



**Environmental, Social and
Governance Report**

2025 / 2026

Contents

About the Report	02	About Sun Art Retail	06	Appendix	91
From our Board	03	Annual Highlights	08	Content Index for the HKEX Environmental, Social and Governance Reporting Code	91
From our Chairman and CEO	04			ESG Policies	105
				GRI Content Index	100
				Sustainability Accounting Standards Board (SASB) Content Index	104
				Applicable Laws and Regulations	117

 Responsibility as the Foundation: Staying True to Our Corporate Purpose ESG Governance 12 Stakeholder Engagement 13 Materiality Analysis 14 Corporate Governance 15 01	 Quality First: Safeguarding Healthy Living Upholding Quality and Safety 24 Selecting Healthy Products 30 Creating an Exceptional Shopping Experience 33 02	 Low-Carbon Development: Cultivating a Greener Footprint Climate Change Response 42 Fulfilling Our Responsibility for Environmentally Friendly Operations 49 Biodiversity and Animal Welfare 60 03	 Collaborative Synergy: Building a Responsible Ecosystem Building a Responsible Supply Chain 64 Ensuring Outstanding Supply Quality 65 Deepening Collaboration and Connectivity 70 04	 People First: Empowering Employee Growth Safeguarding Employee Rights 74 Empowering Employee Development 79 Fostering a Culture of Care 83 05	 Compassion in Action: Building a Better Future Spreading Compassionate Impact 88 06
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About the Report



Report Statement

This report represents the ninth Environmental, Social and Governance (ESG) report issued by Sun Art Retail Group Limited (hereinafter referred to as "we", "Sun Art Retail" or "the Group"), disclosing key performance indicators across environmental, social and governance aspects during the reporting period from April 1, 2025 to March 31, 2026 (the "Reporting Period", "This fiscal year" or "the fiscal year 2026"). Unless otherwise specified, all monetary amounts in this Report are denominated in RMB.



Preparation Basis

This Report has been prepared in accordance with Appendix C1 *Corporate Governance Code* and Appendix C2 *Environmental, Social and Governance Reporting Code* to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HKEX Listing Rules"), with reference to the GRI Standards issued by the Global Sustainability Standards Board (GSSB) and the relevant disclosure requirements of the Sustainability Accounting Standards Board (SASB). The preparation process involved identifying and prioritizing key stakeholders and material ESG issues, determining the reporting boundaries, collecting relevant materials and data, drafting the Report, and conducting comprehensive reviews to ensure completeness, materiality, authenticity and balanced representation.



Reporting Scope

The policies, statements, information and related data contained in this Report are derived from Sun Art Retail and its consolidated subsidiaries during the 12-month Reporting Period.



Data Sources & Reliability Assurance

The information and case studies in this Report are primarily derived from the Group's statistical reports and official documentation. We confirm that this Report contains no false records or misleading statements and assume full responsibility for the authenticity, accuracy and completeness of its content. Data sources include public information, Sun Art Retail's internal statistical reports, third-party questionnaires and interviews. All economic data are consistent with the scope of information presented in Sun Art Retail's 2025/2026 Annual Report.



Report Access & Feedback

This Report is available in both Chinese and English versions. Electronic copies can be accessed under the "Financial Statements/ESG Information" section of Sun Art Retail's profile on the HKEX website or on the Group's corporate website.

From our Board

In response to global sustainability trends and China's Carbon Peaking and Carbon Neutrality goals, Sun Art Retail continues to integrate ESG principles into its operations and strengthen its ESG governance and management systems in line with the green transformation of the retail industry.

To sustain the implementation of ESG initiatives, the Company has established a three-tier collaborative governance structure comprising the Board of Directors, the ESG Management Committee and the ESG Working Group, with clearly defined responsibilities and effective coordination across all levels. As the highest decision-making and supervisory body for ESG matters, the Board of Directors is responsible for formulating the Company's ESG strategy, regularly reviewing material ESG issues, the results of risk and opportunity assessments and phased action plans, and overseeing the implementation of related initiatives. The ESG Management Committee coordinates strategy execution and day-to-day implementation, tracks progress dynamically and reports regularly to the Board to ensure that strategic objectives are effectively communicated and implemented. The ESG Working Group is responsible for specific implementation.

During the Reporting Period, the Company continued to strengthen its ESG governance practices. Through dedicated meetings, the Board systematically reviewed and assessed the effectiveness of ESG strategy implementation, progress towards targets, and measures to address risks and opportunities, with particular attention to environmental targets, the identification of climate-related risks and opportunities, and the results of the materiality assessment. The Board ultimately approved the publication of this Report.

To further enhance the effectiveness of ESG management, the Company continued to review and analyse ESG issues by considering stakeholder priorities, capital market trends, operational needs and industry best practices. The assessment confirmed that there were no material changes to the Company's core ESG topics compared with the previous reporting period, and 29 core ESG topics were identified and retained. The Group also continued to improve its closed-loop ESG risk management mechanism and strengthen risk identification, assessment and control throughout the management process.

Looking ahead, the Company will continue to deepen its ESG governance and practices, enhance its sustainability management capabilities and work with stakeholders to advance high-quality and sustainable development.



As of the end of the Reporting Period, the Board of Directors had granted final approval for:

11

critical ESG issues

15

highly significant ESG issues

3

important ESG issues

From our Chairman and CEO



In FY2025/2026, Sun Art Retail further embedded sustainable development into its daily operations and strategic decision-making, achieving substantive progress across the environmental, social and governance dimensions. Our foundation for sustainable development was further strengthened, enabling steadier and more resilient progress.



We continue to place ESG governance at the heart of our corporate strategy. By further improving the rigour and effectiveness of our governance structure and management systems, we are integrating sustainability more deeply into every aspect of our operations. We uphold the highest standards of business ethics, continuously strengthen internal controls and enhance our ability to anticipate and respond to risks. Together with our partners, we are building a more transparent and compliant business environment to support the Group's stable and sustainable development over the long term.

Sun Art Retail remains firmly committed to green development and actively supports China's Carbon Peaking and Carbon Neutrality goals. We prioritise energy conservation and carbon reduction in our operations, accelerate the conservation and circular use of packaging materials, and promote green consumption. By optimising our energy mix, expanding photovoltaic installations and green electricity procurement, and implementing energy-efficiency retrofits, we continue to improve energy efficiency. During the year, we systematically quantified the financial impacts of climate-related risks and opportunities, mapped the risk and opportunity landscape, and developed more targeted response measures, further enhancing the Group's climate resilience and transparency of disclosure.

Guided by our philosophy of "Assurance, Safety, Integrity and High-Quality", Sun Art Retail places product quality and safety above all else. We continue to strengthen our end-to-end quality management system, reinforce the food safety accountability system, and maintain seamless oversight from sourcing to final delivery. In response to evolving health-conscious consumption trends, we continue to broaden and optimise our product portfolio and strengthen the core competitiveness of our private labels, providing consumers with safer and higher-quality choices. During the Reporting Period, Sun Art Retail recorded no product recalls due to safety or health concerns.

We continue to standardise and refine management across the entire supply chain, actively pursue localised procurement, deepen collaborative innovation and experience sharing with suppliers, and promote efficient resource allocation and complementary capabilities. Together with upstream and downstream partners, we are building a greener and more socially responsible supply chain ecosystem.

Our employees are an enduring source of momentum for Sun Art Retail. We uphold fair and equitable employment practices and strive to create a more open, inclusive and diverse workplace. We continue to optimise our human resources management mechanisms, develop personalised digital learning platforms and progressive training programmes, safeguard employees' health and safety, and strengthen team cohesion, enabling every employee to grow and realise their value.

Sun Art Retail actively contributes to social welfare through charitable donations, volunteer services and other initiatives, bringing continued support to community development and rural revitalisation. Over the past year, we carried out a series of meaningful programmes focused on public health, rural education, and care for the elderly and children, demonstrating corporate compassion through concrete action and helping to build a better society.

Looking ahead, Sun Art Retail will remain committed to sustainable development and contribute further expertise and resources to the coordinated advancement of the economy, society and the environment. On behalf of Sun Art Retail's management team, I extend my sincere gratitude to our customers, employees, partners and all members of society who have continued to support us.

Mr. Julian Juul WOLHARDT

Chairman of the Board and Chief Executive Officer
July 2026

About Sun Art Retail

Built on "Healthy Products + Enjoyable Experiences + Thoughtful Service", Sun Art Retail is developing a retail model that balances customer experience and operating efficiency for all customer groups within a three-kilometre radius. Through the coordinated development of hypermarkets, mid-sized supermarkets and front warehouses, and with health and enjoyment at the heart of customer value, the Group continues to advance its private-label "1+1 dual-brand strategy" and differentiated fresh-food capabilities. By deepening strategic partnerships with brands, differentiating its product offering and improving supply chain efficiency, Sun Art Retail provides customers with a rich selection of safe, affordable, fresh, delicious and fashionable products through a convenient one-stop shopping experience, while serving as a community service hub and trusted neighbourhood companion. Through store-specific renovation plans and upgrades to its membership programme, the Group strengthens organisational agility and customer loyalty, unlocks operating resilience and advances sustainable, high-quality development.

Sun Art Retail Corporate Culture

Corporate Mission

To provide customers with a fresh, affordable, comfortable and convenient one-stop shopping experience

To be a good neighbour in the communities we serve

To become a trusted purchasing agent for consumers while contributing to price stability in society

Corporate Vision

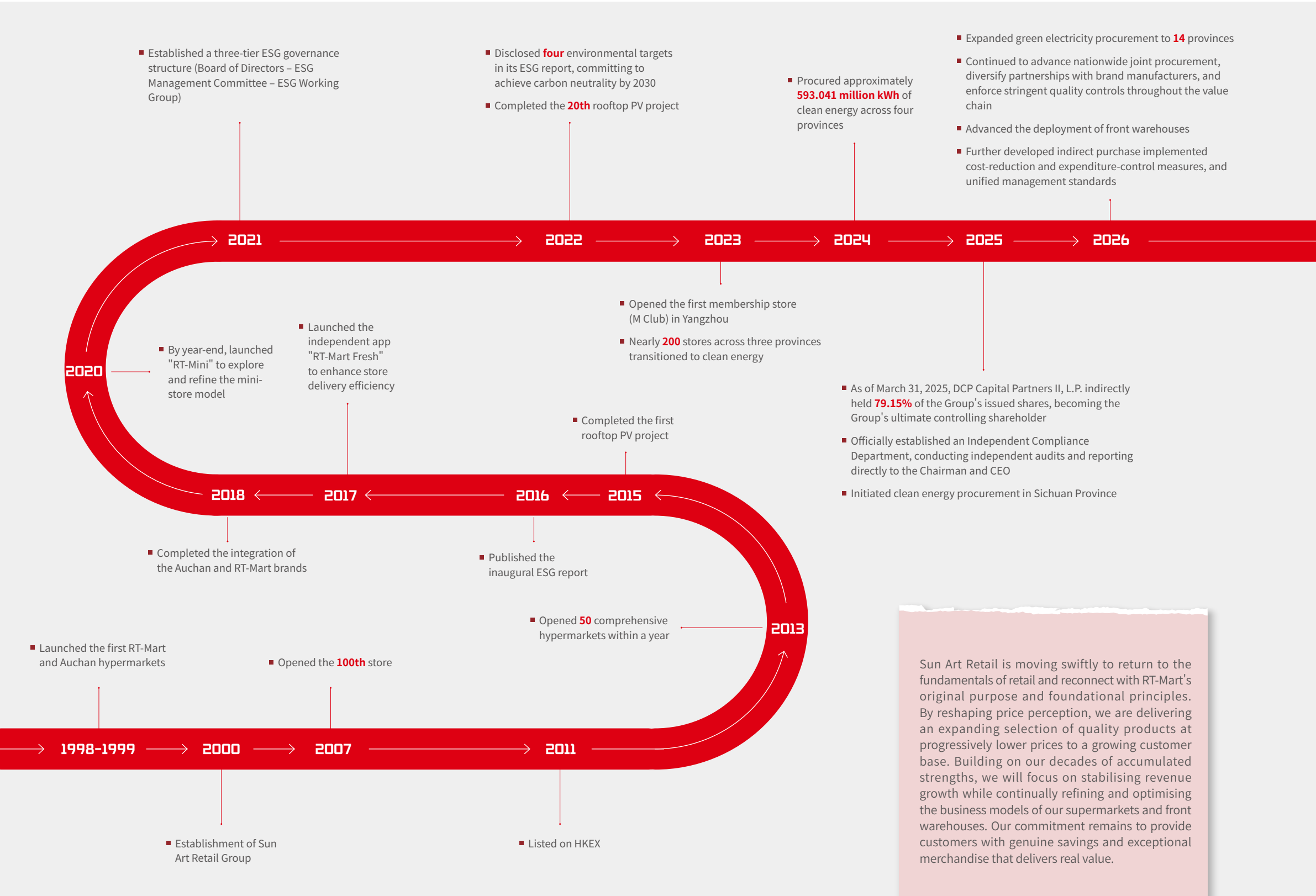
To become a world-class international retailer that is most beloved and trusted by customers and a source of pride for employees

Core Values

Trust, Sharing & Progress

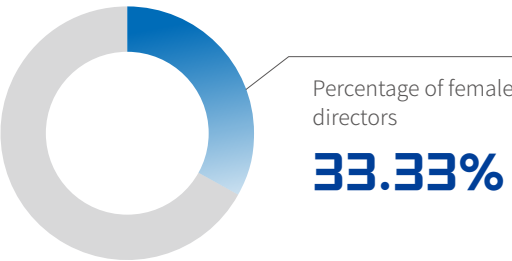
Caring for our people, Serving our customers & Pursuing excellence

