$kgCO_2e$/employee	10,390.27	702.22
Scope 1 (Direct)				
Diesel	The source of emission factors used is based on "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" published by the HKEX, Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Public Building Operation Enterprises (Trial) published (《公共建築運營企業溫室氣體排放核算方法和報告指南(試行)》) published by National Development and Reform Commission of the PRC, Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC AR6)	tCO_2e	122.38	N/A[5]
Petrol (unleaded)		tCO_2e	85.29	N/A[5]
LPG		tCO_2e	42.75	N/A[5]
Natural gas		tCO_2e	30.45	N/A[5]
Refrigerants		tCO_2e	58.80	N/A[5]

[5] A breakdown of data by energy source has been disclosed during the Reporting Year for improved transparency. Consequently, data from previous reporting year is not directly comparable.

GHG Emissions	Source of Emission Factors	Unit	2025	2024
Scope 2 (Indirect)				
Purchased electricity	The source of emission factors used is based on Independent Practitioner's Limited Assurance Report 2024 published by CLP, Announcement on the Release of 2024 Electricity Carbon Footprint Factor Data (《關於發布2024年電力碳足跡因子數據的公告》) published by Ministry of Ecology and Environment of the PRC, 2022 Electricity Carbon Emission Factor published by Energy Administration, Ministry of Economic Affairs of Taiwan, Hệ số phát thái lúói điên Viêt Nam 2023 published by Department of Climate Change, Ministry of Natural Resources and Environment of Vietnam, and Grid Emission Factors published by Institute of Global Environmental Strategies, Ministry of Environment of Cambodia	tCO_2e	5,133.36	5,420.73
Scope 3 (Other Indirect)[6]				
Category 1: purchased goods and services	Please refer to "Scope 3 Reporting Boundary"	tCO_2e	73,876.16	N/A
Category 2: capital goods		tCO_2e	21.57	N/A
Category 4: upstream transportation and distribution		tCO_2e	162.47	N/A
Category 5: waste generated in operations		tCO_2e	424.82	N/A
Category 6: business travel		tCO_2e	93.20	N/A
Category 9: downstream transportation and distribution		tCO_2e	546.08	N/A

[6] To enhance disclosure transparency, the Group has expanded its Scope 3 GHG emissions disclosure from Category 1 (Purchased Goods and Services) and Category 5 (Waste Generated in Operations) during the previous reporting year to Categories 1 (Purchased Goods and Services), Category 2 (Capital Goods), Category 4 (Upstream Transportation and Distribution), Category 5 (Waste Generated in Operations), Category 6 (Business Travel), and Category 9 (Downstream Transportation and Distribution) during the Reporting Year, reflecting a more holistic representation of the GHG emission profile.

Scope 3 Reporting Boundary

Scope 3 Category and the relationship with the Group	Calculation and Emission Factors
Category 1: Purchased Goods and Services Emissions arise from the upstream production of goods and services procured for the Group's operations, which covers purchased raw materials and operational inputs, including polyester, nylon, leather, freshwater, paper, as well as selected construction materials and utility-related items associated with the Group's industrial park and project activities. The most material emission sources are raw material procurement, particularly leather, polyester and nylon.	• Assessed using a combination of activity-based/weight-based, supplier-specific and spend-based methods, depending on the type of purchased item and data availability. • Freshwater emissions are calculated by multiplying the volume of freshwater consumed by the relevant emission factor. • Paper and material-related emissions are calculated using either mass-based activity data multiplied by the corresponding life-cycle emission factor, or procurement expenditure multiplied by the relevant sector-specific emission factor, as applicable. • For selected industrial park/project-related purchased items, emissions are calculated using the corresponding activity data and relevant fuel, electricity, water or waste treatment factors. • Key emission factor sources include the Water Supplies Department Annual Report 2023/24, HKEX Appendix 2: Reporting Guidance on Environmental KPIs, relevant life-cycle emission factor databases, the Supply Chain Greenhouse Gas Emission Factors v1.3 by NAICS-6 (USEEIO).
Category 2: Capital Goods Emissions arise from the upstream manufacture of capital goods purchased by the Group to support production and operational capacity, which mainly includes industrial machinery and equipment, such as other industrial machinery, welding and soldering equipment, sawmill/woodworking/paper machinery, printing machinery, machine tools, industrial process furnaces and ovens, and measuring/controlling devices.	• Assessed using the spend-based method. • Emissions are calculated by multiplying the procurement expenditure of each category of capital goods by the corresponding emission factor for the relevant industrial sector. • Emission factors are sourced from Supply Chain Greenhouse Gas Emission Factors v1.3 by NAICS-6 published under the USEEIO.
Category 4: Upstream Transportation and Distribution Emissions are generated from the transportation and distribution of purchased goods and materials before they reach the Group, where such logistics activities are relevant to the Group's upstream supply chain, including diesel used by heavy goods vehicles and petrol used by light goods vehicles.	• Assessed using an activity-based fuel-consumption method. • Emissions are calculated by multiplying the amount of fuel consumed in upstream transportation by the corresponding fuel-specific emission factor. • Emission factors are sourced from HKEX Appendix 2: Reporting Guidance on Environmental KPIs.

