



Environmental, Social and
Governance Report 2026

DICKSON CONCEPTS
(INTERNATIONAL) LIMITED

迪生創建(國際)有限公司
(incorporated in Bermuda with limited liability)

Stock Code: 0113

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ABOUT THE REPORT

Dickson Concepts (International) Limited (the “**Company**”) and its major subsidiary companies (the “**Group**” or “**we**”) are pleased to present the Environmental, Social and Governance (“**ESG**”) Report for the financial year from 1st April, 2025 to 31st March, 2026 (the “**Year**”) (the “**ESG Report**”). The ESG Report provides an overview on the Group’s sustainability performance and demonstrates its commitment to sustainable development.

REPORTING BOUNDARY

The ESG Report illustrates the Group’s overall performance in environmental and social dimensions and covers all principal operating activities of department stores, retail shops, warehouses and offices in Hong Kong. The retail space of the freestanding shops in Taiwan and the People’s Republic of China (the “**PRC**”) is insignificant for the year 2026. The business in Taiwan and the PRC are not included.

REPORTING FRAMEWORK

The ESG Report is prepared on the basis of Appendix C2 “Environmental, Social and Governance Reporting Code” (“**ESG Reporting Code**”) to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (“**HKEX**”). The ESG Report has complied with all mandatory disclosure requirements and “comply or explain” provisions outlined in the ESG Reporting Code.

REPORTING PRINCIPLES

In preparing this ESG Report, we complied with the four reporting principles stipulated in the ESG Reporting Code – those are “materiality”, “quantitative”, “consistency”, and “balance”.

Materiality

This report follows the ESG Reporting Code to carry out materiality assessment work. Our working procedures include: (i) identifying relevant ESG issues; (ii) assessing the materiality of the issues; and (iii) reviewing and confirming the assessment process and results by the Board of Directors of the Company (the “**Board**”). We report ESG matters based on the materiality assessment results. Details on materiality assessment work are disclosed in “Materiality Assessment” section of this ESG Report.

Quantitative

This report follows the ESG Reporting Code and refers to applicable quantitative standards and conventions, and adopts quantitative methods to measure and disclose applicable key performance indicators. The measurement standards, methods, assumptions and / or calculation tools of the key performance indicators, the sources of the conversion factors used and the relevant environmental objectives are disclosed in the “Environmental Protection” section of this ESG Report.

Consistency

The preparation method of this year’s ESG Report is consistent with that of previous years, and any changes that may affect meaningful comparison with previous reports would be stated accordingly.

Balance

The Group discloses the ESG achievement and areas for improvement in a transparent and unbiased manner for objective review by stakeholders.

FEEDBACKS

The Group welcomes stakeholders to share their feedback and opinions for the continuous improvement. Should you have any comments or suggestions to this ESG Report, please send to the Group at 4th Floor, East Ocean Centre, 98 Granville Road, Tsimshatsui East, Kowloon, Hong Kong.

OUR APPROACH TO ESG

BOARD STATEMENT

The Group believes that sound ESG and climate governance strategies and practices are the keys to enhancing its investment value, thereby bringing long-term returns for its stakeholders. The Board bears the responsibilities to oversee and review the Group's ESG and climate strategies and reports, determines and evaluates the ESG and climate risks of the Group, and ensures that relevant risk management and internal control systems are in place and operated effectively. The Board has delegated the authority to an ESG working group, which comprises senior management of the Group. ESG working group meetings have been held successfully during the Year. Through meetings and discussions, the ESG working group set and reviewed policies and guidelines to address environmental, climate and social matters. Moreover, key performance indicators are closely monitored for the purpose of ensuring continuous improvement.

Furthermore, the Board is responsible for executing and evaluating the stakeholder engagement process. To gather the opinions of the Group's stakeholders on ESG and climate-related issues, the Board has assigned a third-party ESG professional in conducting materiality assessment to identify issues that are likely to influence the business and its stakeholders. The issues would be reviewed and prioritised, and those with high significance to the Group and stakeholders are considered as material. The Board reviews and concludes the material issues of the Group. Besides, the Board has developed engagement channels to maintain adequate communication with different stakeholders and keep abreast of stakeholders' concerns and expectations in ESG and climate aspects.

In the aim of formulating and executing effective ESG and climate policies and measures, the Board reviews the plans and execution of ESG and climate-related work with respect to its targets and goals during regular meetings. The Group also shares its progress in ESG and climate with different stakeholders, most notably through the Group's annual ESG Report. The Board will continue to seek opportunities to pursue improvement in ESG and climate performance.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is an essential channel to identify significant ESG issues and set a cornerstone for the Group's long-term sustainable development. The Group has a regular dialogue with its stakeholders to ensure that it continues to meet their expectations and that its approach to sustainability remains relevant and consistent across its operations. Internal and external stakeholders which include customers, employees, shareholders and potential investors, the government and regulators, suppliers, landlords, media, contractors and banks are crucial to our business. Stakeholders' expectations, demands and feedbacks are worth investigating via utilising diversified communication channels for ESG improvements. The Group will keep stakeholders' concerns up-to-date through the following communication channels :-

Stakeholders	Concerns	Communication Channels
Customers	- Product quality, price and delivery date - Corporate financial performance / conditions - Corporate reputation and brand image - Market demand	- Telephone / email - Customer quality evaluation form - Customer visit - Social media
Employees	- Salaries and welfare; educational training; promotion opportunities - Occupational safety; labour conditions; complaints	- Publications / notice boards in the offices - Suggestion boxes / mail boxes / email
Shareholders and Potential Investors	- Corporate financial performance / conditions - Corporate dividends policy - Corporate governance and integrity; risk management; laws and regulations compliance - Climate change and environmental pollution	- Annual and interim results announcements - Annual report and interim report - Corporate website - Meeting with fund managers and analysts