Milestones of Sun Art Retail



Annual Highlights

Responsibility as the Foundation: Staying True to Our Corporate Purpose



Total number of compliance declarations

396 cases

Total number of integrity reports received

753 cases



Quality First: Safeguarding Healthy Living

Food safety & quality training hours

511,320 hours

Food safety & quality training participants

290,135 person-times

Product recalls due to safety & health issues

0 cases

Organic product SKUs available

535

OFDC-certified organic farming bases

56

MSC-certified imported frozen aquatic products (by sales)

27.5%

of national sales of packaged frozen aquatic products

Data breaches or cybersecurity incidents

0 cases



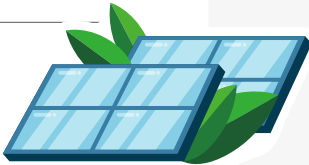
Low-Carbon Development: Cultivating a Greener Footprint

Total photovoltaic power generation from stores and logistics warehouses

55.11 million kWh

Percentage of clean energy in total electricity consumption

40.9%



Through energy consumption control and equipment optimization, management-based energy savings reached

10 million kWh

Stores implementing waste sorting

445 stores

Stores participating in the waste oil recycling program

106 stores

Reduction in garbage-bag expenditure against budget

17%

Stores using biodegradable plastic bags

282 stores

Sales contributed by suppliers with animal welfare-related certification across all meat categories

20%

Collaborative Synergy: Building a Responsible Ecosystem

Total sales of all traceable products

RMB 2.53 billion



Traceable seafood products (by sales value)

40.8%

of national fresh aquatic product sales

Traceable beef products

100%

Suppliers with HACCP certification

4,805 suppliers

Suppliers with ISO 22000 certification

4,357 suppliers



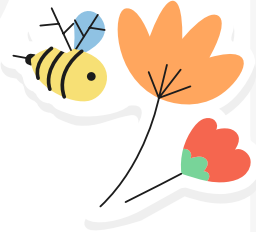
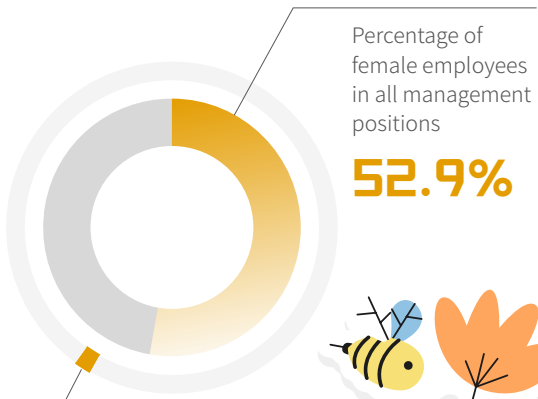
Manufacturer audits conducted this fiscal year

1,278 manufacturers

Supplier "Integrity Pledge" signing rate

100%

People First: Empowering Employee Growth



Percentage of full-time employees with special needs or disabilities

1.55%

Training coverage rate for employees

100%

Average training hours per employee

30.4 hours

Release of ESG Policy

- Sun Art Retail Code of Business Ethics*
- Sun Art Retail Anti-Corruption Policy*
- Sun Art Retail Information Security and Privacy Protection Policy*
- Sun Art Retail Animal Welfare Policy*
- Sun Art Retail Supplier Code of Business Conduct*
- Sun Art Retail Labor Human Rights and Diversity Policy*
- Sun Art Retail Occupational Health and Safety Policy*

Sun Art Retail regards the creation of long-term value for stakeholders as a core objective and promotes the coordinated development of the industry and society as a responsible corporate citizen. To realise this vision, the Group continues to strengthen its governance foundations and risk-control and compliance safeguards, while fully embedding ESG principles into strategic decision-making and day-to-day operations. We are accelerating the digitalisation of our governance system by migrating key control processes to online platforms, thereby improving governance precision and efficiency. While upholding high standards of business ethics, Sun Art Retail responds to stakeholder expectations through standardised and intelligent governance practices, reinforces its risk defences and creates enduring momentum for long-term development.

ESG Governance	12
Stakeholder Engagement	13
Materiality Analysis	14
Corporate Governance	15

Responsibility as the Foundation: Staying True to Our Corporate Purpose



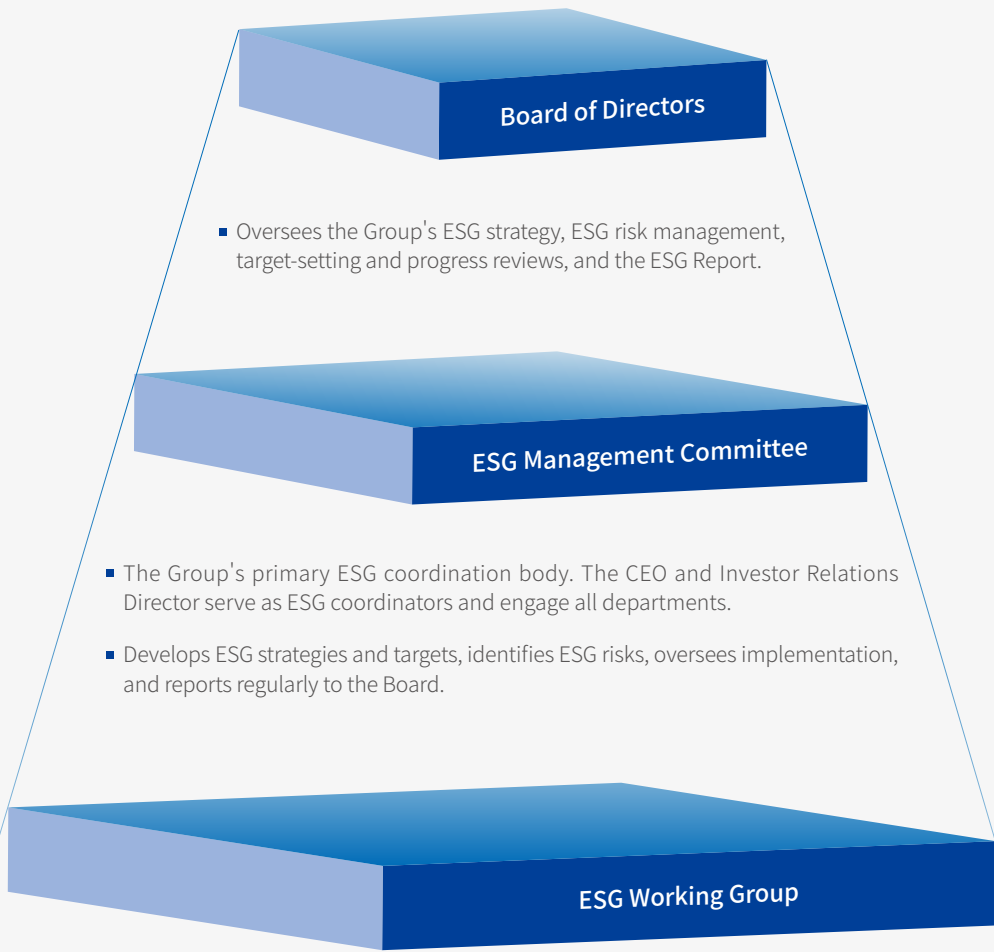
ESG

Governance



Sun Art Retail strictly complies with regulatory requirements, including the HKEX *Environmental, Social and Governance Reporting Code*, and continues to enhance the standardisation, transparency and timeliness of ESG disclosures. To support effective ESG governance, the Group has established a three-tier collaborative governance structure comprising the Board of Directors, the ESG Management Committee and the ESG Working Group. This structure connects strategic leadership, overall coordination and implementation, providing a strong institutional foundation for the Group's ESG management system.

Sun Art Retail ESG Governance Structure and Responsibilities



Stakeholder

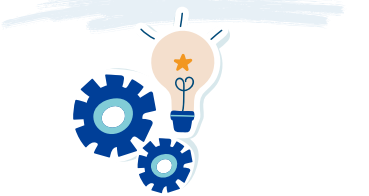
Engagement



Sun Art Retail attaches great importance to stakeholder engagement and regards it as central to ESG value co-creation. The Group has established diverse communication channels for investors, suppliers, industry associations, employees, consumers and other stakeholders, enabling their meaningful participation in the identification of ESG issues and the evaluation of outcomes. During the Reporting Period, we carried out a range of stakeholder engagement activities to ensure that our sustainability pathway remained aligned with stakeholder expectations.

Stakeholders	Engagement Expectations	Communication Methods & Channels	Engagement Frequency
 Government & Regulatory Authorities	- Compliance with laws and tax obligations - Employment promotion - Supply assurance - Food safety guarantees	- Liaison with designated officers - Regulatory inspections - Participation in official meetings - Policy consultations	We engage with government and regulatory authorities as needed
 Industry Associations	- Promote industry development - Advance industry standards - Establish best practices	- Industry seminars & forums - Peer benchmarking visits	Ad hoc basis
 Shareholders & Investors	- Guarantee of investment returns - Protection of shareholder rights	- General Meeting of Shareholders - Board meetings - Investor roadshows	- Annual general meeting (with extraordinary meetings for special topics) - Quarterly - Ad hoc (no communication during "quiet periods")
 Consumers	- Product quality & price assurance - Service optimization - Diverse need fulfillment	- Online/offline channels - After-sales service - In-store service centers	Daily operations
 Suppliers	- Fair trade practices - Information sharing - Sales efficiency - Timely payment settlement	- Dedicated manager communication - Information management systems	Ad hoc basis
 Employees	- Compensation & benefits - Career development & training - Enhanced employer-employee relations	- Staff assemblies - Employee activities - Annual gala	- Ad hoc basis - Annually
 Media	- Corporate updates - Public oversight	- Press conferences - Media campaigns	Ad hoc basis
 Local Communities	Community welfare initiatives	- Open house events - Community dialogues - Volunteer programs	Ad hoc basis

Materiality Analysis



To ensure that our ESG strategy remains aligned with stakeholder concerns, we conduct an annual materiality assessment in accordance with the HKEX *Environmental, Social and Governance Reporting Code*, taking into account industry trends and emerging social issues. ESG topics are comprehensively assessed and prioritised to form the Sun Art Retail ESG Materiality Matrix, which provides a sound basis for strategy formulation, resource allocation and disclosure.

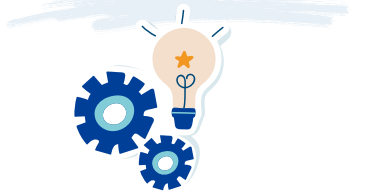
Materiality Matrix for Sun Art Retail Value Creation



Materiality	No.	Topic	Category
Critical	1	Employment & Labor Rights	Labor Responsibilities
	2	Occupational Health & Safety	Labor Responsibilities
	5	Customer Relationship Management	Operational Responsibilities
	6	Product Quality & Safety	Operational Responsibilities
	7	Responsible Supply Chain	Operational Responsibilities
	11	Food Safety	Operational Responsibilities
	16	Anti-Corruption	Governance Responsibilities
	18	Legal Compliance	Governance Responsibilities
	23	Energy Management	Environmental Responsibilities
High	24	Greenhouse Gas Emissions	Environmental Responsibilities
	29	Climate Change	Environmental Responsibilities
	3	Training & Development	Labor Responsibilities
	4	Employee Well-being	Labor Responsibilities
	8	Consumer Privacy Protection	Operational Responsibilities
	9	Compliance Promotion	Operational Responsibilities

Materiality	No.	Topic	Category
High	10	Nutrition & Health Opportunities	Operational Responsibilities
	12	Local Sourcing	Community Responsibilities
	17	Intellectual Property Protection	Governance Responsibilities
	19	Economic Performance	Governance Responsibilities
	20	Risk Management	Governance Responsibilities
	21	Stakeholder Engagement	Governance Responsibilities
	22	Water Resource Management	Environmental Responsibilities
	25	Pollutant Emissions	Environmental Responsibilities
	26	Waste Management	Environmental Responsibilities
	27	Packaging Materials Management	Environmental Responsibilities
Moderate	28	Supply Chain Environmental Management	Environmental Responsibilities
	13	Industry Development Promotion	Community Responsibilities
	14	Philanthropic Activities	Community Responsibilities
	15	Community Engagement	Community Responsibilities

Corporate Governance



As of the end of the Reporting Period

the Board comprised

6

directors

including

1

executive director

2

non-executive directors

and

3

independent non-executive directors

of which

2

of the directors were women

representing

33.3%

of the Board

Governance Framework

Sun Art Retail strictly complies with applicable laws and regulations, including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies* and the HKEX *Listing Rules*. The Group has established a compliance management framework centred on the *Corporate Governance and Compliance Manual* and continually updates its policies in response to changes in the external policy and regulatory environment, thereby ensuring sound governance, compliant operations and effective risk control.

As the Group's highest governance body, the Board of Directors has established three specialised committees: the Audit Committee, the Remuneration Committee and the Nomination Committee. The terms of reference of each committee are publicly available and subject to regular review. Through ongoing governance self-assessments and continuous improvement, the Group enhances governance standards and management effectiveness and promotes efficient operation of the governance system from the top down.