Scope 3 Category and the relationship with the Group	Calculation and Emission Factors
Category 5: Waste generated in operations Emissions arise from the treatment and disposal of waste generated from the Group's operations, which includes waste streams such as household residual waste, plastics, scrap metal, WEEE, batteries, paper and board, glass, mineral oil, clothing/rags, and wastewater.	• Assessed using a waste-type- and treatment-route-specific method. • Emissions are calculated by multiplying the quantity of each waste type by the corresponding emission factor for its treatment pathway (e.g. landfill, recycling, combustion, composting or anaerobic digestion). • Wastewater-related emissions are calculated by multiplying wastewater discharge volume by the applicable emission factor. • Key emission factor sources include HKEX Appendix 2: Reporting Guidance on Environmental KPIs, the 2024 UK Government GHG Conversion Factors for Company Reporting, and the Environmental, Social and Governance Report 2023/24 published by the Drainage Services Department of Hong Kong.
Category 6: Business Travel Emissions arise from transportation undertaken by employees for business purposes.	• Assessed using a distance- or itinerary-based approach, as applicable to the underlying travel data. • Air travel emissions are calculated using the International Civil Aviation Organisation ("**ICAO**") Carbon Emissions Calculator and converted into total business travel emissions for reporting purposes. • Emission factors/calculation basis are sourced from the ICAO Carbon Emissions Calculator.

Scope 3 Category and the relationship with the Group	Calculation and Emission Factors
Category 9: Downstream Transportation and Distribution	
Emissions arise from the transportation and distribution of sold products after they leave the Group's operational control but before they reach end customers, where such activities are relevant to the Group's downstream value chain. Based on the GHG worksheet, Emissions arise from the transportation and distribution of sold products after they leave the Group's operational control but before they reach end customers, where such activities are relevant to the Group's downstream value chain. Based on the GHG worksheet, this category is currently captured primarily using diesel consumption for heavy goods vehicles, with a petrol line also included in the methodology structure.	• Assessed using an activity-based fuel-consumption method. • Emissions are calculated by multiplying downstream transport fuel consumption by the corresponding fuel-specific emission factor. • Emission factors are sourced from HKEX Appendix 2: Reporting Guidance on Environmental KPIs.

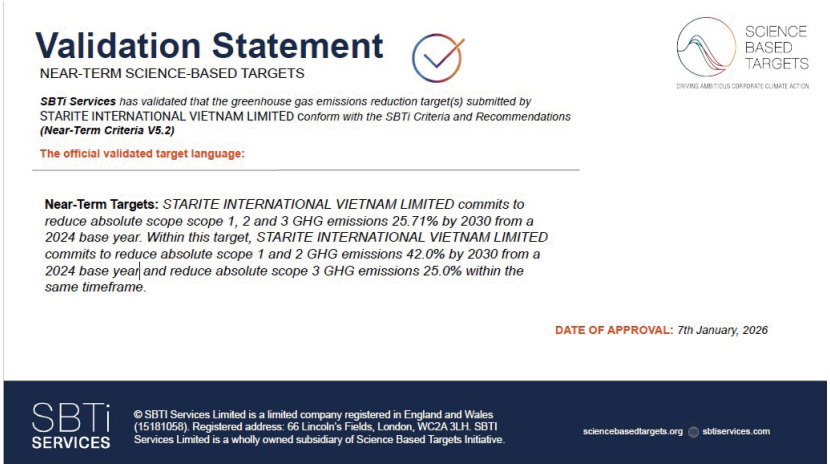
Our Approach

Standards	• The "GHG Protocol: A Corporate Accounting and Reporting Standard (2004)" (《溫室氣體核算體系：企業核算與報告標準(2004年)》) issued by the World Resources Institute and the World Business Council for Sustainable Development • Corporate Value Chain (Scope 3) Standard issued by the Greenhouse Gas Protocol (GHG Protocol) • The "Global Warming Potential Values" from the Sixth Assessment Report issued by the Intergovernmental Panel on Climate Change • "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" published by the HKEX
Measurement method	Using operational control, as operational information is accessible.
Operational boundary	Please refer to the Report Scope and Boundary.

GHG Emission Targets

In order to comply with the Part D: Climate-related Disclosure Requirements under the Code updated in 2025, the Group has established its GHG emissions reduction targets using a bottom-up approach, with reference to the Practical Net-Zero Guide for Business issued by HKEX. Details of the targets are set out below.