Stakeholders	Concerns	Communication Channels
Government and Regulators	• Environmental pollution; product safety; energy conservation and emission reduction; climate change • Labour conditions; laws and regulations compliance • Economic contribution • Anti-corruption	• Government website • Official documents / meetings • Written reports / visits • Monitoring / inspection
Suppliers	• Quality, price and delivery date • Corporate financial performance / conditions	• Telephone / email • Site visits • Social media
Landlords	• Customer flow • Corporate financial performance / conditions • Tenants mix	• Telephone / email • Site visits
Media	• Corporate governance • Corporate reputation and brand image	• Press conferences / press releases • Annual and interim results announcements • Corporate website
Contractors	• Quality, price and delivery date • Laws and regulations compliance	• Telephone / email • Site visits
Banks	• Corporate financial performance / conditions • Corporate dividends policy • Corporate governance and integrity; risk management; laws and regulations compliance	• Telephone / email • Annual and interim results announcements • Annual report and interim report • Corporate website • Update meetings

MATERIALITY ASSESSMENT

The materiality assessment aims to identify material ESG topics, supporting the formulation of sustainability objectives and strategic plans. To maintain objectivity, the Group has engaged with third-party professional to support assessment exercise and evaluate the materiality of each ESG issue to both the Group's business operations and stakeholder concerns. The Group follows a three-stage materiality assessment framework as set out below :-

1. Compile a list of potential material topics relevant to the Group's ESG performance.
2. Assess stakeholders' expectations and the relevance of ESG matters to the Group's business and operations.
3. Shortlist the most representative material topics for reporting disclosure.

As the Group's business operations have remained largely unchanged, the eight material topics identified in the previous year remain applicable for the current reporting year. These topics cover Employment Compliance, Remuneration and Benefits, Diversity and Equal Opportunity, Occupational Health and Safety, Training and Education, Operating Management, Customer Privacy Protection and Information Security, and Business Ethics, which are disclosed in detail in this ESG Report.

ENVIRONMENTAL PROTECTION

The Group supports environmental protection and endeavours to build an environmentally-friendly business. Green operation is encouraged in our business in compliance with local environmental laws and regulations. The Group has developed targets for emissions, electricity consumption, water consumption and waste generation with reference to the UN Sustainable Development Goals (“SDGs”). The Group will review its environmental practices from time to time and consider implementing further eco-friendly measures or practices to enhance environmental sustainability.

EMISSIONS

The Group is mainly engaged in the sale of luxury goods and securities investment that do not involve substantial emissions in business operation. The emissions are originated from the use of electricity in the workplace, vehicles exhaust and other possible sources contributing minimal greenhouse gas emissions (“GHG emissions”). Non-hazardous waste disposal of the Group includes used paper (e.g. office papers, posters, and marketing materials) and display items.

Pollutant Emissions

Since the Group’s business does not involve in manufacturing, the only source of pollutant emissions is originated from vehicles exhaust. The slight increase in pollutant emissions shall be foreseen due to the potential increase of business activities. The Group has taken measures to curb the amount of pollutants, such as organising events at locations which is easily accessible by public transportation.

GHG Emissions

The Group endeavours to achieve GHG emissions reduction and comes up with two long-term targets conforming to SDGs :-

- To responsibly manage the environmental impact of its operations and aspire to decouple its carbon footprint from our business growth; and
- To improve education and awareness-raising on emission control and climate issues among employees.

To live up to GHG emissions targets, the Group actively adopts energy-saving and waste reduction measures. Details of measures for energy-saving will be discussed in “Use of Resources” section of this ESG Report.

Responsible departments are required to collect and analyse ESG activity data and then summarise their respective findings quarterly for formulating measures to reduce or avoid emissions. The Group will keep monitoring the efficiency of measures put in place to mitigate emissions. We also conduct continuous oversight to assess the effectiveness of existing emission mitigation measures, ensuring ongoing optimisation of our carbon management performance. For further information, please refer to the “Climate Change” section of this ESG Report.

Hazardous and Non-hazardous Waste

The Group recognises the burden on local landfills from the increasing amount of waste generation. To take up the obligation of minimising waste generation, we integrate SDGs into our waste management by setting and pondering over some achievable targets :-

- Maximising resources utilisation, with the goal of establishing business operation that will not cause serious damage to the environment; and
- Reducing waste paper and other waste generated during operation and from the use of our products.

The Group has properly handled all hazardous waste generated during the Year. The majority of hazardous waste is recycled or collected by licensed collectors and the rest disposed of at landfills. We have collected empty toners to a recycling company and they in return give proportionate donation to a charitable organisation, namely Friends of the Earth.

The Group has formulated ESG policy to control the generation of non-hazardous waste, of which visual merchandising items and paper are two types of principal waste to the Group. During the Year, the Group has generated 16.6 tonnes of construction waste which were originated from renovation and reinstatement works for a warehouse. In an effort to reduce non-hazardous waste, we encourage :-

- Utilising recycling bins to collect used paper, cardboard boxes and packing materials and arranging contractors to collect them for reuse or recycling;
- Sourcing environmentally friendly printing paper;
- Creating paperless working environment by encouraging internal communications with emails;
- Duplex printing and using scrap paper for notepads; and
- Reusing items whenever possible.

During the Year, the Group did not find any non-compliance with laws and regulations related to emissions.

USE OF RESOURCES

The Group is committed to using resources wisely and efficiently and reducing waste generation within our operations. Throughout our operations, we progressively exercise various resource-saving measures addressing the saving of energy, water, paper and other office supplies. Besides, green renovation guidelines and the General Notes for Interior Fit-Out Works are adopted as the policies of the Group and given / will be given to contractors in the future for Interior Design Projects in Hong Kong.

Electricity Consumption

The Group realises the phenomenon of climate change mainly attributed by electricity overconsumption. In the light of the importance of electricity to the operation and business, the Group exerts more efforts on electricity consumption reduction and thereby setting targets to :-

- Gradually reduce electricity consumption and enhance energy efficiency across all department stores, retail shops, offices and warehouse; and
- Prioritise the use of energy-saving, high efficiency and environmentally-friendly equipment whenever possible.

Lighting is essential no matter in offices or stores operation. Aiming at preventing overconsumption of electricity, the Group has implemented electricity-saving measures which include :-

- Maximise natural light in the workplace if practicable;
- Adopt LED lights and keep light fixtures and lamps clean to maximise their efficiency;
- Separate light switches for different light zones;
- Install dimmers where possible to adjust light intensity;
- Set air-conditioning temperature between 24 and 25 degrees;
- Remind staff to switch relevant office equipment and electronic appliances to energy-saving mode, e.g. enabling the printers and computers to automatically power down after a period of inactivity; and
- Consider using appliances that meet the Grade 1 standard of the Electrical and Mechanical Services Department's energy efficiency label whenever replacing office equipment or procuring renovation materials.