To promote Board diversity, the Group has adopted a *Board Diversity Policy* and appoints directors with diverse backgrounds and extensive industry experience to provide a broad range of perspectives and professional expertise for strategic decision-making. The policy requires the Nomination Committee to consider a range of factors when selecting directors, including, but not limited to, gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience. To ensure that the Board effectively performs its strategic decision-making and oversight functions, the Group has established an evaluation mechanism for independent directors and regularly reviews their independence and performance. As of the end of the Reporting Period, the Board comprised six directors: one executive director, two non-executive directors and three independent non-executive directors. Two of the directors were women, representing 33.3% of the Board.

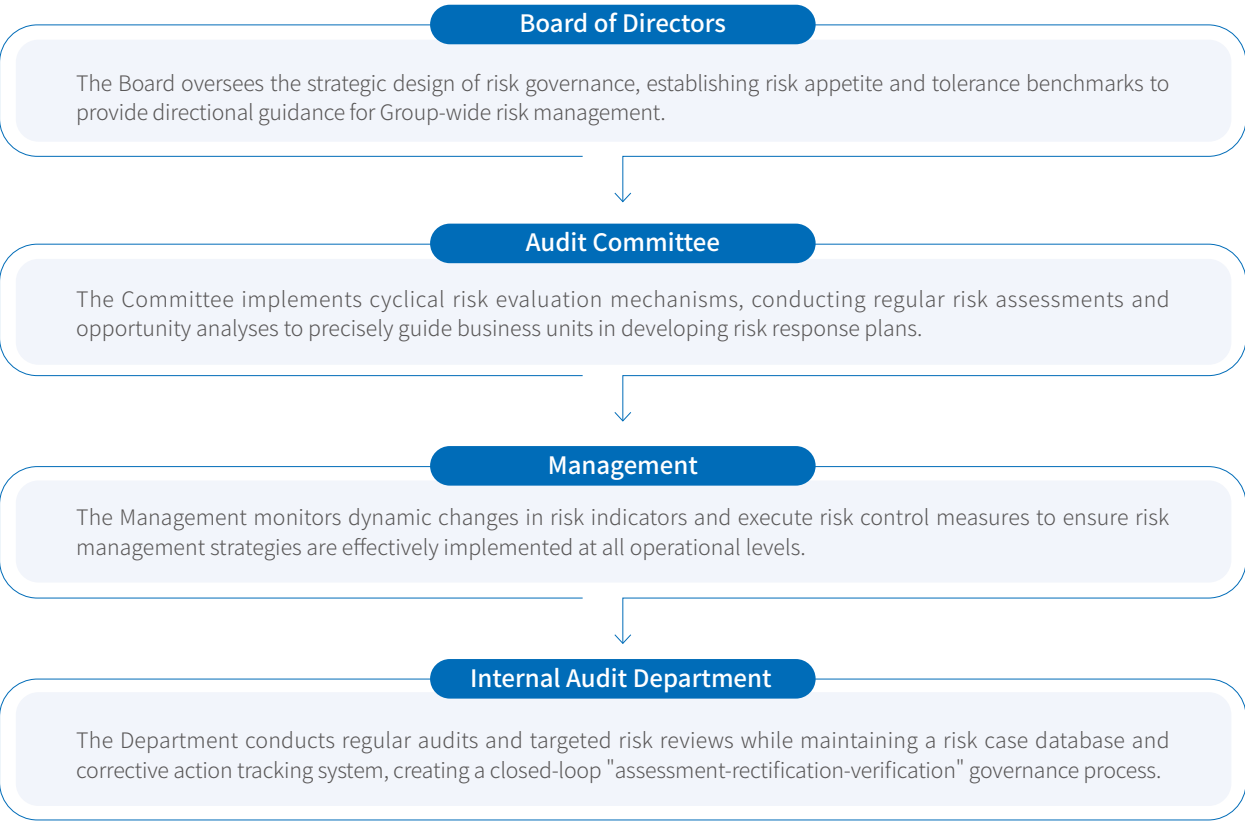
The Group has also established a multi-level communication mechanism that includes shareholder meetings and earnings briefings. Upholding the principles of openness and transparency, the Group engages actively with investors on key matters such as audit and compliance and related-party transactions, and continues to strengthen investor relations management. We remain committed to enhancing ESG disclosures so that investors can better understand and recognise the Group's development strategy, business philosophy and long-term value.



Risk Management

Risk management is an integral part of corporate governance. Sun Art Retail has established a four-tier risk governance structure comprising the Board of Directors, the Audit Committee, Management and the Internal Audit Department, creating a top-down mechanism of tiered management and mutual oversight. Through regular meetings and dedicated reporting mechanisms, the Board and the Audit Committee review the Group's overall risk profile and key risk matters, including risk assessment results, trends in material risks, and internal control and audit findings, enabling them to monitor risk developments in a timely and accurate manner and effectively discharge their oversight responsibilities.

Sun Art Retail Risk Management Framework



Sun Art Retail continues to strengthen its three lines of defence for risk management. Business departments constitute the first line of defence and are responsible for identifying, assessing and managing risks in daily operations. Relevant management, internal control and compliance functions constitute the second line of defence and are responsible for embedding risk management, internal control and compliance requirements into policies and processes, as well as overseeing and following up on key risks and controls. The Internal Audit Department constitutes the third line of defence and independently and objectively assesses the effectiveness of the Company's risk management, internal control and compliance management systems, thereby promoting standardised, transparent and sustainable operations.

The Group combines periodic risk assessments with dynamic risk monitoring. A comprehensive Enterprise Risk Assessment is conducted annually through management interviews, risk identification workshops, historical incident reviews and data analysis to identify, assess and prioritise strategic, operational, financial and compliance risks. The results identify key risk areas and inform the annual priorities for risk management and internal audit. The Group also carries out ongoing risk monitoring using Key Risk Indicators (KRIs), digital early-warning tools and operational data analysis to track key risks, identify changes promptly and ensure that response measures are implemented.

During the Reporting Period, Sun Art Retail identified two emerging risks: Digital Transformation and Data Security Risk, and Supply Chain Stability and Operational Resilience Risk. The Group will continue to strengthen forward-looking management of emerging risks to support stable, long-term development.

Long-Term Emerging Risks Identified by Sun Art Retail

Risk	Digital Transformation and Data Security Risk	Supply Chain Stability and Operational Resilience Risk
Description	As digital transformation accelerates in the retail industry, the Group is increasingly reliant on information systems and data for e-commerce operations, membership data management, supply chain systems and digital marketing. This increases exposure to data security, system stability and cybersecurity risks. A system failure or data breach could adversely affect the Group's operations, customer trust and brand reputation.	The retail industry is highly dependent on stable supply chains. Over the next three to five years, macroeconomic volatility, extreme weather, public health events and supplier operational risks may affect product availability, logistics and cost structures, with potential consequences for the Group's operational efficiency and customer experience.
Response Measures	The Group continues to strengthen information security and data governance by improving information system security policies, reinforcing access and permission controls, conducting regular security assessments and vulnerability remediation, and enhancing system stability and data protection through technical and management measures. The Group also continues to strengthen digital governance to ensure that digital transformation progresses steadily on a secure and compliant foundation.	The Group continues to strengthen supply chain risk management through supplier admission and risk assessment mechanisms, regular supplier risk screening and background reviews, diversified sourcing, optimised inventory and logistics management, and closer supply chain collaboration. It also monitors critical supply chain activities through ongoing risk monitoring and operational audits to mitigate potential operational risks.

To ensure the effectiveness and transparency of its risk management processes, Sun Art Retail oversees its risk management and internal control systems through internal and external audits. In accordance with annual and special audit plans, the Internal Audit Department reviews key areas including store operations, supply chain management, financial management and critical approval processes. Based on enterprise risk assessment results, it conducts targeted audits of key risk areas and independently evaluates the effectiveness of risk management measures. Audit findings and recommendations are reported regularly to Management and the Audit Committee, and remediation is monitored through a follow-up mechanism. As part of the external audit process, the external auditor tests internal controls relating to financial reporting during the annual financial statement audit and, where necessary, makes recommendations for improvement, further strengthening oversight of the Group's risk management and internal control systems. During the Reporting Period, the Group continued to enhance risk monitoring and internal controls by advancing digital audits and continuous risk monitoring, optimising the delegation of authority (DOA) framework and strengthening controls over key business processes.

Sun Art Retail continues to foster a strong risk management and compliance culture. Through training, awareness campaigns, and thematic discussions, the Group enhances risk awareness among Board members and employees and embeds risk management principles across all levels. Based on enterprise risk assessment results and audit findings, the Group provides relevant business departments with targeted communication and training on risk management and internal controls, with a focus on key process controls, compliance requirements and risk responses, thereby strengthening management's risk identification and management capabilities. The Group also conducts compliance and integrity training through internal courses, policy communication and case studies, strengthens employees' awareness of business ethics, compliant operations and risk prevention, and encourages them to report potential violations or risks through internal whistleblowing channels, so as to continuously build an open, transparent, integrity-based corporate culture environment. Requirements relating to compliant operations, internal control implementation, and occupational health and safety are incorporated into the performance evaluations of relevant employees and managers in accordance with their responsibilities, helping to embed risk management accountability in daily operations.

Anti-Corruption

Sun Art Retail complies with applicable laws and regulations in all locations where it operates, including the *Anti-Unfair Competition Law of the People's Republic of China* and the *Anti-Money Laundering Law of the People's Republic of China*. The Group has established and continuously improved a business ethics and integrity compliance framework that applies across all operating locations, including the *Sun Art Retail Group Limited Employee Discipline System*, *Conflict of Interest Management Rules and Analysis of RT-Mart*, *RT-Mart Gift Handling Regulations*, and *Integrity Commitment Letter*, thereby fostering an honest, transparent and well-regulated business environment. During the Reporting Period, we formulated and issued the *Sun Art Retail Code of Business Ethics* and the *Sun Art Retail Anti-Corruption Policy* to further formalise the company's requirements on anti-corruption and business ethics. The full policies are set out in the Appendix. Business ethics and compliance requirements have also been incorporated into employee performance appraisals, grade assessments and promotion processes. All new employees are required to sign an *Acknowledgement of the Sun Art Retail Group Limited Employee Discipline Policy* upon joining the Group to ensure compliance with business ethical standards.

The Group has established an integrity and compliance management structure with clearly defined responsibilities and effective coordination. The CEO bears ultimate responsibility for the Group's business ethics management, regularly reviews investigation findings and reports on material cases, and oversees the development of the integrity and compliance framework. As the principal implementation and case-intake function, the Integrity Department works with Operations, Loss Prevention and other departments through internal investigation mechanisms to investigate and address employee fraud, corruption and other misconduct. The Integrity Department also continues to improve internal management policies and participates in investigations and deliberations involving middle and senior management, further enhancing the independence, consistency and fairness of case handling.

During the Reporting Period, we officially launched the Integrity Portal on both PC and DingTalk, bringing seven modules fully online: Policies, Declarations, Reporting, Integrity Announcements, Learning and Training, Integrity Examinations, and Management Insights. The Portal further improves the transparency, standardisation and efficiency of integrity and compliance management. We also continued to standardise the management of gifts and conflicts of interest and strengthen employees' awareness of proactive declaration. During the Reporting Period, 396 declarations were recorded, comprising 312 internal employee relationship disclosures, 32 gift declarations, 30 other declarations, 21 position-related declarations and 1 investment declaration, while our integrity charity account received monetary gifts totalling RMB 9,815.4.



Sun Art Retail Integrity Portal

During the Reporting Period

396

declarations were recorded

while our integrity charity account
received monetary gifts totalling

RMB 9,815.4

We have established comprehensive complaint-handling procedures and whistleblowing channels. The *Complaint Guidelines* are clearly displayed on both the reporting QR-code page and the reporting website, informing whistleblowers of the scope of matters accepted, reporting requirements and handling procedures. Whistleblowing channels are prominently displayed at employee entrances, goods-receiving areas, integrity noticeboards at regional headquarters and other visible locations, ensuring continuous accessibility and broad coverage. During the Reporting Period, the Group optimised the case-closure process and introduced an additional review procedure to enhance the consistency and fairness of complaint handling. Employees receive regular training on the available reporting channels and how to use them and are encouraged to report suspected misconduct.

Sun Art Retail Whistleblowing and Integrity Declaration Channels

Whistleblowing Channels



QR code (scannable via DingTalk or WeChat)

Reporting URL: <https://anticorruption.rt-mart.com/pages/index>

Mailing address: No. 255 Jiangchang West Road, Jing'an District, Shanghai (RT-Mart Integrity)

Postal Code: 200436

Reporting email: jubao@rt-mart.com

Integrity Declaration Channel

DingTalk Workbench

search for "Declaration"

access the Declaration module.