As part of this approach, the Group takes into account site-level decarbonisation commitments and performance trajectories across its operational emissions. The Group's manufacturing facility in Vietnam has obtained validation from the Science Based Targets initiative (the "**SBTi**") for its Near-term Science-Based Target, committing to reduce absolute Scope 1 and Scope 2 GHG emissions by 42.0% by 2030 from a 2024 base year. This science-based decarbonisation pathway has been incorporated into the formulation of the Group's overall Scope 1 and Scope 2 emissions reduction targets and serves as a key operational reference point for assessing the Group's emissions reduction potential under its bottom-up target-setting methodology.



Validation Statement

NEAR-TERM SCIENCE-BASED TARGETS

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

SBTi Services *has validated that the greenhouse gas emissions reduction target(s) submitted by* STARITE INTERNATIONAL VIETNAM LIMITED *conform with the SBTi Criteria and Recommendations* ***(Near-Term Criteria V5.2)***

The official validated target language:

Near-Term Targets: *STARITE INTERNATIONAL VIETNAM LIMITED commits to reduce absolute scope scope 1, 2 and 3 GHG emissions 25.71% by 2030 from a 2024 base year. Within this target, STARITE INTERNATIONAL VIETNAM LIMITED commits to reduce absolute scope 1 and 2 GHG emissions 42.0% by 2030 from a 2024 base year and reduce absolute scope 3 GHG emissions 25.0% within the same timeframe.*

DATE OF APPROVAL: *7th January, 2026*

SBTi SERVICES

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sciencebasedtargets.org sbtiservices.com

In addition, the formulation of the Group-level targets has taken into consideration both current and anticipated decarbonisation initiatives identified through internal management reviews, including:

- increasing procurement and utilisation of renewable or low carbon electricity across PRC operational sites;
- implementation of energy efficiency improvement and decarbonisation initiatives within production and supporting facilities;
- strengthening of environmental management practices across the Group's operational emissions; and
- promotion of environmental awareness and sustainability commitments among key suppliers through ongoing engagement and responsible procurement practices.

These measures are expected to support the Group's longer-term transition towards a more comprehensive emissions reduction pathway and to facilitate the future integration of Scope 3 emissions into its climate-related targets and performance monitoring framework. The Group's current target-setting approach has also taken into account the progressive expansion of its Scope 3 emissions inventory and the ongoing enhancement of internal data collection and management systems. However, as the Group is at an early stage of developing a comprehensive Scope 3 emissions baseline, the current GHG emissions reduction targets are primarily focused on Scope 1 and Scope 2 emissions, for which more robust operational data and direct management control are presently available.

Target Information		**Target Setting**		
Target Setting	By 2030, the Group's near-term target is to reduce Scope 1 and 2 GHG emissions by approximately 28.67% compared to 2024, the benchmark year.		**Scope 1 and 2 GHG emissions (tCO_2e)**	**Decrease compared to the benchmark year (%)**
Type of Target (Absolute/ Intensity)	Absolute	**Total emissions – benchmark year (FY2024)**	5,794.78	/
Aim of Target	With reference to the Practical Net-Zero Guide for Business by HKEX, the GHG emission target has been established after the Group analysed the GHG reduction potential of the business operation and identified all practical actions at current and in the future.	**Total emissions – target (FY2030)**	4,133.57	▼ 28.67%
Progress Monitoring	The Board reviews the target and performance of Scope 1 and 2 GHG emissions and evaluates whether any revisions are needed.			
Target Scope	Covering manufacturing businesses in Cambodia, Vietnam, Hong Kong, Taiwan and the PRC			

Current Progresses

	Scope 1 and 2: GHG emissions (tCO_2e)	**Decrease compared to the benchmark year (%)**
2024	5,794.78	/
2025	5,473.03	5.55%

Internal Carbon Pricing

The Group has not yet applied an internal carbon pricing mechanism in its decision-making processes during the Reporting Year, including investment appraisal, capital allocation, transfer pricing or scenario analysis, and no price per metric tonne of GHG emissions was used to assess the cost of the Group's emissions.

Nevertheless, the Group recognises that internal carbon pricing mechanism may, over time, become a useful management tool to support climate-related decision-making, risk assessment and the evaluation of decarbonisation opportunities. As part of its evolving climate-related management approach, the Group will continue to assess the potential applicability of internal carbon pricing with reference to, among other factors, regulatory developments, industry trends, market practices, stakeholder expectations and the operational characteristics of its healthcare service business.

The Group will continue to monitor developments in climate-related disclosure requirements and broader market practice and will consider whether and how an internal carbon pricing mechanism may be developed and applied in the future where appropriate.

Carbon Offset

During the Reporting Year, the Group did not use, and does not currently plan to rely on, carbon credits to offset GHG emissions to achieve any net GHG emissions target. The Group's current climate-related approach remains primarily focused on monitoring emissions, operational efficiency, and emissions reduction at source.