Water Consumption

Focusing on retail business which does not involve any activities requiring substantial water consumption, like manufacturing or dyeing process, the Group does not regard water consumption as a material environmental issue to the Group and there has been no issue in sourcing water that is fit for purpose for the Year. Nevertheless, we have taken measures to control the consumption of water in workplace. We have put up water saving reminder labels in pantries and washrooms to advise staff to close the faucet after use. We also preferably select products with Water Efficiency Labels and reduce water pressure to the lowest practical level. Whenever there is malfunction of water-related apparatus, such as dripping tap, we require building management to fix it immediately.

In the long-term, we target on the gradual increase of water-use efficiency across all department stores, retail shops, offices and warehouse to achieve sustainability.

Packaging Materials

Concerning the usage of packaging materials, the Group endeavours to monitor the packaging materials regularly to avoid overstock. Meanwhile, the Group aims to minimise packaging materials, especially when organising events, by avoiding over-packaging, luxury packaging and gift wrapping for festivals as far as possible.

ENVIRONMENT AND NATURAL RESOURCES

The Group's business operation does not pose significant risks to the ambient environment and natural resources. The Group considers the use of electricity, vehicles and other office supplies may possibly cause influences to the environment. Aforementioned, relevant principles and policies are developed for controlling the environmental risks from the operation of the Group.

CLIMATE CHANGE

The Group recognises that climate-related issues can materially impact its business operations and long-term value. The Group therefore integrates climate change considerations into the core strategy and enhances climate-related risk assessments to fully evaluate the material impacts on the business. This enables the development of targeted mitigation measures. Starting from the Year, the Group will disclose climate-related information based on a four-pillar framework (Governance, Strategy, Risk Management, and Metrics and Targets) in compliance with Appendix C2 of the Listing Rules.

Governance

The Group has integrated climate-related risks and opportunities into a three-tier governance structure: “Governance – Management – Execution”. As the highest governing body, the Board oversees the Group’s sustainable development policies and strategies, taking the lead on deliberation, decision-making, management, and supervision.

To ensure climate matters are systematically addressed, the Board integrates them into the agenda of regular meetings at least once a year. These meetings focus on discussing the Group’s climate-related risks and opportunities, as well as assessing whether ESG working group has implemented effective measures to mitigate climate change impacts. Besides, the Board reviews and monitors progress toward climate targets annually, making revisions as needed to keep strategies on track. The Board also considers climate-related risks and opportunities when overseeing strategy, major transaction, and risk management processes and related policies, and evaluate their potential impacts on the Group’s business development and operations.

To ensure the Board has the expertise to fulfill its oversight role, the Group supports directors in enhancing their climate-related knowledge and capabilities. Initiatives include providing access to specialised learning resources, organising targeted internal training sessions, and facilitating participation in climate-focused programs and seminars delivered by external professional institutions. These efforts strengthen the Board’s ability to navigate complex climate challenges and stay abreast of the latest developments in climate risks and opportunities.

Building on the Board’s strategic oversight, the Board has delegated day-to-day climate governance responsibilities to the ESG working group. The ESG working group’s core responsibilities include executing strategic goals and monitoring the implementation of the Group’s climate-related actions and plans in line with the strategy, as well as reporting on the progress of climate-related assessments to enhance the Group’s resilience. These controls and procedures are fully integrated within the Group’s policies in various operational departments to enable the Group to proactively identify potential climate-related risks and opportunities, make data-informed decisions, and roll out actionable climate action plans.

This well-structured and clearly accountable climate governance framework enables the Group to systematically address the challenges posed by climate change and provides solid assurance for our long-term sustainable development.

Strategy

The Group aims to enhance its business resilience to climate change and build an environmentally responsible enterprise. It has engaged an independent ESG consultant to conduct risk assessment procedures to analyse the potential impacts on its businesses and value chain, thereby evaluating and formulating optimal mitigation measures.

To operationalise these goals and address the limitations of traditional risk assessment procedures in capturing long-term climate impacts, the Group has appointed ESG consultant to conduct its first comprehensive climate scenario analysis in the Year. This analysis covered both physical risks and transition risks, as well as opportunities, with detailed screening and assessment performed for each risk and opportunity category.

- **Physical risks:** Risks related to physical impacts of climate change, which can be event-driven (acute risks) or caused by longer-term shifts in climate patterns (chronic risks).
- **Transition Risks:** Risks related to the transition to a lower-carbon economy, which may entail policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change.

To conduct a comprehensive analysis of climate-related risks and opportunities that may arise throughout its business development, the Group needs to take into account factors such as global temperature rise pathways, changes in climate policies, and time horizons of impact. Therefore, it selected scenario assumption models and relevant parameters from the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) and the Phase 5 public release of the Network for Greening the Financial System (NGFS). The scenarios selected align with the nature of its industry and strategic goals, and is consistent with PRC's "dual carbon" strategy and the Hong Kong Government's target of "achieving carbon neutrality by 2050". The Group conducted climate scenario analysis covering both low-emission and high-emission scenarios to better understand the impacts of climate change on the Group.

Methodology and Scope :-

Scope	Same as the reporting boundary, which covers all principal operating activities of department stores, retail shops, warehouses and offices in Hong Kong
Scenario Used	IPCC for physical risks analysis :- • SSP 1-2.6 : Global warming reaches 2.0°C. Governments' social, economic and clean energy transitions align with historical trends. Stringent policies amplify transition risks for enterprises, while physical risks remain notable. • SSP 5-8.5 : Global warming exceeds 4°C. Delayed government climate action, stalled emission reduction / adaptation and insufficient policies drive extreme climate impacts, increasing enterprises' immediate and long-term physical risks. NGFS for transition risks analysis :- • Net Zero 2050 : Early adoption of stringent climate policies. By reducing energy demand and advancing low-carbon technologies, it aims to limit global warming to well below 1.5°C and achieve global net-zero carbon dioxide emissions around 2050. • Current Policies : Only currently implemented climate policies remain in place, leading to continued growth in GHG emissions. Global warming is projected to exceed 3°C, resulting in severe physical risks.
Time Horizon	Time horizon covers short-term (up to 2030), medium-term (up to 2040), and long-term (up to 2050)
Assumption	• Existing mitigation measures remain the same. • Assets and operation location remain the same.