Alternatively,

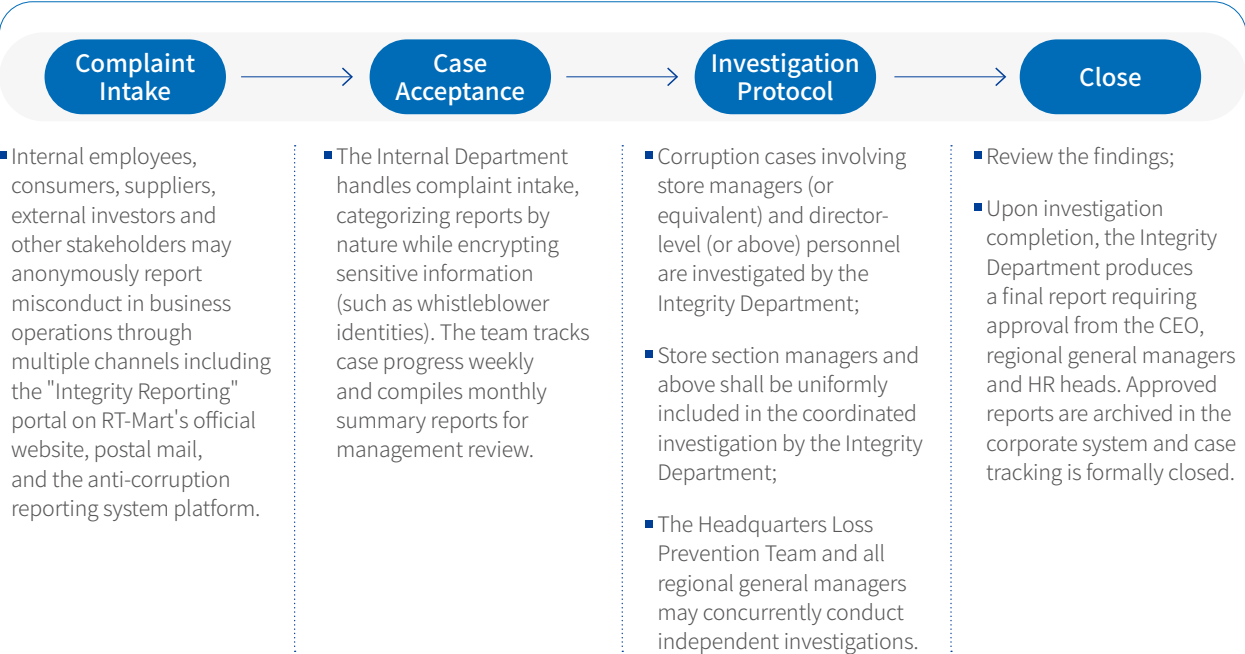
directly access the "Integrity Portal"

and click on the "Declaration module" to submit your declaration.



Sun Art Retail Complaint Guidelines

Sun Art Retail Whistleblowing Process



During the Reporting Period

Employees participating in business ethics training

106,223 person-times

The average training duration per employee reaches

1.5 hours

Coverage of business ethics training for directors

100%

Average training hours per director

1 hour

Corruption-related litigation cases concluded during the fiscal year

0 cases

The Group continues to strengthen its whistleblower protection mechanisms. The *Complaint Guidelines* expressly commit to maintaining strict confidentiality of whistleblower information, managing all reporting materials as confidential documents and prohibiting any form of retaliation. Protection measures are implemented through both system controls and personnel procedures. At the system level, access to the anti-corruption system is strictly controlled and limited to one senior internal control and compliance specialist. Complaint files are encrypted by the internal control administrator and may be accessed only through password verification. At the personnel and process level, investigators conduct their work in strict accordance with internal policies, including the *Sun Art Retail Group Limited Employee Discipline Policy*, and the persons principally responsible for investigations are required to sign confidentiality agreements. Access restrictions, encryption and confidentiality undertakings work together to protect whistleblowers' rights and interests.

During the Reporting Period, Sun Art Retail received 753 reports, comprising 247 non-corruption disciplinary matters, 175 management-related matters, 137 cases of occupational embezzlement, 55 cases of corruption and bribery, 32 cases of solicitation of property, 5 cases of improper benefit transfer, 3 corruption-related disciplinary matters and 99 invalid reports. The Group developed remediation plans for the issues identified and incorporated anonymised representative cases into integrity training. Through ongoing warning education and case reviews, it continues to reinforce a strong culture of integrity across the workforce.

To further strengthen the Group's culture of integrity, we conduct regular integrity training and awareness programmes, including targeted anti-corruption training for employees in high-risk functions. During the Reporting Period, the Group published 19 "Ethics Express" communications and four "One-Minute Legal Education" modules through the Integrity Portal. Offline, 526 "Management Insights" training sessions were delivered to employees and sales promoters, covering 106,223 participants, with 100% coverage of employees in key positions. The integrity examination covered all employees during the fiscal year, with 125,393 employees and sales promoters participating and a first-attempt pass rate of 72.7%.

Intellectual Property Protection

Sun Art Retail strictly complies with applicable intellectual property laws and regulations, including the *Patent Law of the People's Republic of China* and the *Trademark Law of the People's Republic of China*. Guided by its *Intellectual Property Management System*, the Group standardises management, formalises processes and systematises risk controls, providing a strong institutional foundation for intellectual property protection.

The Group has established a comprehensive intellectual property protection mechanism and a tiered trademark classification system to safeguard its brand assets, goodwill and legitimate rights and interests. Through ongoing infringement screening, rights enforcement and protection activities, the Group identifies and mitigates infringement risks in a timely manner and protects the validity and exclusivity of its intellectual property. To prevent registered trademarks from being subject to non-use cancellation ("Three-Year Cancellation")¹ or invalidation, we introduced a tiered trademark risk management mechanism, classifying trademarks according to their usage status and strategic importance and applying corresponding management measures, thereby improving the standardisation and precision of trademark management.

Intellectual Property Protection Mechanism

IP Infringement Screening

- Prior to initiating any IP-related activities, novelty searches and comprehensive retrievals must be conducted to prevent authorization uncertainties and infringement claims.

IP Rights Enforcement

- In the event of identified or suspected intellectual property infringement, all business units are required to take immediate action by reporting to and cooperating with the Legal Department for proper resolution.
- For significant IP infringement cases or litigation matters, the relevant business unit must first submit a formal report or request to the Legal Department, then develop and submit a proposed response plan for legal review and approval prior to implementation.

IP Safeguarding Procedures

- Our comprehensive IP protection system involves proactive registration, filing, and rights confirmation procedures.
- We maintain rigorous daily monitoring to prevent unauthorized registration of our trademarks, patents, domain names, and trade names.
- When potential conflicts with Sun Art Retail's intellectual property rights are detected, the Legal Department will initiate appropriate protective measures.
- All business units must ensure active commercial use of successfully registered trademarks to mitigate risks of cancellation due to three years of non-use ("Three-Year Cancellation").

Trademark Classification System

Class I Trademarks

Active-use trademarks requiring strengthened evidence preservation of commercial utilization.

Class II Trademarks

Defensive trademarks not currently in use, which may be employed incidentally with other trademarks in use or re-registered after three years.

Class III Trademarks

Inactive trademarks with no operational value, to be voluntarily abandoned upon expiration without renewal.

On February 3, 2026, the Sun Art Legal Academy delivered a live training session titled "Practical Guidance on Handling Intellectual Property Cases in North China". The session covered common types of intellectual property disputes, including font, trademark and patent infringement, and the relevant legal defences. Drawing on supplier-related cases, it also explained evidence-collection methods and the importance of preserving evidence in a standardised manner, further strengthening employees' ability to identify and respond to intellectual property risks.

During the Reporting Period, Sun Art Retail continued to strengthen brand protection and intellectual property enforcement, effectively curbing trademark infringement and the illegal operation of counterfeit supermarkets. By stopping online stores from selling refrigerators bearing the "RT-Mart" brand without authorisation and continuing to take action against counterfeit "RT-Mart" supermarkets, the Group protected the RT-Mart brand image and market order and enhanced the protection of its well-known trademarks.

During the Reporting Period

Counterfeit-related enforcement cases initiated by the Legal Department

289 cases

Cases closed

118 cases

As of the end of the Reporting Period

Valid patents held by Sun Art Retail

1

Valid trademarks

906

Valid copyrights

51

¹ The term "Three-Year Cancellation" is the abbreviated form of "Cancellation of a Registered Trademark for Three Consecutive Years of Non Use." This critical provision under China's Trademark Law stipulates that any registered trademark not used for three consecutive years without proper justification may be subject to cancellation upon application by any entity or individual to the China National Intellectual Property Administration.

Guided by its core philosophy of "Assurance, Safety, Integrity and High-Quality", Sun Art Retail is committed to delivering high-quality, healthy products to consumers. In response to evolving health-conscious consumption trends, we continue to strengthen our product quality management system and strive to be a trusted partner in quality living.

02



Upholding Quality and Safety	24
Selecting Healthy Products	30
Creating an Exceptional Shopping Experience	33

Quality First: Safeguarding Healthy Living



Upholding Quality and Safety



Sun Art Retail remains true to its commitment to quality and applies rigorous quality management throughout the value chain. We actively implement national food safety standards and strictly comply with applicable laws and regulations, including the *Food Safety Law of the People's Republic of China* and the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, to ensure that consumers can purchase safe, reliable and high-quality products with confidence.

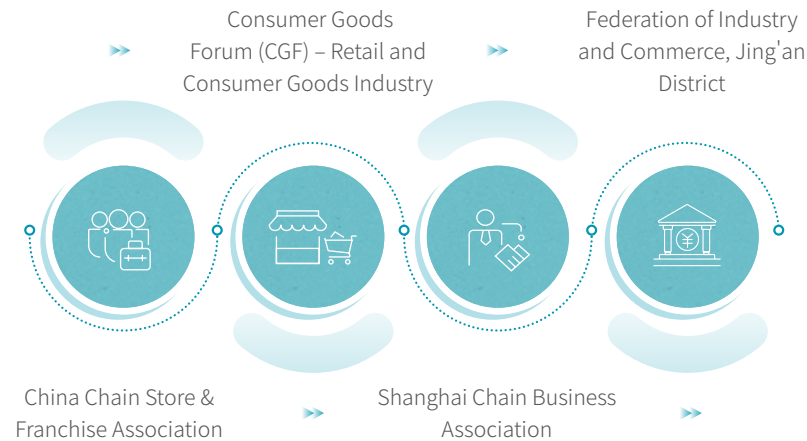
Quality and Safety Management System



Sun Art Retail regards product quality as the lifeline of its business and has established a quality management system covering the entire value chain. Through a scientific and rigorous quality risk-control mechanism, we maintain closed-loop oversight from sourcing and production to cold-chain logistics, store operations and after-sales services. Guided by core internal policies, including the *Food Safety Disclosure Policy* and *Food Commission Management Rules*, we continue to strengthen the foundations of quality and safety management, standardise food safety practices and prevent quality risks at the source.

As of the end of the Reporting Period, we had obtained ISO 9000 Quality Management System, ISO 22000 Food Safety Management System and HACCP Food Safety Control System certifications, demonstrating that our quality-control capabilities meet internationally recognised standards. We also participate actively in relevant industry associations and draw on leading food-industry practices to further enhance our quality and safety management.

Industry Associations in which Sun Art Retail Participates



Quality and Safety Risk Control

Sun Art Retail continues to strengthen its food quality and safety management system and reinforce its Food Safety Primary Responsibility System, ensuring that management responsibilities are implemented throughout store operations. Using intelligent monitoring platforms and anomaly-detection algorithms, we have established a dynamic risk early-warning matrix. Together with rigorous closed-loop shelf-life management, these measures enable refined control over product display and storage conditions. Through the combined application of technology and institutional safeguards, we have built a comprehensive food safety defence to protect consumers' rights and interests.

Comprehensive Store Food Safety Inspections

We have established a multi-dimensional food safety inspection system comprising internal SOP inspections, external SGS inspections and inspections of high-risk items (K-items). Through a closed-loop corrective-action mechanism, we proactively identify and eliminate quality and safety risks.

Food Quality and Safety Inspections

SOP Audit

- **Purpose** Audit key store SOP controls to identify weaknesses and risks, improve procedures, and safeguard safety, efficiency and customer experience
- **Scope** Quality control, operational efficiency, inventory, price labelling and fund security
- **Actions** The inspected store must respond within 7 days from the date of receiving the SOP audit follow-up checklist with causes, corrective plans and status; unresolved issues are tracked monthly

SGS Audit

- **Purpose** Use an independent external review to identify overlooked risks and demonstrate credible, effective food safety management
- **Scope** K items, personal hygiene, self-inspections, cleaning and disinfection, operating methods, date control and temperature control
- **Actions** Track corrective completion by the ten lowest-scoring stores each quarter

K-item Audit

- **Purpose** Identify and control high-risk K items to prevent food safety incidents and protect consumers
- **Scope** Falsification, expired ingredients or products, repackaging or pre-dating, excessive additives, cold-chain breaches and pests
- **Actions** Analyse frequent K-item issues monthly, report them to regional heads and management, and provide food safety training

Food Safety Primary Responsibility System

Sun Art Retail regards food safety as fundamental to brand trust and takes comprehensive measures to prevent food quality and safety risks. The Company has established the *Management Rules on Fulfillment of Entity Responsibility for Food Safety*, appointed dedicated food safety supervisors at all stores and defined strict responsibilities for each role. To help these supervisors discharge their duties effectively, we have implemented assessment and promotion mechanisms. Regular online assessments encourage them to continually strengthen their professional knowledge and skills and provide customers with safe and reliable food.

We also provide internal and external training. Store internal control officers receive annual food safety training, while the training centre delivers specialised food safety programmes for store employees. Third-party professionals are also engaged to provide annual food safety training for employees at regional and sub-regional stores.

Automated Management System

We use a web-based temperature monitoring (WEB) system to provide real-time monitoring and digital management of chilled and frozen storage facilities across all stores. Based on the temperature-control requirements of different food categories, the system incorporates intelligent alert notifications. If monitored data deviate from prescribed thresholds, the system automatically activates a tiered escalation process. Alerts are first sent through DingTalk to the relevant department heads. If an issue is not resolved within the specified timeframe, it is escalated to maintenance personnel and then to specialists. For material anomalies, maintenance personnel receive automated telephone notifications and the alert is simultaneously sent to maintenance specialists, creating a closed-loop tracking mechanism that helps ensure food is displayed and stored at appropriate temperatures.