The Group recognises that carbon credits may play a complementary role in corporate climate strategies as carbon markets continue to develop. Accordingly, the Group will continue to assess the potential role of carbon credits within its longer-term climate strategy, with reference to evolving regulatory expectations, market developments, industry trends, and recognised market resources, including relevant guidance and market developments associated with HKEX's Core Climate and other recognised carbon market frameworks. The Group will continue to review relevant developments and enhance its disclosures in future reporting years where appropriate.

LABOUR PRACTICES

It is essential to acknowledge the workforce's efficiency, quality, and commitment to the organisation, which have contributed to the Group's significant development and success in the marketplace. To foster an inclusive and high-performing culture, we remain committed to nurturing a diverse, cross-cultural talent pool through continuous competency development and robust recognition programs. Prioritising employee well-being and safety is fundamental to our operational philosophy. The Group also applauds the individuals who continue to work to enhance skills and diversity. Moreover, the fundamental basis of the Group's work culture, as publicised and promoted by the Group, includes maintaining safety measures and ensuring the prosperity of its working members. Moreover, the Group established a Code of Conduct, which is in line with the Anti-Corruption Policy published by the Hong Kong Independent Commission Against Corruption, and the Anti-Fraud and Whistle Blowing Policy.

To ensure that the Group's key policies are clearly and consistently communicated to the employees, the Group has established an "Employees' Handbook", which details the rights of the employees, such as working hours, leave entitlements and other benefits and welfare.

Employment

The Group has several non-discriminatory policies and practices well in place to ensure equal opportunities across all sexes, ethnicities, races, ages, and religions. This opens avenues for every individual to be provided with equal opportunities. Employment of individuals and promotions of existing employees are thus solely based on the qualifications, experience, and merits of the applicants and staff.

The enrolment of new employees is thus guided by policy that allows proficient aspirants who possess the appropriate outlook toward the job profile and are also endowed with the required qualifications, experience and merits. The Group strictly follows a non-discriminatory policy which prioritises only talent as the sole driver of the probability of getting recruited. Contractual papers for the labours are prepared on time and a steady affair is retained and promoted with the labourers to comply with the law. Although, the process of recruitment helps to identify talented individuals, simultaneously holding on to the same set of individuals is also indispensable to ensure enhanced growth rate and success. Considering this fact, the Group bestows the potential employees with bonuses, incentives and rewards, so as to keep them associated and motivated.

The Group offers salaries above the local minimum wage regulation. No non-compliance with the laws and regulations relating to labour and employment that have resulted or may result in a significant impact on the Company was identified during the Reporting Year.

The breakdown of employees by gender and age group, along with the employee turnover rate[7], is shown below.

	Unit	2025	2024
Total number of employees	Persons	7,757	8,430
By gender			
Male	Persons	2,274	2,386
Female	Persons	5,483	6,044
By employment type			
Full-time	Persons	7,756	8,429
Part-time	Persons	1	1
By age group			
30 or below	Persons	3,312	3,925
Between 31–40	Persons	2,702	2,881
Between 41–50	Persons	1,359	1,293
Above 50	Persons	384	331
By region			
Cambodia	Persons	2,868	3,319
The PRC	Persons	849	731
Vietnam	Persons	3,958	4,314
Others	Persons	82	66
Total employee turnover rate[8]	%	39.47	40.55
By gender			
Male	%	48.59	36.00
Female	%	35.91	42.34
By age group			
30 or below	%	58.88	53.20
Between 31–40	%	30.01	35.27
Between 41–50	%	19.79	21.19
Above 50	%	11.46	12.08
By region			
Cambodia	%	64.57	55.80
The PRC	%	18.85	19.43
Vietnam	%	26.38	32.78
Others	%	21.95	15.15

[7] For improved data comparability, the percentages of total employee turnover and related categories are presented to two decimal places.

[8] Employee turnover rate by category = Total number of employees leaving employment by category during the financial year/Total number of employees by category at the end of the financial year X 100%.

HEALTH AND SAFETY

The Group intends to provide its employees with a healthy and secure workplace environment, thereby ensuring a sustainable corporate culture. Moreover, staying fit also makes the employees more apt to work efficiently, thereby raising the overall performance standards. In this regard, the employees are provided access to daylight and high-level technology solutions.

The permanent employees are insured to comply with the Employees' Compensation Ordinance. On the contrary, the general staff are served with accident and medical insurance. Also, liability insurance is provided to the officers and the directors. The Group is also in compliance with the Mandatory Provident Fund Schemes Ordinance (香港《強制性公積金計劃條例》) of Hong Kong, the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), the Law on Social Insurance of Vietnam (越南《社會保險法》), the Law on Occupational Safety and Hygiene of Vietnam (越南《勞動安全衛生法》), the Law on Social Security Schemes of Cambodia (柬埔寨《社會保障法》) and the Labour Law of Cambodia (《柬埔寨王國勞動法》).