The Group recognises that integrating both quantitative and qualitative analysis would deliver a more comprehensive assessment of climate-related risks and opportunities. However, the Group cannot reliably compile various cross-industry metrics for these climate issues in a reasonable and cost-effective manner, as relevant operational data is fragmented across business units and industry-accepted measurement methodologies for such metrics remain highly uncertain. Besides, the Group's climate-related actions (such as maintenance of a robust, resilient business operations and monitoring of emerging climate regulations) are fully embedded within day-to-day business operations, with no separately identifiable funds earmarked specifically for addressing climate-related risks and opportunities. This operational integration further prevents the Group from providing quantitative data on the anticipated financial impacts of these climate initiatives.

Nevertheless, the Group has identified the core financial implications of key climate risks and opportunities and provided detailed qualitative disclosures in the tables below. It is also actively enhancing internal data integration systems and scenario-modeling capabilities to gradually improve the granularity of quantitative climate disclosures, and commits to promptly disclosing the quantitative impacts on its financial position, operating performance, and cash flows should material adjustments be made to its operational strategy.

The Group has identified the following six climate-related risks and opportunities as material. A detailed qualitative assessment of each risk and opportunity is set out in the tables below.

Qualitative Description of Risks and Opportunities Assessment Result :-

Physical Risks					
Types of Risk		Time Horizon	Key Affected Area	Impact on Business	Impact on Financial Performance
Acute	Extreme Weather Events	Medium Term and Long Term	The Group's Hong Kong operation sites	Business model : - Disruption in daily operation of its department stores and retail shops. Value chain : - Employee commuting disruptions reduce staffing for stores / warehouses, eroding service capacity tied to the Group's retail-focused model.	Revenue loss : Closures and delayed order fulfillment reduce in-store and merchandise sales. Cost spikes : Emergency repair and operational contingency costs rise due to weather disruption.
Chronic	Change in Precipitation Patterns			Business model : - Reduced foot traffic to physical stores during frequent rainy periods, weakening in-person retail performance. Value chain : - Increased frequency of inventory quality checks to mitigate precipitation-related losses.	Increased capital expenditure : Rising expenditure for infrastructure retrofits (waterproofing, humidity control). Rise in operating expenditure : Higher costs for specialised merchandise storage and maintenance. Margin compression : Lower foot traffic and inventory write-offs shrink profit margins.

Transition Risks					
Types of Risk		Time Horizon	Key Affected Area	Impact on Business	Impact on Financial Performance
Change in Market Demand	Consumer preferences are shifting toward more sustainable products and consumption patterns, which is directly influencing their purchasing decisions.	Short Term, Medium Term, and Long Term	The Group’s Hong Kong operation sites	Business model : • Weakened customer loyalty among eco-conscious high-net-worth shoppers. Value chain : • Need to adjust brand partnership evaluation criteria to prioritise sustainable product lines.	• Revenue shifts : Decline in sales from losing eco-conscious shoppers to competitors. • Sourcing costs : Higher expenses for renegotiating sustainable brand partnerships.
Policy and Regulation Tightening	New carbon taxes, ESG disclosure mandates, and sustainability regulations in key markets.	Medium Term and Long Term		Business model : • Potential restriction on non-sustainable packaging. • Risk of reputation damage from non-compliance, which may erode brand standing and weaken the trust of its customers, investors, and partners place in its business. Value chain : • Mandatory emissions tracking and reporting across operations. • Suppliers may raise price due to their own carbon costs (e.g., EU CBAM). • Complex scope 3 data collection required across vast supply chain.	• Compliance penalties : Financial fines for failing to meet climate disclosure requirements. • Governance costs : Higher expenditure for carbon accounting tools, new reporting system, and sustainable packaging. • Credit risks : High transition risk exposure may raise financing costs or hinder access to capital. • Higher cost of goods sold : Carbon-related supplier cost increases may push up the cost of goods sold.

Opportunities				
Types of Opportunities	Time Horizon	Key Affected Area	Impact on Business	Impact on Financial Performance
Operational Energy Efficiency Optimisation	Medium Term and Long Term	The Group's Hong Kong operation sites	Business model : - Improved operational resilience by reducing reliance on grid energy. Value chain : - Streamlined warehouse / office operations with energy-saving systems.	Utility savings : Reduced electricity costs boost operating margins.
Sustainable Luxury Portfolio Expansion			Business model : - Elevated positioning as a sustainable luxury retail leader. Value chain : - Expanded brand diversity with sustainable features.	Revenue diversification : New streams from sustainability-focused retail services. Revenue uplift : Higher sales from sustainable product lines and niche customer segments.

Mitigation Measures of Risks and Opportunities Assessment Result :-

Types of Risks	Mitigation Measures
Extreme Weather Events	- Formulated corresponding work arrangements under typhoons, adverse weather and “extreme conditions” and rainstorms. - Notify employees of the relevant special work arrangements in a timely manner to ensure the safety of employees. - Arrange and install sandbags and iron gates for the protection of shop display windows.
Change in Precipitation Patterns	
Change in Market Demand	- Continuously monitor consumer preference on sustainable products. - Regularly review product strategies against market changes.
Policy and Regulation Tightening	- Align climate disclosure with regulatory requirements to meet regulatory and investor expectations. - Engage suppliers on sustainability. - Prioritise suppliers with strong sustainability performance in our selection process.
Types of Opportunities	Response Measures
Operational Energy Efficiency Optimisation	- Conduct periodic energy reviews across all Hong Kong stores, warehouses and offices to identify residual inefficiencies in existing LED and energy conservation measures. - Explore the feasibility of adopting renewable energy to offset grid energy.
Sustainable Luxury Portfolio Expansion	- Engage with existing international luxury brand partners on sustainability matters to understand alignment with evolving market preferences for responsible products. - Incorporate sustainability considerations when exploring new brand partnerships and retail concept introductions.

While the Group has not yet developed climate-related transition plan, we have already implemented the abovementioned mitigation and response measures, which are funded and executed through the Group’s internal capital and existing human resources. We have also explicitly identified the material Scope 3 categories relevant to the Group, and conducted a preliminary assessment of their carbon emission and associated climate risks and opportunities during the Year to fully advance its decarbonisation and climate resilience efforts. During the Year, the Group did not have any capital expenditure, financing or investment dedicated to climate-related risks and opportunities. In addition, we have implemented the mitigation and response measures disclosed in the previous reporting period across all operating locations.