Store Anomaly Detection and Analysis

We use feedback from our middle-office system to conduct store anomaly detection and analysis, standardising product quality management across East China, South China, North China and Northeast China. The Quality Control Department analyses the root causes of store anomalies, assigns responsibility accurately and tracks corrective action on a daily basis until all issues have been rectified.

Store Abnormality Control Mechanism



Expiry Date Management

Sun Art Retail places shelf-life management at the heart of quality control and reinforces product freshness through systematic measures. Under the *Matters Concerning the Management of the Packaged Products Expiry Dates of Vegetable and Fruit Division*, we set shelf lives according to product characteristics. Fresh packaged products, for example, are subject to separate winter and summer shelf lives, with shorter periods applied in summer to preserve freshness. We continue to optimise the management of short-shelf-life products through accurate ordering and inventory turnover controls and strictly enforce permitted sales periods for online channels.

Permitted sales periods are embedded in checkout barcodes, enabling online picking and offline checkout systems to automatically block products that have exceeded their sell-by period and prevent expired products from reaching consumers. Under our standardised shelf-life control process, store internal control officers can photograph quality anomalies and upload them directly to the Product Quality Anomaly Feedback System, allowing issues to be assigned and handled according to responsibility. We also strengthen physical inventory monitoring and early-warning mechanisms, promptly handle near-expiry products and apply standardised clearance procedures, including dedicated clearance areas, appropriate replenishment and display arrangements. These measures reduce losses, support proper management of near-expiry products and protect consumer rights.

Quality and Safety Enhancement

Sun Art Retail places great importance on fostering a culture of quality and applies its "high-quality" standards to every stage, from warehousing to logistics and delivery. We continually refine the management of product storage, transportation and distribution to ensure that products remain in optimal condition from their place of origin to the consumer.

Product Storage and Transportation

To safeguard product quality, reduce fulfilment losses and uphold our commitment to sustainable development, we continue to strengthen quality controls for transportation, distribution and warehouse storage. We have comprehensively optimised and standardised packaging materials according to delivery mode—hourly delivery, half-day or next-day delivery, and courier delivery—and product characteristics, helping to preserve product freshness and integrity throughout distribution.

Differentiated Packaging and Damage Prevention

- Live hairy crabs: ice bottles, foil bags, sealed foam boxes, gift boxes and cartons preserve freshness and prevent damage
- Qilin watermelons: simplified hourly-delivery packaging; mesh sleeves, air-column film and bubble wrap for half-day or next-day delivery
- Modified-atmosphere packaging extends the freshness of meat, poultry and side dishes
- Separate raw and cooked food, and food from non-food items
- Use oxygen-filled bags for live aquatic products and roll bags with ice packs for pork in summer
- Use bubble bags or air columns for fragile items
- Pack textiles and potted plants separately in roll bags to prevent contamination and damage

Dynamic Temperature Control and Precise Coolant Allocation

- Wrap frozen and chilled foods in frozen ice-sheet film and place them in insulated boxes to maintain safe temperatures
- Temperature-sensitive products: use foil bags, dry ice or water ice, and insulated boxes. Use 2–3 ice packs below 30°C , one dry-ice block at 30–35°C and two above 35°C ; replenish as needed

Hot-food Protection and Delivery Assurance

- Hot prepared foods: use kraft meal boxes, lidded boxes and greaseproof paper packaging to prevent leakage and crushing
- Hold hot foods in warming cabinets, reheat before packing, and use foil insulation and red delivery bags to maintain temperature

Order Picking and Delivery

To meet consumers' expectations for efficient and accurate delivery, the Company has optimised processes and upgraded digital tools, translating improvements in operating efficiency into tangible service value. By introducing measures across order processing, inventory management and last-mile delivery, we shortened fulfilment cycles, reduced incorrect and missing deliveries, extended service hours and enhanced the customer experience.

Initiatives to Enhance Order Picking and Delivery Efficiency

Pickup verification

Consolidate multiple apps into the RT-Mart Fresh Operations App to simplify verification and improve efficiency

Express delivery

Use an operations dashboard and picking app, with batch picking and dispatch-point sorting to improve efficiency

Delivery integration

Automate links with logistics providers to streamline dispatch and reduce packing and waybill-printing labour

Integrated picking and printing

Combine front-of-store and backroom operations to reduce staffing and improve overnight and front-warehouse fulfilment

AI front-warehouse ordering

Consolidate all order types in one interface to improve efficiency, lower inventory and reduce stockouts

Product
Traceability
and Recall

Sun Art Retail places consumer safety and health first and has established a comprehensive product traceability and recall management system. Digital solutions enable transparent end-to-end tracking so that product sources and destinations can be traced. We have also established an agile and efficient emergency recall mechanism to ensure prompt response and accurate handling, thereby fulfilling our corporate responsibilities and safeguarding public trust.

Product Traceability Management System

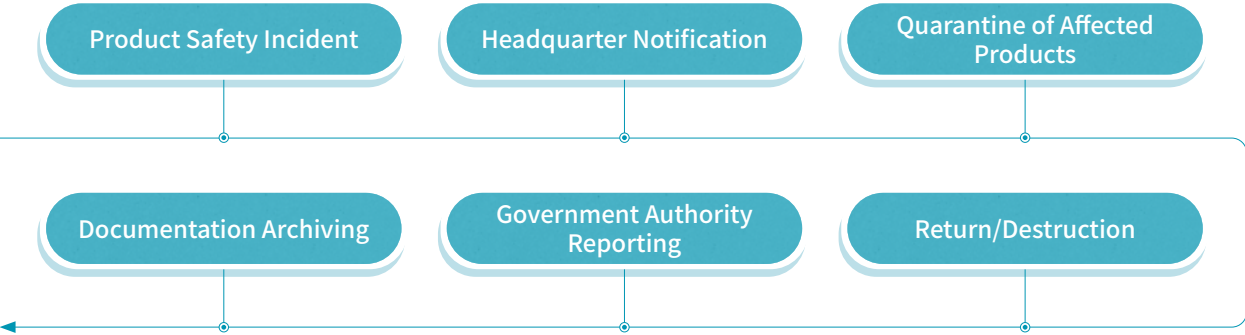
To safeguard food safety, Sun Art Retail uses digital technology to operate an end-to-end product traceability system covering food products from source to point of sale. During the Reporting Period, we upgraded the traceability platform and expanded its applications. The "Zhejiang Food Chain" system now covers 46 stores in Zhejiang Province and traces livestock and poultry, aquatic products, fruit and vegetables, and prepackaged food. The "QR Code Traceability System" covers 58 stores supplied by the Shanghai warehouse and focuses primarily on meat products. These measures have improved traceability efficiency and store management and further strengthened consumer confidence in food safety.

We have also established a traceability mechanism for private-label products. Supplier approval assessments include requirements relating to manufacturers' traceability capabilities, and manufacturers are required to maintain traceability systems and conduct regular traceability exercises. If a private-label product develops a quality issue, such as foreign matter or damaged packaging, the supplier can be identified from the product information and the affected batch can be traced by batch number within 12 to 24 hours. Once an issue affecting a batch is confirmed, the Company uses the delisting function in its middle-office system to issue handling instructions directly to all stores.

Product Recall

We strictly comply with applicable laws and regulations, including the *Measures for the Administration of Food Recall* and the *Interim Provisions on Consumer Product Recall Management*. We have established internal policies, including the *Product Recall and Disposal Regulations (Food/Consumer Products)*, and a standardised product recall mechanism. When products are returned due to quality issues, stores promptly verify the product batch, production date and manufacturer and report the information to the Group's quality inspection function for source tracing. Once the source of the issue is identified, the Company initiates a voluntary recall, records the recall process, analyses the cause and implements corrective measures.

Sun Art Retail Product Recall Process



To ensure the effectiveness of the product recall mechanism, we conduct recall drills annually, with participation by 100% of hypermarkets nationwide. Drill reports are retained at stores for reference.

During the Reporting Period

Sun Art Retail recorded



product recalls due to safety or health concerns

Quality and Food Safety Training

Sun Art Retail attaches great importance to strengthening quality awareness among all employees and fosters a strong quality culture through comprehensive training and assessment. Newly appointed internal control officers must pass a dedicated assessment before taking up their roles, while serving officers receive quarterly training from third-party professional institutions. We also engage third-party specialists to train store employees and reinforce quality awareness. Meanwhile, guided by results-oriented management principles, the Company provides targeted training and assessments every quarter based on actual control performance, forming a closed-loop mechanism for continuous improvement of quality management. To evaluate training effectiveness, the Quality Management Department assesses the professional competence of internal control officers and works with the Human Resources Department to conduct annual food safety awareness and competency assessments for all store employees.



During the Reporting Period

Food safety & quality training hours

511,320 hours

Food safety & quality training participants

290,135 person-times

Selecting Healthy Products



Guided by consumer health and wellbeing, Sun Art Retail continues to expand its healthy food portfolio and helps consumers pursue a higher quality of life through high-standard product offerings. Through its private labels and strategic partnerships, the Group has built a cross-category portfolio focusing on low-sugar, low-fat and no-additive products, nutrition-enhanced products and organic food, thereby supporting a natural, wholesome and environmentally responsible consumption ecosystem.

Diverse Nutritional Choices

Sun Art Retail closely follows structural growth in health-conscious consumption and are moving from basic product supply towards more advanced nutritional offerings through a diversified health-product portfolio. We work with leading health-focused brands and high-quality manufacturers, combining resources and R&D capabilities to respond to consumers' demand for clean labels and balanced diets. In FY2025/2026, we rolled out a wide range of nutritionally healthy products, covering 218 SKUs of low/no-sugar goods, 22 SKUs of low/zero-fat goods and 234 SKUs with reduced or no preservatives added².

Performance of the Group's low/no-sugar, low/zero-fat and reduced/no-additive products during the Reporting Period is shown below:

Original Equipment Manufacturer (OEM)	Number of Stock Keeping Units (SKUs)	Sales Revenue (thousand RMB)	FY 2026 % of Total Sales
Low/No Sugar	218	58,371	0.09
Low/Zero Fat	22	46,466	0.07
Reduced/No Additives	234	221,618	0.35

We actively advocate healthy, green and sustainable consumption. Through close collaboration with health-focused brands and manufacturers, we exchange resources through social media promotions, homepage placements, elevator advertising and other channels to promote low-sugar, reduced-sodium and multigrain products.

Berries

We partnered with leading growers at source to promote premium blueberry varieties and healthy product selection. Sales of berries reached RMB 142 million, representing year-on-year growth of 13.4%

Light Meals

We entered into volume-locked pricing agreements with traders. Sales of avocados, lemons, passion fruit and other products reached RMB 34 million, representing year-on-year growth of 20%. We also promoted salmon and sashimi products, generating annual sales of RMB 109 million, up 30%

Quality Meat and Poultry

Fourteen zero-hormone poultry SKUs and one organic poultry SKU accounted for 52% of frozen packaged poultry sales. Six flaxseed product SKUs generated sales of RMB 2.02 million, ten antibiotic-free pork SKUs generated RMB 4.30 million, and ten premium black pork SKUs generated RMB 1.90 million

We also carried out themed marketing campaigns throughout the year to promote organic, nutritious and lighter, healthier products. Through themed promotional periods, dedicated displays, themed posters and in-store promotions, the Company continued to communicate the principles of healthy living and green consumption and fulfil its responsibilities for public health and sustainable development.

Nutrition and Health-themed Marketing Campaigns

Special Organic Vegetable Promotion

Featured organic vegetables through concentrated displays and supplier activities to strengthen in-store visibility.

Quality Grocery Basket Campaign

Promoted quality produce, meat, poultry and seafood, including organic and low-GI foods, Black Pearl pork and nationally sourced pork.

Light Meal Festival

Promoted low-oil, high-protein and high-fibre foods, including seafood, chicken breast, konjac, pasteurised eggs, zero-additive yogurt, cereals, olive oil and brown rice.

Healthy and Nutritious Meal Campaign

A summer family guide offered healthy breakfast, lunch and dinner solutions focused on quality protein, dairy, staple foods and fresh ingredients.

Nutrition- Enhanced Products

With consumer health needs at the core, Sun Art Retail pursues science-based nutrition enhancement to combine taste and health, providing high-quality food choices that satisfy consumers' palates while supporting their nutritional needs.

Nutrition Enhancement Dimension	FY 2026 Sales (thousand RMB)	FY 2026 % of Total Sales
Products certified by RSPO	1,499,035	2.36
Products that are reduced in saturated fat, trans fat, sodium, or sugar	88,094	0.14
Products containing nutrients (such as fiber, vitamins, minerals, phytochemicals or functional food additives)	70,736	0.11
Refurbished/reformulated products (products that have been modified or upgraded to improve the nutritional health of existing products)	4,390	0.01
Sustainable Protein Products	5,744	0.01

Organic Products

We advocate a healthy and environmentally responsible lifestyle and continue to expand our organic product assortment across vegetables, fruit, grains, meat and other categories. We apply stringent admission criteria to ensure that every organic product in our distribution chain meets national certification standards and is certified by an authorised body. By strengthening compliance oversight from farm to table, we provide consumers with natural, wholesome and pollution-free choices and help safeguard their health.

² Refers to the production process with zero addition of preservatives (potassium sorbate, sodium dehydroacetate).