The Administrative System for the Group's office area and the Safety and Security Management System are established to ensure employees' safety and security. Such systems comprise several daily basis actions such as office cleanliness in a consistent and timely manner, regular inspection of electricity, fire safety, water cleanliness and security, etc. The steps adopted by the Group include:

1. In order to tackle incidences of fire outbreaks, appropriate fire extinguishers and other related equipment are administered along with measures to ensure the uninterrupted flow of fire channels. Moreover, the employees are also provided with the basic training to deal with fire eruptions;

2. Water safety is ensured through the acquisition of pure and safe water for the purpose of drinking; and

3. To ensure the health of the staff members, physical checkups are conducted annually to avert the occurrence of infectious and occupational diseases.

The table below shows the number of reported work-related fatalities, injury cases, and lost days:

	Unit	2025	2024	2023
Number of work-related fatalities in the past three years (including the Reporting Year)	No.	1	1	0
Number of work-related injury cases	No.	69	131	67
Lost days due to work injury	No.	327.00	1,034.00	396.50

During the Reporting Year, the Group recorded one work-related fatality during the Reporting Year, which resulted from a traffic accident during an employee's commute. Following the incident, the Group immediately initiated the emergency response mechanism to provide necessary support to the bereaved family. The Group deeply regrets this loss and remains committed to maintaining a safe working environment and preventing the recurrence of similar incidents. During the Reporting Year, there was no non-compliance with the laws and regulations relating to occupational safety that has resulted or may result in a significant impact on the Group.

DEVELOPMENT AND TRAINING

The growth of a business, in terms of profits and reputation, is positively influenced by skilled and talented employees, who are regarded as the Group's precious assets. Also, the Group's skilled employees are further developed not only to achieve business growth and advancement, but also for their own growth. Regular training provides the employees with opportunities to share and gain knowledge. Appropriate assessment methods are used to track employees' growth and progress. The benefits of comprehensive performance analysis include collecting data on the productivity and work efficiency of the working members. Furthermore, it helps ascertain an individual's strengths and weaknesses. A pellucid review method is employed daily to track employees' performance, attitude, and abilities. The best performers are also rewarded with bonus incentives.

The Group searched for multiple facets of employee development and training activities. Moreover, the Group also incorporated a wide variety of activities related to human resource development and training systems, performance evaluations, and responsibilities. In addition to providing the training during working hours, the employees are trained based on the prerequisites of the staff members before enrolling for the job. Such training schedules mainly comprise internal lectures or field trips, which again facilitate employees in acquiring technical knowledge, workplace ethics, customer relationship management, and risk management. Managerial skills training, on the other hand, helps employees dealing with management become more apt for their work. During the Reporting Year, the Group actively utilised the e-learning platform to broaden training accessibility. To further incentivise professional growth, completion of designated training modules has been established as prerequisite from promotion to managerial positions. Team-based activities are the most suitable platform for employees to share knowledge of their skills and thereby help to maintain unity in the workplace. The breakdown of development and training data[9] by various categories is shown below:

	Unit	2025	2024
Total number of hours of training received by employees	hours	86,987.00	82,903.00
Average training hours completed per employee[9]	hours	11.21	9.83
By gender[11]			
Male	hours	12.70	11.17
Female	hours	10.60	9.31
By employee category[10]			
Senior management	hours	0.19	0.62
Middle management	hours	2.03	0.68
General staff	hours	11.32	9.94
Percentage of the total number of employees trained[11]	%	96.00	91.76
By gender[13]			
Male	%	29.00	27.49
Female	%	71.00	72.51
By employee category[12]			
Senior management	%	0.03	0.08
Middle management	%	0.48	0.26
General staff	%	99.49	99.66

9 For improved data comparability, the total number of hours of training received by employees and related categories and the percentage of the total number of employees trained and related categories are presented to two decimal places.

10 Average training hours completed per employee = Total number of training hours completed during the financial year/Total number of employees at the end of the financial year.

11 Average training hours = Number of training hours completed by category during the financial year/Number of employees by category at the end of the financial year.

12 Total percentage of employees trained = Total number of employees trained during the financial year/Total number of employees at the end of the financial year x 100%.

13 Percentage of employees trained = Number of employees trained by category during the financial year/Number of employees trained during the financial year x 100%.

Labour Standards

The employees are boosted further by the allocation of competitive remuneration and welfare packages. A strong and strict system of remunerations and associated benefits is maintained to execute promotion opportunities, salary adjustments, rewards and recognition. Such a system primarily intends to value the talent of potential workers and thereby make them cling to the Group.

The Group strictly adheres the Labour Law of the People's Republic of the PRC (《中華人民共和國勞動法》), the Labour Code of Vietnam (越南《勞動法》), the Labour Law of Cambodia (柬埔寨《勞動法》), and laws and regulations of Hong Kong in respect of the Employment Ordinance (香港《僱傭條例》), the Minimum Wage Ordinance of Hong Kong (香港《最低工資條例》), and other ordinances relating to occupational safety, as well as disability, sex, family status, and race discrimination. All the statements on the part of the Group such as the non-discrimination statement, the statement on work hours and the abolition of child and forced labour are included in the Employee Handbook, which depicts that the Group complies with all human rights.