Despite these proactive actions, the Group faces key uncertainties that may constrain the effective implementation of our future climate resilience plans. These include the uncertain pace of global and regional climate policy updates, shifting consumer demand for sustainable products, the evolving pace and severity of physical climate change impacts, and the unclear timing and stringency of future climate-related regulatory requirements applicable to the Group. Nevertheless, the Group believes we have a robust capacity to adjust and adapt our strategy and business model to address climate change across the short, medium and long term. This adaptive capacity is embedded in the Group’s ongoing strategic planning and operational management, enabling timely adjustments to business priorities, operational processes and value chain collaboration in response to evolving climate risks, regulatory changes and market dynamics.

Going forward, the Group will regularly monitor climate-related risks and opportunities, evaluate mitigation effectiveness, adjust strategies based on operational performance, and track the progress of all climate-related target achievement through continuous monitoring. The Group will adjust climate-related targets whenever necessary based on operational performance and external climate trends, to ensure the targets are both feasible and practical. We will also optimise mitigation and response measures as needed, in line with target progress and the results of effectiveness evaluations. These clear goals will guide the orderly advancement of all climate response initiatives, effectively support the Group in meeting its established climate-related targets, and further strengthen the Group’s adaptive resilience to climate change challenges.

Risk Management

The Group has integrated the processes for identifying, assessing, prioritising, and managing climate-related risks and opportunities into the overall risk management framework and system to embed climate risk management into day-to-day operations. It also ensures that the Group effectively addresses the challenges posed by climate change. This integration aligns with its existing risk management structure and no significant changes were made to its risk management process during the Year.

Throughout the processes, parameters such as asset location and type, historical exposure to extreme weather and energy consumption patterns, are considered. Climate data from the publicly available scenario sources, as well as internal data such as utility consumption records and operational incident logs are utilised. Below are the summary of the climate risk and opportunity management process of the Group :-

Identification	The Group engages ESG consultant to conduct research on climate change trends, domestic and international industry developments, and technological changes, carries out peer benchmarking, and collects stakeholders' opinions. We also perform climate-related scenario analysis, taking into account our operational conditions and business characteristics. These efforts enable the comprehensive and objective gathering of insights on potential climate risks and opportunities across all the Group's business sites in Hong Kong, ensuring the resulting list of climate risks and opportunities covers key links throughout the entire business process.
Evaluation	The Group commissions ESG consultant to perform a comprehensive assessment, analysing the potential impacts of climate-related risks and opportunities on our business model, value chain, and financial performance, as well as assessing their likelihood of occurrence and corresponding magnitude of impact.
Prioritisation	Based on the assessment results of climate-related risks and opportunities, the ESG consultant assists the Group to prioritises the identified items based on the likelihood of occurrence and significance of impact. This prioritisation process aligns with our overall risk management framework and business objectives.
Monitoring	The Group's ESG working group regularly evaluates and monitors the identified climate-related risks and opportunities, as well as the effectiveness of corresponding mitigation and response measures. Meanwhile, ESG working group periodically reports the results of identifying, assessing, and managing climate-related risks and opportunities to the Board. This strengthens the Board's oversight of risk and opportunities management and ensures the effective implementation of risk response measures and opportunity capture initiatives.

Metrics and Targets

The Group regards the advancement of climate resilience and sustainable operational practices as a core strategic priority. The Group consistently aligns its sustainability targets and associated initiatives with the framework of the UN SDGs to ensure alignment with global sustainability benchmarks, as well as China's national "dual carbon" strategy and Hong Kong's regional carbon peaking and neutrality objectives.

Guided by global climate commitments, the Group prioritises alignment with China's national "dual carbon" strategy and Hong Kong's regional carbon peaking and neutrality objectives—initiatives that underpin China's fulfillment of its obligations under the Paris Agreement. To translate these strategic alignments into tangible actions, the Group focuses on substantive decarbonisation through energy efficiency improvements and operational process enhancements. At this stage, the Group has no plans to use carbon credits for emissions offsetting, nor has it established any climate targets whether internally defined or third-party verified, nor formulated targets based on a sectoral decarbonisation approach. The Board will conduct annual reviews to monitor ESG KPI performance and the effectiveness of implemented decarbonisation measures, while continuing to assess the maturity of the Group's decarbonisation efforts to determine if and when target-setting would be feasible. It will also track developments in the carbon credit market and related policies. This will help the Group explore leveraging such tools as a supplementary means of supporting its long-term carbon neutrality goals when appropriate. Once the Group reaches a sufficiently mature stage, the Board will refine the governance mechanisms for formulating, evaluating and verifying proposed targets. This is to ensure the transparency and credibility of the Group's decarbonisation initiatives.

During the Year, the Group conducted a GHG identification, assessment, and inventory activities to effectively manage its GHG emissions. These activities covered the Group's operations in Hong Kong, with its Scope 1 and Scope 2 emissions accounting completed in accordance with the requirements of the "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)". Besides, the Group completed a preliminary mapping of its Scope 3 emissions sources with reference to the "Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)". After taking into account its core operations, the estimated scale of emissions, data availability, and peer research, the following categories are included in its Scope 3 calculation :-

- Category 1: Purchased Goods and Services
- Category 4: Upstream Transportation
- Category 5: Waste Generated
- Category 6: Business Travel

Aligned with the Group's key strategic focus on optimising core business performance and creating long-term value and consistent with its current risk management approach. The Group has not yet incorporated internal carbon pricing (ICP) mechanisms or integrated climate-related factors into its remuneration policy or governance frameworks. This is primarily because these elements have not demonstrated direct and material relevance to its industry, current operational priorities or financial decision-making needs. The Group will continue to monitor advancements in climate-related indicators, industry best practices and ICP applications and will proactively assess the feasibility of integrating these elements into its governance frameworks and remuneration policies when conditions mature.