This year, national sales of organic products at Sun Art Retail amounted to RMB 692 million. 535 organic SKUs were available across dairy and chilled products, snacks and beverages, dry groceries, fruits and vegetables, and aquatic products. Sun Art Retail's private-label organic range covered aquatic products, edible oils, rice, grains, dried goods and oatmeal, totalling 32 SKUs (including updated products). These products were traceable to 56 certified organic farms, with some categories originating from the same farm.

Product Category	Number of SKUs	FY2026 Organic Product Sales (thousand RMB)	FY 2026 % of Total Sales
Fast-Moving Consumer Goods (FMCG)	401	511,642	0.81
Fresh Products	102	134,410	0.21
Private Labels	32	46,012	0.07
Total	535	692,064	1.09

Naturally Healthy Products

Sun Art Retail embraces the product development philosophy of "Natural Authenticity with Fewer Artificial Additives" and is committed to building a transparent and healthy product system. We minimise artificial ingredients and promote products containing natural plant-based ingredients, responding to consumers' growing preference for natural and authentic products.

Reduced Artificial Ingredients

We offer products with reduced or no artificial ingredients across dairy and chilled products, snacks, dry groceries and prepared foods. Examples include yoghurt with no additives, ice cream without emulsifiers or stabilisers, dried fruit and condiments with no additives, and all-natural infant food, providing consumers with safer choices.

During the Reporting Period



Plant-Based Formulations

We promote products containing natural plant-based ingredients across dairy and chilled products, dry groceries, personal care and household cleaning. Plant-based milk alternatives use simpler formulations with fewer artificial additives; organic condiments contain no preservatives or artificial colours; plant-based hair and body care and functional skincare products address diverse consumer needs; and plant-derived household cleaners deliver effective and environmentally responsible cleaning. These products provide consumers with more transparent and reassuring healthy choices.

During the Reporting Period



Creating an Exceptional Shopping Experience

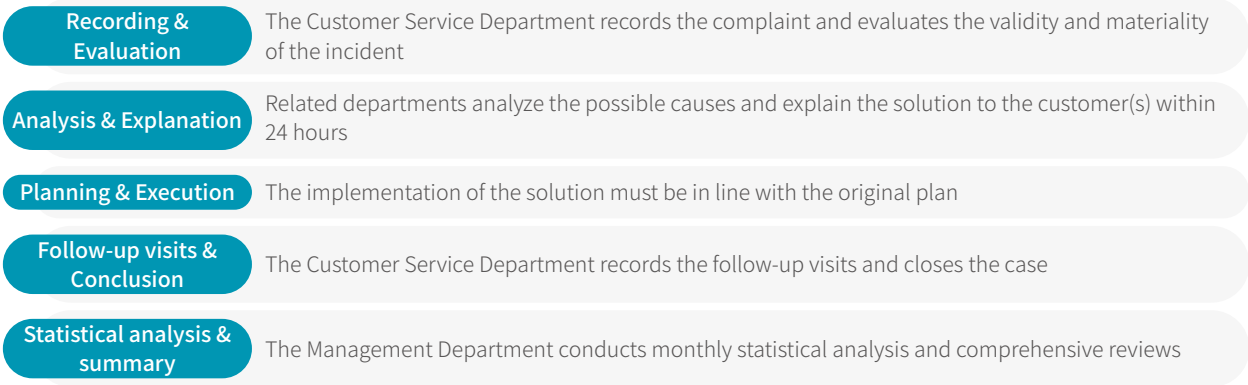


Sun Art Retail upholds its vision that "our ever-more personalised innovation and services simplify the everyday and change the lives of our customers, whose numbers grow by the day". Enhancing service quality and improving everyday life are central to our approach. By continually optimising the customer experience, we seek to expand our customer base and strengthen brand value. We regard user data security and privacy protection as fundamental requirements and safeguard consumer rights through a rigorous management system.

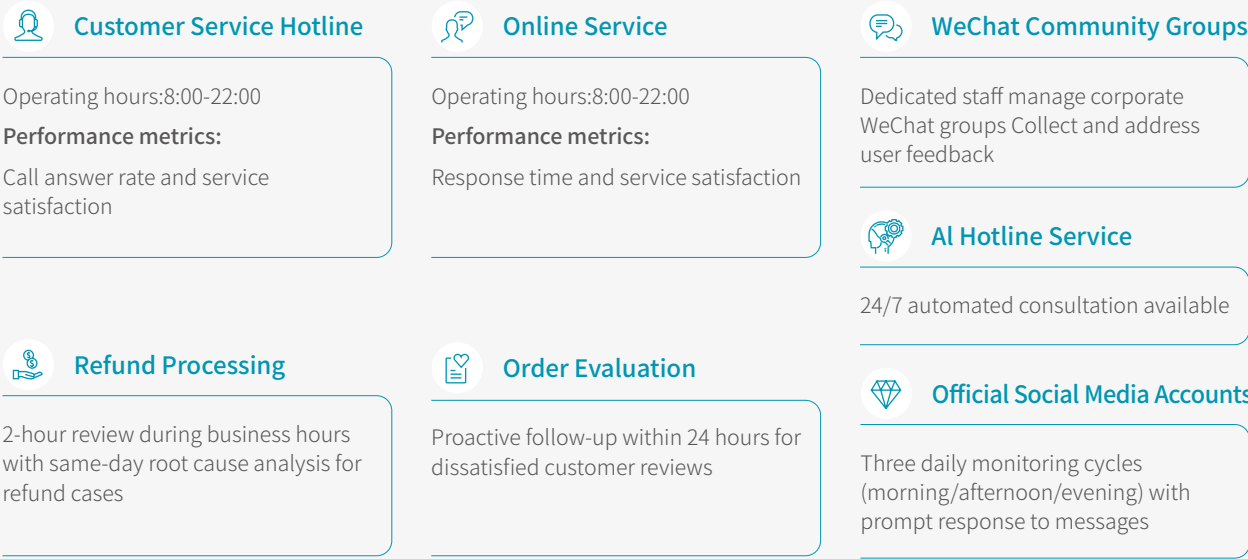
Improving Services

We strictly comply with applicable laws and regulations, including the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, and continually enhance our customer service systems and response processes. We maintain efficient and accessible consultation and feedback channels. The Company has established a standardised complaint-handling process and stringent response-time targets for different types of service requests to ensure that every customer receives a prompt and professional response.

Sun Art Retail Customer Complaint Handling Mechanism

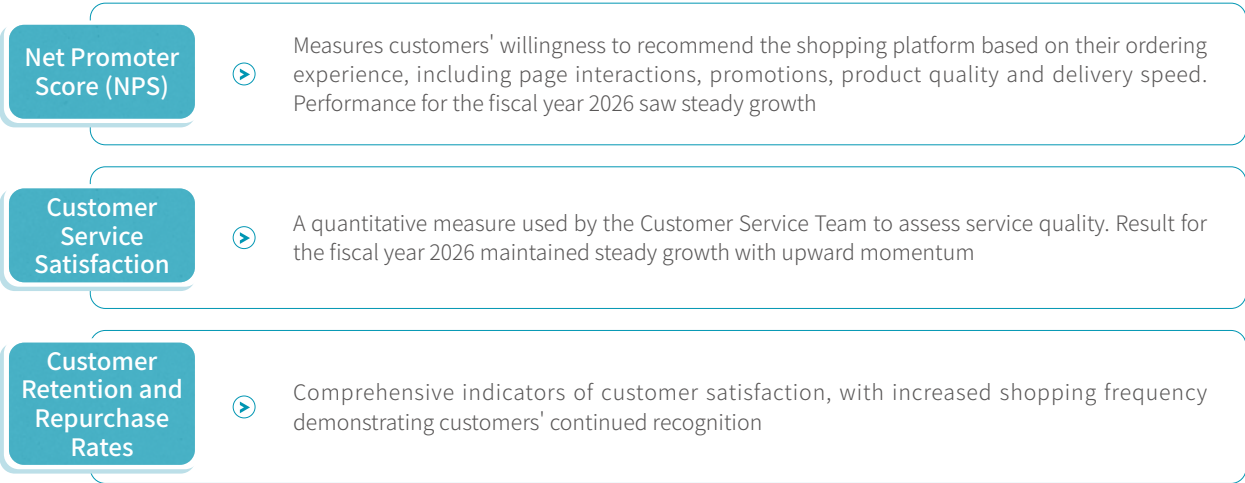


Sun Art Retail Customer Complaint Channels



We prioritise customer satisfaction management and use a multi-dimensional indicator system and efficient service-response mechanisms to drive continuous improvement in the customer experience. During the year, complaints relating to product quality accounted for approximately 0.4% of orders, and all cases were properly resolved. In fiscal year 2026, Sun Art Retail's customer satisfaction survey scores showed steady improvement.

Sun Art Retail Customer Satisfaction Survey Dimensions



We also place great importance on direct customer engagement and have established regular, multi-format customer forums. Each store holds a forum once a month in one of three formats to reach different customer groups. By engaging with customers in communities and at stores, we collect feedback and seek to build mutually supportive community relationships. During the Reporting Period, the forums attracted 21,002 participant visits and generated 8,431 valid items of feedback.

During the Reporting Period

the forums attracted

21,002

participant visits

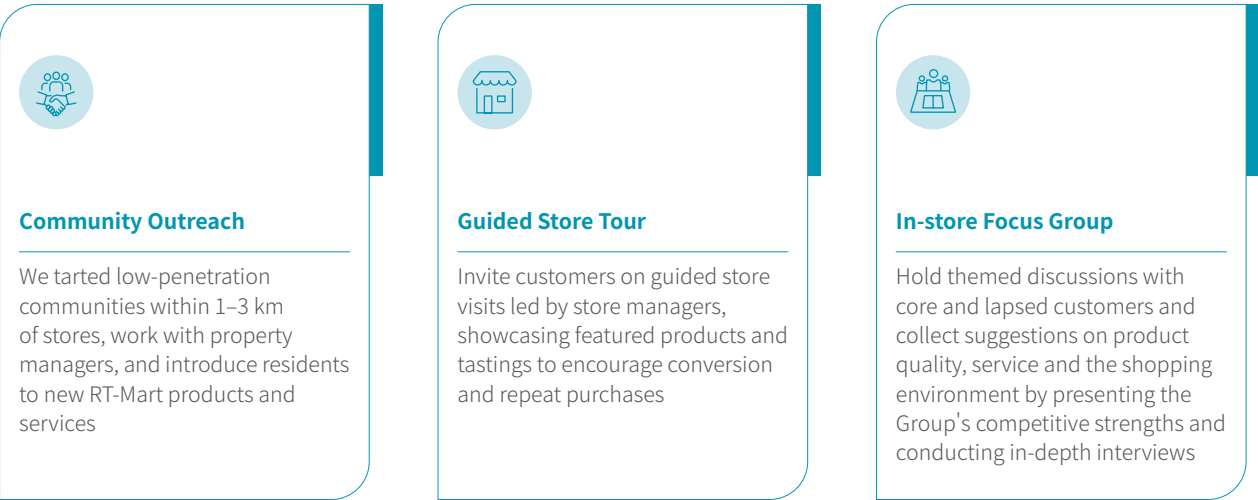
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8,431

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Forms of Customer Forums



Improving Shopping Experiences

In an increasingly competitive retail market and amid evolving consumer demand, exceptional customer experiences have become a key driver of sustainable growth. Sun Art Retail firmly upholds its "Customer First" philosophy and makes continual service improvement a strategic priority. Guided by integrity in business, we seek to earn long-term consumer trust through the ongoing enhancement of our service system. The Company continues to innovate the in-store experience while upgrading its online platforms. Improvements to product labels and product detail pages have enhanced the online shopping journey and supported our commitment to improving consumers' quality of life.

1. 标签相关优化

①特征标新增【只卖当天】
针对保质期为1天的类目打标
熟食面点/精致烘焙



②新增二级类目标
商品后台新增标签（鲜花、冰淇淋、冰饮、粽子、小龙虾等），选中时前端展示对应图



③新增长期低价标签
除超省和润发甄选，和线下的长期低价的标签对齐



2. 商详页相关优化

①AI卖点接入
商品后台可利用文描图片的ocr文本
通过llm模型进行卖点生成



Measures to Enhance Online Shopping Experience

Brand Publicity

Sun Art Retail focuses on the needs of local communities and upholds freshness, affordability, comfort and convenience as its core values, working to build a trusted community retail platform. We strictly comply with applicable laws, regulations and standards, including the Food Safety Law of the People's Republic of China, the General Standard for the *Labeling of Prepackaged Foods*, the *General Rules for Nutrition Labeling of Prepackaged Foods* and the *Food Labeling Management Regulations*. We ensure that production and sales comply with national food safety and labelling requirements and routinely review the accuracy of product information and the compliance of marketing content. All marketing content is required to comply with applicable laws and regulations, and exaggerated or misleading claims are prohibited.

Responsible Marketing

Sun Art Retail is committed to transparent and truthful marketing and has established a comprehensive marketing compliance management system. We continue to strengthen measures relating to truthful advertising, employee training, compliance review and public sentiment management to ensure that marketing activities are accurate, transparent and compliant.