The Group prohibits any employment which would constitute child labour and forced labour. The Group has provided a safe working environment and protecting employees from occupational hazards, and child and forced labour. The Group guarantees that no employee is made to work against employee's will, work under forced labour, or be subject to coercion related to work. The Group's implemented employment policies are in strict adherence to the local employment laws and regulations. Prior to any confirmation of employment of the Group, our human resources department will require job applicants to provide valid identity documents to verify that the applicants are lawfully employable and ensure full compliance with relevant laws and regulations that prohibit child and forced labour. In addition, the Group's employees work overtime on a voluntary basis to avoid any violation of the labour standards and protect employee's legal rights and interests. If any violations were to be detected, the Group would immediately cease any labour activities. Any false documents would be considered fraudulent and the Group would have the right to terminate the labour contract immediately. The Group will regularly review the employees' information to ensure there is no violation of any regulations and policies.

During the Reporting Year, the Group was unaware of any material breaches of employment labour laws and regulations related to child and forced labour in its operations, and other benefits and welfare concerning its employees.

SUPPLY CHAIN MANAGEMENT

Several renowned brands are served by the Group's quality supply chain management services. Such practices have made the Group aware of the significant role suppliers play in influencing the sustainability of business operations. It is worth noting that suppliers, in addition to impacting overall performance, also help uphold the Group's stature among the societies served by the organisation. The business relies on several factors, such as behaviour, equality, and sensitivity to the dynamic needs of stakeholders. Actions in this regard include adopting a fair and just approach when conducting business with supply chain partners.

The Purchasing Team will conduct the evaluation and complete the form, but no onsite checking was carried out. Evaluation is a critical tool utilised by the team to implement acceptance and identify measures suppliers can implement to boost their performance. The adopted materials and methods used by the Group for supplier assessment are kept pellucid.

The Group expects suppliers to implement sound employment practices by treating their employees fairly and reasonably, respecting their rights, and providing a work environment free from discrimination, child labour, and forced labour. The suppliers also need to adhere to transparent business processes and high standards of conduct, avoiding conflicts of interest and prohibiting corruption and bribery. Before making any procurement decisions, the Group will conduct due diligence and supplier assessments to avoid environmental and social risks along the supply chain. Our supply chain management policies and procedures include assessment, selection, approval, procurement and performance evaluation. We regularly evaluate our key suppliers' performance to determine whether to extend our partnership with them. Performance evaluation is based on capacity, delivery accuracy and punctuality, service, environmental protection and social responsibilities.

As of 31 December 2025, we had 707 suppliers mainly located in the following regions.

	Unit	2025	2024
Total number of Suppliers	No.	707	945
By region			
Cambodia	No.	32	23
Hong Kong	No.	81	193
Korea	No.	63	10
Taiwan	No.	70	64
PRC	No.	324	573
Vietnam	No.	132	76
Others	No.	5	6

PRODUCT RESPONSIBILITY

The Group strictly complies with the relevant laws and regulations relating to product responsibility that have significant impacts, including but not limited to the Product Quality Law of the People's Republic of the PRC (《中華人民共和國產品質量法》), Law of the People's Republic of the PRC on the Protection of Customer Rights and Interests (《中華人民共和國消費者權益保護法》), Civil Law of the People's Republic of the PRC (《中華人民共和國民法典》) and Law on Protection of Consumer Rights in Vietnam (越南《消費者權益保護法》).

The business primarily relies on keeping the customers elated. This is accomplished through the Group's continuous efforts to modify its products and services to ensure customer satisfaction. The uncompromising, trustworthy production process is the pillar of the business. Moreover, the employees endeavour to provide vigilant service to the customers.

The pledge to ensure customer satisfaction is achieved by providing environmentally friendly, high-quality products. The infrastructure, systems, and policies are continuously scrutinised to uphold the standards, quality, and texture of the products and services.

The quality control department facilitates preserving strict quality standards and traceability. Moreover, to preserve traceability and safety, the various production processes and operations, from the inspection of raw materials to the production of finished goods, are closely monitored. The outcome is secured quality and reduced risk. The products are also regularly assessed to evaluate their efficacy and to ensure compliance with procedures.

Intellectual Property (the "IP") Rights Protection

As we go forward, we place a high value on IP. Workers have a duty to protect the Group's IP while also honouring others' IP. Our IP is protected by patents, copyrights, trademarks, personal information, related contract rights, and other legal limitations. Workers are expected to obtain the necessary licenses or permissions to comply with the Group's internal rules regarding IP. We strongly advise anyone who violates our IP to stop, and if the violation persists, additional action will be taken. The Group requires that labelling is accurate, legitimate, clear, and not misleading, and IP rights, if applicable, are protected. We ensure that the information and marketing materials we provide do not contain any misleading content to protect customers' interests.