ENVIRONMENTAL PERFORMANCE SUMMARY

During the Year, the details of environmental KPIs are summarised as follows^{1,2} :-

	Unit	2026	2025
Exhaust Emissions³			
Nitrogen oxides	kg	19.49	16.27
Sulphur oxides	kg	0.53	0.49
Particulate matter	kg	1.44	1.20
GHG Emissions⁴			
Total GHG Emissions	tCO ₂ e	11,358	12,450
Total GHG Emissions intensity	tCO ₂ e / HK\$ million of revenue	9.989	10.931
Scope 1 – Direct emissions ⁵	tCO ₂ e	97	89
Scope 2 – Energy indirect emissions ⁶	tCO ₂ e	851	918
Scope 3 – Other indirect emissions ⁷	tCO ₂ e	10,410	11,443 ⁷
Wastes			
Hazardous waste⁸			
Total hazardous waste produced	tonnes	1	1
Total hazardous waste produced intensity	tonnes / HK\$ million of revenue	0.001	0.001
Non-hazardous waste⁹			
Total non-hazardous waste produced	tonnes	1	11
Total non-hazardous waste produced intensity	tonnes / HK\$ million of revenue	0.001	0.010
Energy Consumption			
Total energy consumption	MWh	2,200	2,212
Total energy consumption intensity	MWh / HK\$ million of revenue	1.935	1.942
Indirect energy consumption –			
Electricity consumption ¹⁰	MWh	1,849	1,888
Direct energy consumption –			
Fuel consumption ¹¹	MWh	351	324
Water Consumption¹²			
Total water consumption	m ³	858	1,792
Total water consumption intensity	m ³ / HK\$ million of revenue	0.755	1.573
Packaging Materials¹³			
Total packaging material used	tonnes	3	4
Intensity of packaging material used	tonnes / HK\$ million of revenue	0.003	0.004

Notes :-

- ¹ Unless otherwise specified, the environmental data covers the Group's Hong Kong operations comprising the department stores, retail shops, warehouses and offices.
- ² The Group's revenue from Hong Kong operations was used as the denominator to calculate intensity for each indicator. The Group's revenue from Hong Kong operations for the years ended 31st March, 2026 and 31st March, 2025 were HK\$1,137 million and HK\$1,139 million respectively.
- ³ The emission factors of exhaust emissions are adopted from the "Appendix 2 : Reporting Guidance on Environmental KPIs" issued by HKEX.
- ^{4.1} The Group uses an operational control approach for GHG emission accounting. This methodology defines the accounting scope based on the Group's authority to enforce operational policies across its business activities, which more accurately reflects its actual responsibilities in carbon emission management, helps strengthen GHG emission monitoring and governance, and ensures that accounting outcomes align with its sustainability goals.
- ^{4.2} The calculation methodology of GHG emissions is to align with "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)". Emission factors used for calculation are reference from "Appendix 2 : Reporting Guidance on Environmental KPIs" issued by HKEX, and the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" published by the Environmental Protection Department and the Electrical and Mechanical Services Department. The Group's GHG emissions include carbon dioxide, methane and nitrous oxide, and is presented in tonnes of carbon dioxide equivalent (tCO₂e) for better readability.
- ⁵ Scope 1 refers to direct GHG emissions, which include fuel consumption by vehicles. The emission factors for different types of vehicles are provided by the "Energy Statistics Manual" published by the International Energy Agency (IEA). The emission factors for Global Warming Potential is provided by the "Sixth Assessment Report" provided by the Intergovernmental Panel on Climate Change (IPCC).
- ⁶ Scope 2 refers to indirect GHG emissions, which include electricity purchased from power companies. The emission factors used for calculating greenhouse gas emission of purchased electricity are based on the data provided by The Hongkong Electric Company, Limited and China Light & Power Company, Limited.

⁷ Scope 3 refers to indirect GHG emissions, which include :-

- Category 1: purchased Goods and Services. Purchased goods primarily consist of items from overseas and local suppliers for the Group's Hong Kong operations, including cosmetics, apparel, footwear, accessories, handbags, watches, novelty products and marketing items. Emission factors are adopted from the supply chain GHG emission factors for US industries and commodities by the U.S. Environmental Protection Agency (EPA). Purchased services cover emissions arising from electricity consumed by Hong Kong Government departments in fresh water treatment, with the relevant emission factor sourced from the Annual report of Water Supplies Department.
- Category 4: upstream transportation and distribution. This category covers the transportation of goods procured from overseas suppliers to support the Group's Hong Kong operations, through air freight, rail and road transport. Emission factors are sourced from the Department for Environment, Food and Rural Affairs (DEFRA) in the UK.
- Category 5: waste generated includes hazardous waste and non-hazardous waste, and sewage water. The corresponding emission factors are adopted from DEFRA in the UK. Emissions arising from electricity consumed by Hong Kong Government departments for sewage treatment are also included under this category, with emission factors adopted from the Drainage Services Department's ESG report.
- Category 6: business travel includes aviation, with the emission factor adopted from the Carbon Emissions Calculator provided by International Civil Aviation Organisation (ICAO).

The Group has revised last year's Scope 3 data in accordance with the GHG Protocol to enhance year-on-year comparability.

- ⁸ Hazardous waste includes various types of electronics devices, components and accessories, such as battery, computer monitor and server.
- ⁹ Non-hazardous waste includes display items waste and paper waste, where paper waste refers to landfill-disposed material under consistent data disclosure with previous years. The reduction in non-hazardous waste during the Year is mainly attributable to higher paper recycling volumes.
- ¹⁰ Indirect energy consumption is derived from purchased electricity consumption and is calculated according to the actual amount consumed.
- ¹¹ Direct energy consumption is derived from the fuel consumption of vehicles and is calculated with the conversion factors sourced from the Energy Statistics Manual published by the International Energy Agency.
- ¹² Water consumption is calculated based on the actual amount consumed.
- ¹³ Packaging materials include plastic bags, paper bags and watch packaging bags.

EMPLOYMENT AND LABOUR PRACTICES

The Group recognises that human resources are its valuable asset and therefore, strives to provide employees a safe and congenial working environment. In the meantime, we promote career development and training, competitive remuneration, human rights and a healthy living style with a work-life balance to motivate all our personnel.