Responsible Marketing Management Measures

	Truthful Marketing - Comply with the <i>Advertising Law of the People's Republic of China</i> and applicable local laws - Prohibit exaggerated, deceptive or false marketing content - Accurately disclose products, services and prices
	Responsible Marketing Training - Train marketing staff and new employees on compliance risks and responses - Compile relevant laws and regulations, prepare review materials, and conduct internal training - Support marketing of low-carbon, organic and recyclable products
	Compliance Review - Business, brand and legal teams review marketing campaigns and materials - Retain marketing materials for assessment or audit - Private-label nutrition and allergen information complies with regulations and is verified by third parties
	Public Sentiment Management - Improve public sentiment alerts, rapid responses and employee risk awareness - No major public sentiment incidents in FY2026

Brand Campaigns

Drawing on keen market insight, Sun Art Retail uses empathetic and innovative marketing to connect social sentiment with brand narratives. We identify emerging cultural trends and online topics and use high-quality products to give tangible expression to our brand values. By incorporating human-centred care into commercial activities, we transform marketing into meaningful cultural engagement, strengthen our distinctive brand identity and deepen the emotional connection between the retail brand and the public.



RT-Mart's First Cross-Sector Collaboration with Eggy Party Reinvents Chinese New Year Shopping through an In-Store Treasure Hunt

Ahead of the 2026 Spring Festival, RT-Mart, a core brand of Sun Art Retail, entered into a cross-sector collaboration with the popular game IP Eggy Party to launch a festive shopping-street treasure hunt. The collaboration was an innovative step in RT-Mart's efforts to rejuvenate its brand and enhance the customer experience, bringing new energy to family shopping ahead of the Spring Festival through gamification.

The partners jointly designed an interactive in-store treasure hunt, turning RT-Mart stores into spaces for playful exploration. While shopping for festive goods, customers could search for designated clues or images, complete immersive check-in tasks and receive limited-edition co-branded merchandise. The activity enriched the shopping experience and transformed festive shopping into a joyful family activity that brought parents and children together.



Privacy and Data Security

Sun Art Retail places the utmost importance on customer privacy rights and data security. We strictly comply with applicable laws and regulations, including the *Cybersecurity Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, and *GB/T 35273-2017 Information Security Technology - Personal Information Security Specification*. We revised and updated internal policies, including the *Kangcheng Investment (China) Co., Ltd. Password Management Standard* and *Kangcheng Investment (China) Co., Ltd. Backup Management Standard*, to standardise information security practices. These policies cover RT-Mart and all its subsidiaries, including physical stores, the RT-Mart Fresh App and other online platforms. During the Reporting Period, we formulated and issued the *Sun Art Retail Information Security and Privacy Protection Policy* to further protect the Group's information security and privacy, mitigate risks of information leakage, tampering and loss, and strengthen related controls. Details of the policy are provided in the Appendix.

Information Security Management

Sun Art Retail places great importance on building a robust enterprise information security system and continually strengthens its protective capabilities through multi-layered and systematic management measures. The Company continues to invest in upgrading IT infrastructure, conducts regular cybersecurity drills and engages qualified third-party security institutions to carry out in-depth security assessments.



Sun Art Retail Information Security Management Measures

IT Infrastructure Upgrades

- **Internet access management:** Reduced blocking and wireless call lag, added block-page prompts, and improved network efficiency.
- **Security log analytics:** Updated the system and rule library, improving stability and maintainability.
- **Cybersecurity monitoring system upgrade:** By regularly cleaning up historical alert data and optimizing the data storage structure, we enhance system performance and stability, ensuring continuous and reliable security monitoring services.
- **Bastion host permissions:** Reviewed downstream permissions for all account assets to enhance data security.

Cyberattack and Defence Drill

- Completed an offensive and defensive cybersecurity drill with Jing'an District cybersecurity police in Shanghai.

Third-party Penetration Testing

- Third parties tested the RT-Mart Fresh, RT-Mart e-Lu Fa and M Club apps.

We have also established a comprehensive information security training framework, delivering tiered and specialised programmes tailored to different roles and business scenarios. Topics include account security, mobile working security, social networking security and software security, helping to strengthen information security awareness and protective capabilities across the organisation.

"Mobile Office Security" training covered

87,471 participants

"Social Networking Security" training covered

146,748 participants

"Software Security" training covered

143,452 participants

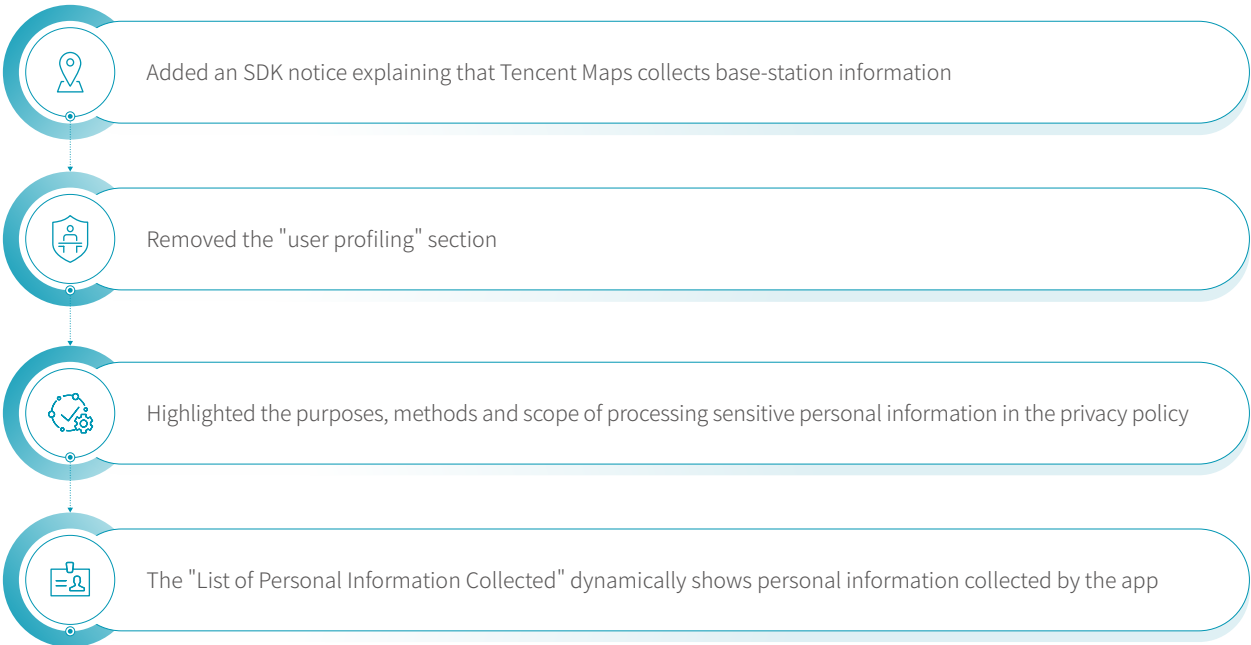
"Ransomware Security" training covered

141,290 participants

Customer Privacy Data Protection

Sun Art Retail regards customer privacy and data security as fundamental operating requirements and applies multiple measures to strengthen privacy protection. As product features evolve, we promptly update relevant privacy policies and user agreements to explain how personal data is used and protected. We also rigorously review third-party Software Development Kit (SDK) lists, helping to safeguard customers' control over their data and provide a trusted digital shopping environment.

Customer Privacy Data Protection Measures



In active response to China's "Dual Carbon" goals and the transition towards green and low-carbon development, Sun Art Retail consistently integrates environmental responsibility into its operations and day-to-day activities and proactively addresses the risks and opportunities associated with climate change. We continue to strengthen our green operations system, expand green power procurement and develop suitable sites for photovoltaic installations. By reinforcing energy management, improving packaging management and advancing plastic-reduction initiatives, we are progressively building a resource-efficient and environmentally friendly operating model and promoting low-carbon, refined and sustainable development.

Climate Change Response	42
Fulfilling Our Responsibility for Environmentally Friendly Operations	49
Biodiversity and Animal Welfare	60

Low-Carbon Development: Cultivating a Greener Footprint



Climate Change Response



Climate change is one of the most pressing challenges facing the global community. Sun Art Retail follows a green and low-carbon development pathway and integrates climate-related considerations into its long-term strategy and daily operations. With reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the disclosure requirements of The Stock Exchange of Hong Kong Limited, we continue to identify, assess and manage climate-related risks and opportunities. We also collaborate with governments, suppliers, consumers and other stakeholders to promote the green and low-carbon transformation and sustainable development of our value chain.

Governance

To address the risks and challenges associated with climate change, Sun Art Retail has integrated climate governance into its ESG governance system and established a three-tier Governance Framework comprising the Board of Directors, the ESG Management Committee and the ESG Working Group. The Board is the highest decision-making and oversight body for climate matters and reviews major climate-related strategies and reports submitted regularly by the ESG Management Committee. The ESG Management Committee plans and coordinates climate-related management and works with relevant departments to implement key initiatives, while the ESG Working Group is responsible for daily execution.

Sun Art Retail Climate Change Governance Framework

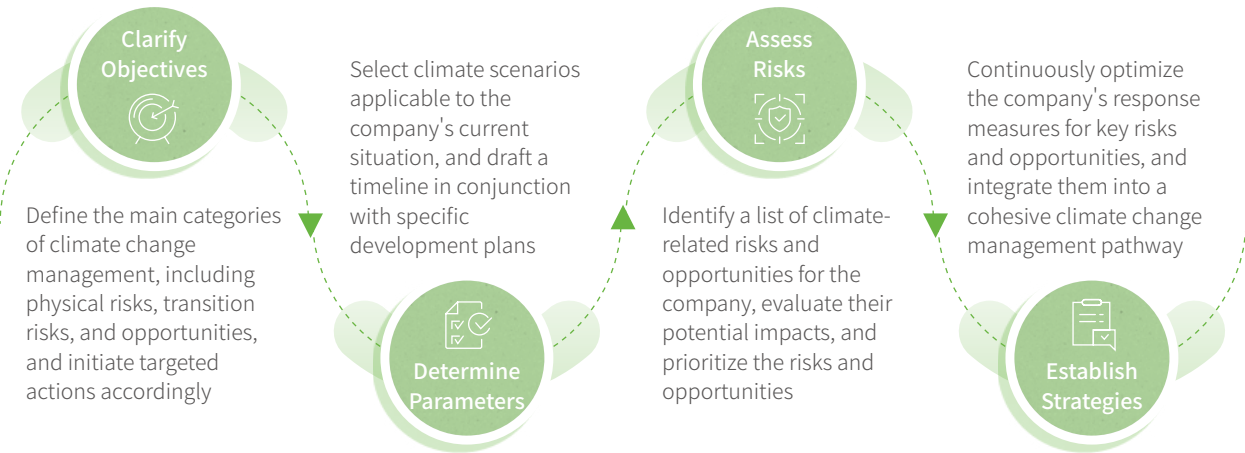


To strengthen the Board's awareness and management capabilities in relation to climate change, we regularly arrange expert-led training on climate-related topics. These sessions keep Board members informed of the latest climate policies, industry trends and developments in climate-related risks and opportunities, further enhancing the Group's climate governance and decision-making capabilities.

Strategy

Sun Art Retail has integrated climate-related risks and opportunities into the Group's strategic planning and operational management. During the Reporting Period, the Group systematically identified and assessed climate-related risks and opportunities based on relevance and materiality, taking into account external policies and regulations, industry trends and its own operations, and updated its climate risk and opportunity inventory. Scenario analysis was used to assess potential financial impacts on the Group's current and future operations under different climate scenarios and time horizons. The identified risks and opportunities were prioritised to inform resource allocation, operational management and risk-response measures, thereby strengthening the Company's climate resilience and long-term sustainable development capabilities.

Climate Risk Assessment Process



During the Reporting Period, the Group selected climate scenarios and temporal parameters appropriate to its operations with reference to international recommendations, industry best practices and its business circumstances. For physical risks, we used the SSP³1-2.6 and SSP2-4.5 scenarios from the IPCC Sixth Assessment Report as low- and medium-emission pathways, respectively. For transition risks, we used NZE 2050⁴ and APS⁵.

Physical Risk Climate Scenario Selection	
Low-Emission Scenario (SSP1-2.6): The SSP1-2.6 achieves net-zero emissions after 2050 through coordinated mitigation efforts, with a temperature rise limited to around 1.8°C by 2100.	Moderate-Emission Scenario (SSP2-4.5): The SSP2-4.5 assumes that global CO ₂ emissions will remain at current levels until the mid-century but will not reach net-zero. The temperature rise by 2100 is projected to be 2.7°C .
Transition Climate Scenario Selection	
Net Zero Emissions by 2050 (NZE) Scenario: The NZE scenario is a normative pathway proposed by the IEA, requiring the energy sector to achieve net-zero emissions by 2050 without relying on external offsets.	Announced Pledges (APS) Scenario: The APS scenario represents a future energy and emission development pathway based on the climate policies and commitments already announced by national governments, considering the impact of these policy pledges on energy demand, prices, and emissions.

The Group also defined temporal parameters for climate impacts based on its business operating cycle: short term as 1-year, medium term as 2-5 years and long term as 6 years or more.

³ Shared Socioeconomic Pathways.

⁴ IEA Net Zero Emissions by 2050 Scenario.

⁵ IEA Announced Pledges Scenario.

During the Reporting Period, the Group identified 3 acute physical risks, 3 transition risks and 2 climate-related opportunities. Physical risks primarily affect logistics and transportation, store and warehouse operations, and construction projects, while transition risks mainly relate to store and warehouse operations, logistics and transportation, supplier collaboration. To clarify response priorities, the Group assessed the impact of each risk and opportunity under different climate scenarios and prepared a list of key climate-related risks and opportunities to support targeted management measures and resource allocation.