Methods of Redress

The Group considers that product recall procedures are not applicable to its operation, as products are tested by customers before acceptance for shipment. Should products be rejected for shipment or complaints are received, the Group would communicate with the customer in concern, understand and investigate the matter, then formulate a solution for the resolution of the matter, which may involve modification of the product or re-production of the product, depending on the actual situation. There were no products sold or shipped subject to recalls for safety and health reasons during the Reporting Year.

Privacy Matters

The Group is committed to protecting customer data and privacy information and keeping business information confidential. Its employees are obligated to retain in confidence all information obtained during the course of their employment, including, but not limited to, trade secrets, know-how, customer information and personal data, supplier information, and other confidential information. Training in this regard, along with proper information system security, is provided to employees.

The Group has established internal policies that cover intellectual property and privacy protection. An internal policy that governs the collection, handling, and disclosure of clients' data has been developed and communicated to its staff. The Group has prohibited any other parties from using customers' personal information for direct marketing purposes unless it is lawful and obtained with the customers' explicit or implicit consent. To protect confidential information, IT systems are protected with passwords that are periodically changed, and different access levels are granted to employees based on their positions to prevent unauthorised access.

During the Reporting Year, the Group was unaware of any material instances of non-compliance with relevant laws and regulations regarding advertising, health and safety, labelling, and privacy matters. There are no current or pending regulatory actions or other litigation that is anticipated to have a significant impact on the Group.

Customer Handling

The Group values customer feedback and ensures that customer complaints are addressed efficiently. Customers may lodge a formal complaint, and the responsible department would respond accordingly, conduct internal investigations, propose suitable solutions to customers, and take corrective actions to settle the issue within a proposed timeframe. Our management will monitor the status of the complaint-handling process to ensure all complaints are handled promptly.

During the Reporting Year, the Group has received 7 product- and service-related complaints; all were minor defects and were resolved in a timely manner, subject to the above-mentioned process.

ANTI-CORRUPTION

During the Reporting Year, the Group complied with all relevant laws and regulations relating to the prevention of bribery, extortion, fraud and money laundering, including but not limited to, the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) (香港法例第201章《防止賄賂條例》), and Criminal Law of the People's Republic of the PRC (《中華人民共和國刑法》) and Anti-Money Laundering Law of the People's Republic of the PRC (《中華人民共和國反洗錢法》), Anti-corruption Laws of Cambodia (柬埔寨《反貪腐條例》) and Vietnam (越南《反貪腐條例》).

Anti-corruption measures and laws are enforced across the Group's business areas. The Group endeavours to maintain high moral standards and integrity and forbids any forms of corruption by setting out guidance in the Group's Code of Conduct. The Group has implemented a Whistleblowing Policy in place to encourage employees to report any suspicious or fraudulent activities. The Group intends to protect the whistle-blower from common concerns such as confidentiality and potential retaliation. Therefore, the employee(s) reporting in good faith under this procedure shall be assured of the protection against unfair termination or victimisation, even if the reports are subsequently proved to be unsubstantiated. A full investigation will then be conducted by management, and confidential disciplinary action will be applied to the employee involved upon confirmation of the occurrence; further legal action may be taken depending on the nature and particular circumstances of each case.

The Group established a series of anti-corruption policies to prohibit employees from accepting any advantages offered by customers, suppliers, colleagues, or other parties while performing their duties, and to prohibit activities involving conflicts of interest, bribery, extortion, fraud, and money laundering. In addition, we regularly provide publications on anti-corruption practices to our directors and senior management personnel. The Group closely monitors the regulatory development and will arrange relevant training for the Directors and its staff, where necessary. Also, fraud risk assessment is conducted annually, and any internal control deficiencies identified are communicated to the Board and senior management. Financial control activities are documented and, at a minimum, include controls over cash disbursements, accounts receivable, accounts payable, and inventory management. During the Reporting Year, the Group has provided anti-corruption training materials from Independent Commission Against Corruption to its employees (including Board members and management staff) and organised 16 hours of anti-corruption training. The Group will closely monitor regulatory developments and arrange relevant anticorruption training for our employees and directors, as necessary.

During the Reporting Year, the Group is not aware of any complaints of corruption against the Group or any of the staff, and there are no concluded legal cases regarding corrupt practices brought against the Group or its employees.

COMMUNITY INVESTMENT

The Group's ideology and outlook are to render the community a good corporate citizen. The Group aims to identify areas requiring attention and act to engage with customers, employees, beneficiaries, and the community at large, so that positive, long-lasting results can be achieved. Furthermore, the community is an integral part of the Group's long-term success. This necessitates the Group to be identified as a responsible corporate citizen. To portray that the Group acts in the spirit of shared values, they inspire their employees to support charitable organisations and encourage them to participate in the Group's charitable activities. It is worth noting that the Group has also succeeded in instilling a sense of responsibility among staff members and their families towards society, the needy, and particularly the physically disabled. Harmony, equality, and fairness are considered to lay the basis of such an attitude. This serves as an indicator of employees' active enthusiasm and allegiance towards the organisation.