EMPLOYMENT

As an equal opportunity employer, the Group treats staff equally without discrimination of any kind. The Group encourages fair recruitment, employment, remuneration, training opportunity, transfer and promotion regardless of their social identities such as ethnicity, nationality, gender, religion, age, sexual orientation, political faction or marital status. The Group recruits individuals through an equitable selection process with clear job requirements. Performance of staff no matter for promotion, probation or annual adjustment of salary and benefit are evaluated through appraisal. The Group gives priority to internal promotion over external hiring. Promotion shall be based on factors that are crucial to particular teams, such as job knowledge and skills, sales performance and work attitude for staff from sales team, and control of staff retention for managerial level staff.

To attract, retain and motivate staff, the Group devises a competitive compensation and benefits package for our employees with reference to external and internal salary benchmark. The salary of all employees is determined based on their competencies, experience, skills and qualifications. Additionally, the salary structure is reviewed annually. Apart from basic leave and compensation, we entitle our employees several kinds of paid leave and allowance, for instance, maternity leave, paternity leave, examination leave, compassionate leave, education allowance and work-induced transportation allowance. We also provide employees' compensation insurance and medical, life and disability insurance which covers general practitioner, specialist care and hospitalisation to our employees.

The Group always advocates equal opportunity and anti-discrimination in workplace. Equal opportunity policies regarding vilification, victimisation, harassment, sex discrimination, disability discrimination, family status discrimination and race discrimination are also formulated to create a healthy corporate culture. The Group has no tolerance for any violation of the equal policies. Anyone breaching the equal opportunity policy will be disciplined, including termination of employment and may be prosecuted under Hong Kong laws in some circumstances.

The Group strictly abides by the regulations and legislation "Employment Ordinance" (Chapter 57 of the Laws of Hong Kong). No breach of any regulation and legislation was found during the Year.

During the Year, the distribution of our staff are categorised as follows :-

Employment	2026	2025
Total Number of Staff	300	334
Total Number of Permanent Staff	285	316
By Gender		
Male	126	134
Female	159	182
By Age Group		
Below 31 years old	18	28
31-40 years old	46	48
41-50 years old	67	83
51-60 years old	97	107
Above 60 years old	57	50
By Type of Employment		
Permanent	285	316
Temporary / Part-time	15	18
By Geographical Location		
Hong Kong	285	316
Staff Turnover Rate¹		
Total Staff Turnover Rate	12%	11%
By Gender		
Male	10%	8%
Female	14%	14%
By Age Group		
Below 31 years old	61%	29%
31-40 years old	13%	23%
41-50 years old	12%	10%
51-60 years old	7%	5%
Above 60 years old	4%	8%
By Geographical Location		
Hong Kong	12%	11%

Note :-

¹ The performance indicators of staff turnover rate are calculated in accordance with “Appendix 3: Reporting Guidance on Social KPIs” issued by HKEX.

HEALTH AND SAFETY

The Group always emphasises on staff's well-being and safety in workplace and strives to provide a comfortable and safe environment to our staff.

We are well-prepared for the unexpected emergency that could possibly threaten our safety. We follow government's guidelines relating to severe weather warnings such as typhoons, adverse weather and "extreme conditions" and rainstorms. For fire hazards, smoking either in office or sales floors are prohibited.

For promoting occupational safety and health ("OSH"), we provide occupational safety briefings to our new hire and inculcate proper manual handling concepts in our staff through various means, including video clips. We conduct assessment of manual handling operations and risk assessment in workplace regularly and keep observing and further assessing the cases of improper manual handling operations. In addition to internal OSH briefing, we annually nominate our employees to attend OSH courses organised by Occupational Safety and Health Council and first aid courses organised by professional organisation, such as Hong Kong St. John Ambulance. For one thing, creating a safe working environment to our staff is our prime corporate responsibility. For another, spreading OSH awareness within the Group could potentially reduce our operation risks.

Despite the outbreak of COVID-19 pandemic has been contained, the Group continues to take necessary preventive steps and anti-epidemic measures for safeguarding staff's health, maintaining seamless service to customers and minimising disruption to our business.

The Group strictly abides by the regulations and legislation "Employees' Compensation Ordinance" (Chapter 282 of the Laws of Hong Kong) and "Occupational Safety and Health Ordinance" (Chapter 509 of the Laws of Hong Kong). No breach of any regulation and legislation was found during the Year. Occupational safety and health statistics in the past three years are summarised as follows :-

Health and Safety	Unit	2026	2025	2024
Number of Work Related Fatalities	case	0	0	0
Number of Work Injuries	case	2	3	4
Lost Days Due to Work Injury	day	4	87	65

DEVELOPMENT AND TRAINING

The Group believes skilled and professionally trained staff are key to the long-term business growth and future success. On this ground, we are willing to support our staff to enhance their competitiveness through different means. We organise regular training courses to strengthen their flexibility in the growing complexity of the marketplace. We encourage and support our staff to participate in various training and activities to enrich their knowledge and experience in multifarious aspects.

We have organised tailored-made courses for staff from different departments. We organise orientation and induction programme for new joiners to familiarise with the Group's culture, policies and operations. Regular training courses are provided to frontline sales staff. For instance, organising coaching the coach training program to enhance staff's skills in terms of customer relationship and instore coaching for developing selling technique and customer services as well as compliance with new rules and regulations. Fashion courses are also provided regularly according to the market and seasonal trends for staff to keep abreast of the fashion industry. Apart from frontline staff, we also offer trainings to Directors and manager-level staff.

Apart from the above, the Group subsidises staff at all levels to pursue relevant external educational or training opportunities that achieve personal growth and professional development. Full pay examination and study leave are granted to staff for sitting relevant professional qualification examinations.

Development and Training ¹	2026		2025	
	Percentage of Staff Trained (%)	Average Training Hours (hour)	Percentage of Staff Trained (%)	Average Training Hours (hour)
Total	51	5.14	41	4.31
By Gender				
Male	44	5.57	38	3.71
Female	55	4.80	43	4.75
By Employee Category				
Management	66	7.60	67	4.87
Other Permanent Staff	47	4.58	36	4.19

Note :-

¹ The performance indicators are calculated in accordance with "Appendix 3: Reporting Guidance on Social KPIs" issued by HKEX.

LABOUR STANDARDS

Employment of child labour and forced labour is forbidden across the Group. No child and forced labour was employed during the Year. Human Resources Department ("HR") is obligated to regularly review the recruitment process to prevent child and forced labour. The recruitment process follows the Group's procedures and policies as well as local regulations. HR will check applicants' documents such as identity cards, academic certificates and previous jobs reference to confirm if their identities, educational background and working experiences match their supporting documents.

Moreover, staff are not encouraged to work beyond working hours. Temporary staff will be recruited to meet our seasonal demands. If overtime work is required, the relevant staff and superiors will agree mutually in advance.

During the Year, the Group did not find any non-compliance with laws and regulations related to preventing children or forced labour.

OPERATING PRACTICES

ANTI-CORRUPTION

The Group holds zero tolerance for any corruption, fraud or other conducts and is committed to maintaining openness, uprightness and accountability. The Group has developed a Code of Conduct together with a whistle-blowing policy and an anti-corruption policy to strictly prohibit any unethical behaviour, including bribery and soliciting advantages from persons having business relations with the Group. Staff are encouraged to utilise the corruption reporting systems and whistle-blowing channels to report any illegal activities within the Group.

For the sake of creation of a healthy corporate culture, the Group has organised several trainings relating to anti-corruption, anti-money laundering (AML), counter-terrorist financing (CTF) and precious metals and stones dealer requirements to Directors and our staff. The training enhances their understanding of anti-corruption and coping capacity towards conflict of interest. In addition, training materials are also given to the relevant staff annually as a mandatory requirement for the purpose of consolidating their knowledge regarding anti-corruption.

During the Year, there were no legal cases regarding corrupt practices brought against the Group or our staff. Total number of concluded legal cases and training records in pertinent to anti-corruption is summarised as follows :-

Anti-corruption	2026	2025
Total number of concluded legal cases regarding corrupt practices brought against the Group or its staff	0	0
Anti-corruption Training	2026	2025
Total Number of Staff Trained	68	88
Total Training Hours (hour)	97	117

SUPPLY CHAIN MANAGEMENT

As product safety and quality are primary selection criteria for customers, a careful supplier selection is critical to our business. Having developed a written procurement policy with standardised criteria for selection, we ensure an honest, competitive, unbiased and transparent selection process. On-site visits are carried out when necessary to have the best suppliers selected. We evaluate suppliers' performance annually to eliminate the unsatisfied from the list of qualified suppliers.

We screen the qualified suppliers based on several factors, like brand reputation, financial stability, product quality and safety, delivery, production capacity, comprehensive policies and regulatory requirement compliance. We give priority to those companies complying with local laws and internationally recognised standards, regarding social responsibility, quality assurance, occupational health and safety, supply chain management, anti-bribery, anti-corruption and other unethical business practices. This procedure is able to review social risks of suppliers.

Green procurement is one of our main strategies in supply chain management. We look for suppliers with outstanding environmental performance. Besides, we realise the geographical location is closely related to carbon footprint. The more accessible the origin of a supplier is, the more carbon footprint reduction we can achieve throughout the journey.

Not only do we take account of green suppliers for our business but we procure eco-friendly products to support our daily operation in office. We encourage our staff to use eco-friendly stationeries and purchase products that utilise clean technology or clean fuels.

The Group acknowledges inventory control is part of the key factors to maintain a good supply chain management. We adopt a strategic approach to manage stock levels and minimise waste by adjusting the quantity of products purchased based on market demand. We also take the initiative to inform suppliers to avoid over packaging and we do not require re-packaging from our suppliers.

The following table summarises the geographical distribution of our suppliers :-

Suppliers	2026	2025
Total Number of Suppliers	334	414
By Geographical region		
Hong Kong	114	133
Taiwan	0	1
PRC	12	11
Japan	17	20
Korea	22	27
North America	48	64
Europe	107	136
Others	14	22

PRODUCT RESPONSIBILITY

Customer Services

The Group has earned trusted relationships with its customers through providing dedicated customer services. In order to provide a pleasant customer experience to customers, the Group adopts a mystery shopping strategy to seek improvement in service quality. The Group has engaged a marketing research company as our mystery shopper for independent and objective feedback. The evaluation criteria include staff's attitude, professional image, shop cleanliness and merchandise displays, extent of customer satisfaction and sale process. The Group will listen to diverse views and make refinements on business strategy to cater for customer needs.

The Group is willing to listen to all disputes and complaints lodged by customers. Every complaint is investigated and resolved in a prompt and fair manner. All complaints received are referred to and handled by the Customer Relation team.

During the Year, the number of written complaints received and the corresponding resolving rate are as follows :-

Product Responsibility	2026	2025
Total Number of Complaints Received	8	5
Complaints Resolving Rate (%)	100	100
Total products sold subject to recalls for safety and health reasons	0	0

Customer Data Protection and Privacy Policy

The Group places utmost importance on consumer privacy and is dedicated to preventing personal information divulgence of our consumers. We guarantee customers' personal information is securely kept and processed whenever we are authorised. We strictly adhere to the applicable personal protection regulations that prohibit any unauthorised access to our consumers' personal data. Added to the above, internet security is indispensable for preventing information divulgence. We have developed a set of information technology security policies, such as password policy and anti-virus policy, to promote proper use of information system.

Protection of Intellectual Property

The Group builds up its intellectual property rights which are crucial to business operations, customer recognition and reputation. The Group protects these rights by registration of domain names and trademarks in various classes in Hong Kong and other relevant jurisdictions. In addition, the Group's trademarks and domain names are constantly monitored and renewed upon their expiration. The Group shows the respect for intellectual property in workplace by requiring staff to apply for software installation to avoid infringement.

Furthermore, a confidentiality and non-disclosure agreement related to intellectual property of the Group will be signed between us and contractors, design architects and franchisees where applicable. All intellectual property rights in the documents, drawings and specifications provided by the Group shall be vested in the Group. Our confidential information shall be protected by the agreement that is governed by local law.

During the Year, the Group was not aware of any material non-compliance with the relevant laws and regulations related to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

COMMUNITY INVESTMENT

As part of the community, the Group is committed to support and make contribution to the community. The Group encourages our staff to contribute to the local communities through participating in volunteering and fund raising events.

During the Year, the Group supported employee participation in the Standard Chartered Hong Kong Marathon 2026 Corporate Challenge and sponsored the event. The Group also provided financial support to the Support Fund for Wang Fuk Court, which was established by the Hong Kong Government to assist victims of the Tai Po Wang Fuk Court tragedy.

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