During the Reporting Year, the Group contributed approximately USD3,000 to a poverty-stricken village in Kandal Province, the Cambodia Red Cross, displaced refugees, and the installation of a water tower for a local primary school. In addition, the Group demonstrated our solidarity following the tragic fire in Tai Po and donated HKD500,000 to Yan Chai Hospital. In the future, the Group is committed to deepening our philanthropic footprint through diverse support initiatives, transcending geographical boundaries to build bridges of hope for those in need. By consistently dedicating our resources and working, the Group pledges to champion corporate social responsibility in our collective journey toward a more inclusive, harmonious, and sustainable society.

STOCK EXCHANGE ENVIRONMENTAL, SOCIAL AND GOVERNANCE CODE CONTENT INDEX

Part C: "Comply or explain" Provisions
Subject Areas, Aspects, General Disclosures and KPIs

Aspect	Description	Chapter/Section
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Sustainability Approach
KPI A1.1	The types of emissions and respective emissions data.	Air Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Air Emission
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 management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Energy Use and Management
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).	Energy Use and Management
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Use and Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Use and Management
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.	Water Use and Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Packaging Materials

Aspect	Description	Chapter/Section
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	The 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.	
B. Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Labour Practices
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Labour Practices
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Labour Practices
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training

Aspect	Description	Chapter/Section
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility

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

D. Climate-related Disclosures

Aspect	Description	Chapter/Section
(I) Governance		
19.(a)	An issuer shall disclose information about 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; and (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	Climate Change
	(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.	

Aspect	Description	Chapter/Section
(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: (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; (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.	The Group is currently enhancing the relevant assessment framework, data collection and internal review processes. The relevant information will be disclosed once the supporting information is available for reliable disclosure.
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: (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).	Climate Change

Aspect	Description	Chapter/Section
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: (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect); (iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any); and (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	The Group is currently enhancing the relevant assessment framework, data collection and internal review processes. The relevant information will be disclosed once the supporting information is available for reliable disclosure.
23	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	The Group is currently enhancing the relevant assessment framework, data collection and internal review processes. The relevant information will be disclosed once the supporting information is available for reliable disclosure.

Aspect	Description	Chapter/Section
Financial Position, Financial Performance and Cash Flows		
24	Current financial effect An issuer shall disclose qualitative and quantitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; (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.	The Group is currently enhancing the relevant assessment framework, data collection and internal review processes. The relevant information will be disclosed once the supporting information is available for reliable disclosure.
25	Anticipated financial effect The issuer shall provide qualitative and quantitative disclosures about: (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	The Group is currently enhancing the relevant assessment framework, data collection and internal review processes. The relevant information will be disclosed once the supporting information is available for reliable disclosure.

Aspect	Description	Chapter/Section
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; and (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term; (b) how and when the climate-related scenario analysis was carried out, including: (i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis); (ii) the key assumptions the issuer made in the analysis; and (iii) the reporting period in which the climate-related scenario analysis was carried out.	The Group is currently enhancing the relevant assessment framework, data collection and internal review processes. The relevant information will be disclosed once the supporting information is available for reliable disclosure.

Aspect	Description	Chapter/Section
(III) Risk Management		
27	An issuer shall disclose information about: (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period; (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related Opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	The Group is currently enhancing the relevant assessment framework, data collection and internal review processes. The relevant information will be disclosed once the supporting information is available for reliable disclosure.
(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 tons of CO_2 equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	Climate Change

Aspect	Description	Chapter/Section
29	An issuer shall: (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions including: (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	Climate Change
Climate-related Transition Risks		
30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Climate Change
Climate-related Physical Risks		
31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Climate Change

Aspect	Description	Chapter/Section
Climate-related Opportunities		
32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Climate Change
Capital Deployment		
33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Climate Change
Internal Carbon Prices		
34(a)	An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	The Group is currently enhancing the relevant assessment framework, data collection and internal review processes. The relevant information will be disclosed once the supporting information is available for reliable disclosure.
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 is currently enhancing the relevant assessment framework, data collection and internal review processes. The relevant information will be disclosed once the supporting information is available for reliable disclosure.
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.	The Group is currently enhancing the relevant assessment framework, data collection and internal review processes. The relevant information will be disclosed once the supporting information is available for reliable disclosure.

Aspect	Description	Chapter/Section
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: (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.	Climate Change
38	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: (a) whether the target and the methodology for setting the target has been validated by a third party; (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.	Climate Change
39	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Climate Change

Aspect	Description	Chapter/Section
40	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	Climate Change
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).	The Group is currently enhancing the relevant assessment framework, data collection and internal review processes. The relevant information will be disclosed once the supporting information is available for reliable disclosure.