Climate Risk Type	Risk Item	Risk Description	Financial Impact	Response Measures	Climate Scenario	Impact Level by Time Horizon		
						Short-term	Medium-term	Long-term
Physical Risk	Acute Risk	Extreme Heat and Drought		Energy System Optimization We optimize energy use through hardware upgrades and digital management, implementing automated controls for air conditioning and lighting systems, improving energy efficiency of cold chain and fresh food processing equipment, and reducing standby power consumption with elevator radar sensors. We are also developing a digital energy management platform for real-time monitoring and anomaly alerts. Third-party photovoltaic projects under energy performance contracting are introduced to lower energy costs and carbon footprint.	SSP 1-2.6	Low	Low	Low
				Infrastructure Development To ensure basic services during extreme weather, we established a multi-level emergency supply system. New stores require partners to provide dual-circuit power supply, with backup generators mandated for non-compliant projects. Emergency water storage tanks are installed in water supply systems to maintain basic functionality during municipal outages. Air conditioning and fans are installed in order-picking areas, and curtains and top panels are added to refrigeration equipment to reduce cold air loss. Full cold chain display management is implemented for perishables like vegetables and fruits, while the proportion of frozen goods in fast-picking warehouses is dynamically increased during hot weather to optimize efficiency.				
				High-Temperature Operations We implemented a full-chain protection mechanism, using "blue packaging + ice film/dry ice" composite packaging for perishable goods. Delivery personnel are equipped with heatstroke prevention kits, cold drinks, and sunshades, and insulated bags are prohibited from being unpacked during picking. Fans, air conditioning, and sunshades are installed in handover areas. Based on weather forecasts, order fluctuations are predicted, and staffing and product display priorities are dynamically adjusted to align capacity with demand.				
Physical Risk	Acute Risk	Extreme Heat and Drought	Increased operating costs Loss of fixed assets	Power outages causing production halts could disrupt Sun Art Retail product supply.	SSP 2-4.5	Low	Low	Low
				Operational costs for running air conditioning or backup generators during outages will increase.				
				Prolonged high temperatures will raise operational and energy costs for stores and warehouses, as well as logistics and cold chain material expenses.				

Climate Risk Type	Risk Item	Risk Description	Financial Impact	Response Measures	Climate Scenario	Impact Level by Time Horizon		
						Short-term	Medium-term	Long-term
Physical Risk	Acute Risk	Flood	Increased operating costs Loss of fixed assets Decrease in revenue	Preventive Measures Before typhoon season, we reinforce critical areas such as warehouse doors, windows, roofs, and inter-facility connections to enhance disaster resistance. Supplier climate resilience assessments are conducted, evaluating flood/wind protection levels and emergency resource stockpiles. Inventory reserves of essential goods (e.g., emergency food, drinking water) are increased.	SSP 1-2.6	Low	Low	Low
				Emergency Response Upon meteorological alerts, a tiered response protocol is activated: Customized work suspension plans are issued to stores and customers. Logistics hubs coordinate with partners to implement pre-defined measures (e.g., shipping suspensions) and activate alternative transport routes, prioritizing core supply chain recovery when conditions permit. Pre-arranged insurance coverage for staff, warehouse assets, and inventory helps minimize losses.	SSP 2-4.5	Low	Low	Low
				Recovery & Restoration A phased resumption system is implemented: Employee safety status is verified via pre-established emergency contact records, and workforce return data guides production recovery plans. For affected customers, proactive service protocols include instant delay notifications for pre-sale orders and unconditional discount vouchers as compensation.	SSP 1-2.6	Low	Low	Low
Transition Risk	Policy & Regulatory Changes	Carbon Pricing Increase	Increased operating costs	Since 2023, we have actively responded to the "Carbon Peaking and Carbon Neutrality" strategy by incorporating clean energy procurement into our core sustainability pathway. Through market-based trading mechanisms, we've established long-term strategic partnerships with electricity providers, prioritizing certified centralized wind and solar projects while introducing nuclear power as a stable energy source, creating a diversified clean energy portfolio. During the reporting period, clean energy accounted for approximately 40.9% of total procurement.	NZE 2050	Low	Low	Low
					APS	Low	Low	Low

Climate Risk Type	Risk Item	Risk Description	Financial Impact	Response Measures	Climate Scenario	Impact Level by Time Horizon		
						Short-term	Medium-term	Long-term
Transition Risk	Technology Transition	■ As policies drive green transformation across industries, green building design, intelligent temperature control, and smart cold chain have become essential approaches for retail enterprises to achieve energy savings and carbon reduction. However, these technologies face challenges including complex development, immature supply chains, and high investment risks.	■ Increased operating costs	In adopting low-carbon technologies, we conduct specialized feasibility studies to systematically analyse safety risk factors, investment return periods, and compatibility impacts on existing operations.	NZE 2050	Low	Low	Low
				Furthermore, we have established vendor qualification standards implementing a five tier screening process including on-site capacity verification and certification validation. A dynamic monitoring mechanism ensures continuous alignment with business needs through biennial technology efficacy reviews and supplier performance reassessments.	APS	Low	Low	Low
	Fluctuations in Resource & Raw Material Prices	Climate change may disrupt commodity and energy supply chains, leading to increased procurement costs for Sun Art Retail.	■ Increased operating costs	Supplier Collaboration Strategy We establish long-term agreements with core suppliers, defining price adjustment ranges and negotiation mechanisms during extreme climate events to balance cost control with reasonable supplier margins. We prioritize FMCG tier-1 suppliers with multi-regional production networks, leveraging their climate-resilient facilities and cross-regional production allocation capabilities to ensure supply stability. Joint cost optimization initiatives include alternative material R&D and production process improvements, with established cost-saving benefit-sharing mechanisms.	NZE 2050	Low	Low	Low
				Financial Safeguard Strategy We implement an end-to-end climate risk assessment system to systematically analyse cost-inflation risks from energy price volatility and logistics disruptions, with dedicated contingency reserves for sudden cost surges. Risk mitigation includes property and business interruption insurance to hedge asset losses, combined with futures and options to lock in key material prices, insulating our supply chain from climate-induced market volatility and maintaining cost structure stability.	APS	Low	Low	Medium

Lowestimated financial impact: <0.5% of revenue

Mediumestimated financial impact: >0.5%; <1% of revenue

During the Reporting Period, we compiled and analysed the financial impacts of the climate-related risks and opportunities identified, and quantitatively assessed those that could be separately identified. The assessment indicated that climate-related risks did not have a material impact on the Company's financial performance during the reporting period. Furthermore, assuming that no major extreme climate events occur and that the policy environment and market conditions remain unchanged, we do not expect any material risk of adjustment to the carrying amounts of assets and liabilities in the financial statements for the next reporting year. Financial impacts that cannot currently be separately identified are treated in accordance with the financial-impact exemption principle.

Opportunity Type	Opportunity Description	Response Measures	Climate Scenario	Impact Level by Time Horizon		
				Short-term	Medium-term	Long-term
Energy Sources	China is prioritizing the large scale development of photovoltaic and wind power generation, with supporting energy storage technologies for renewables entering a critical industrialization phase. As the stability of clean energy supply continues to improve, the industrial sector is expected to achieve structural growth in clean energy adoption, presenting Sun Art Retail with opportunities to reduce both energy costs and carbon emission intensity.	Sun Art Retail's clean energy procurement strategy demonstrates distinct regional progression. Since the beginning of the Reporting Period, we have launched green electricity procurement plans in 14 provinces, with plans for nationwide implementation.	NZE 2050	Low	Low	Low
			APS	Low	Low	Low
Resource Efficiency	Amid rising material costs, labour expenses, and supply chain disruptions, enterprises can systematically enhance resource utilization efficiency through automated production/ warehousing equipment upgrades, end-to-end process optimization, and transportation network improvements, achieving better input-output ratios.	Through equipment upgrades and management optimization, we continuously improve resource efficiency. By collaborating with suppliers on cost-reduction initiatives - including alternative material R&D and production process improvements - we have established a shared-benefit mechanism for cost savings.	NZE 2050	Low	Low	Low
			APS	Low	Low	Low

Lowestimated financial impact: <0.5% of revenue

Risk Management

Sun Art Retail has established a comprehensive climate risk management process covering identification and assessment, prioritisation and response, and monitoring and control. This systematic approach enhances the Group's capacity to address climate change and strengthens operational resilience.

Climate Change Risk Management Process

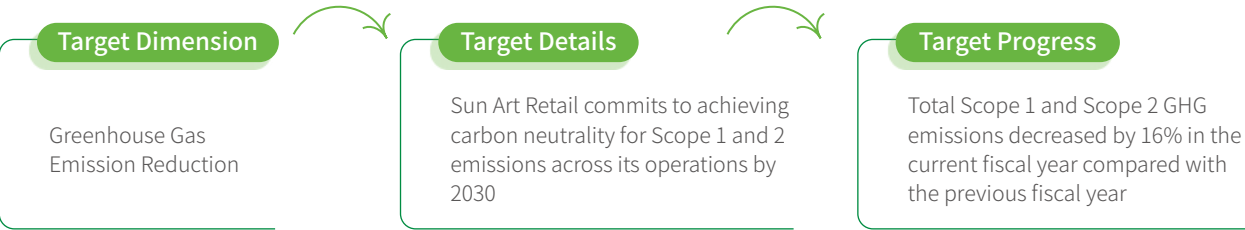


Metrics and Targets

Sun Art Retail has established greenhouse gas emission reduction targets and defined responsibilities at each level of governance. The ESG Working Group implements the pathways for achieving the targets. The ESG Management Committee oversees implementation and reports regularly to the Board of Directors. The Board reviews progress and coordinates the formulation and adjustment of targets in line with the Group's development plans and changes in the external environment.

Greenhouse Gas Emissions Management

Sun Art Retail's main sources of greenhouse gas emissions are the combustion of gasoline, diesel and natural gas combustion, refrigerant use and purchased electricity. We collect and analyse data from each emission source to assess its contribution to total emissions and its reduction potential. Based on this assessment, we develop scientifically sound and feasible decarbonisation pathways to improve energy efficiency and advance the low-carbon transformation of our operations.



During the Reporting Period, greenhouse gas emissions from all operating locations were as follows:

Metric Name	Unit	FY2024/2025	FY2025/2026
Scope 1 Emissions			
Refrigerants ⁶	tCO ₂ e	261,175.22	225,306.07
Mobile Sources ⁷	tCO ₂ e	11,051.41	9,569.52
Stationary Sources - Gasoline/Diesel ⁷	tCO ₂ e	32.28	53.38
Stationary Sources - Natural Gas ⁷	tCO ₂ e	1,548.71	1,871.84
Fire Extinguishers ⁸	tCO ₂ e	13,023.28	14,327.75
Scope 2 Emissions			
Purchased Electricity ⁹	tCO ₂ e	762,841.52	747,354.19
Purchased Heat	tCO ₂ e	163.97	163.97
Scope 3 Emissions			
Purchased packaging materials	tCO ₂ e	57,633.10	57,896.62
Purchased Warehouse Services	tCO ₂ e	8,676.02	3,479.63
Transportation	tCO ₂ e	23,105.70	30,140.84
Employee Commuting	tCO ₂ e	330.03	527.86
Total Emissions			
Total GHG Emissions (Scope 1 & 2)	tCO ₂ e	1,049,836.39	998,646.72
GHG Emission Intensity (Scope 1 & 2)	tCO ₂ e/million RMB revenue	14.67	15.74
Total GHG Emissions (Scopes 1, 2 & 3)	tCO ₂ e	1,139,581.24	1,090,691.66
GHG Emission Intensity (Scopes 1, 2 & 3)	tCO ₂ e/million RMB revenue	15.93	17.19

⁶ GWP values sourced from the *IPCC Fifth Assessment Report (AR5)* and *IPCC Fourth Assessment Report (2007)*. Leakage rates referenced from Table 7.9 (Refrigerants) in Chapter 7 (Ozone Depleting Substances and Fluorinated Substitutes) of Volume 3 of the *2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Refinement)*.

⁷ Emission factors derived from the *2006 IPCC Guidelines for National Greenhouse Gas Inventories* and the *IPCC Fifth Assessment Report (AR5)*.

⁸ GWP values obtained from the IPCC Fifth Assessment Report (AR5). Leakage rates referenced from Table 7.6.2.2 (Fire Extinguishers) in Chapter 7 of Volume 3 of the *2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Refinement)*.

⁹ CO₂ emission factors for electricity provided by China's National Development and Reform Commission (NDRC).

Fulfilling Our Responsibility for Environmentally Friendly Operations



Environmental Management System

Environmental Policy

Sun Art Retail integrates environmental compliance into its daily operations and strategic decision-making. Externally, the Group strictly complies with applicable national and local laws and regulations in all jurisdictions where it operates, including the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China* and the *Solid Waste Pollution Environment Prevention and Control Law of the People's Republic of China*, as well as industry standards such as *SB/T 10814-2012 Supermarket Waste Disposal Guidelines*. Internally, we have formulated and implemented dedicated policies, including the *Environmental Protection Charter and Energy Control Management Standards*. By refining implementation standards and clarifying departmental responsibilities, the Group continues to strengthen its environmental management foundations and promote the long-term development of environmental protection practices.

We also participated in developing the group standard *Specification for Refrigerant Management of Retail Enterprises for Cold Chain Refrigeration Equipment and Systems* (T/CCFAGS 056-2025), initiated by the China Chain Store & Franchise Association. The standard took effect on 1 May 2025 and supports standardised refrigerant management in the retail sector, improves operating efficiency of cold-chain equipment and low-carbon industry development.



Specialised Environmental Training: Energy Management, Refrigerant Management and Case Studies

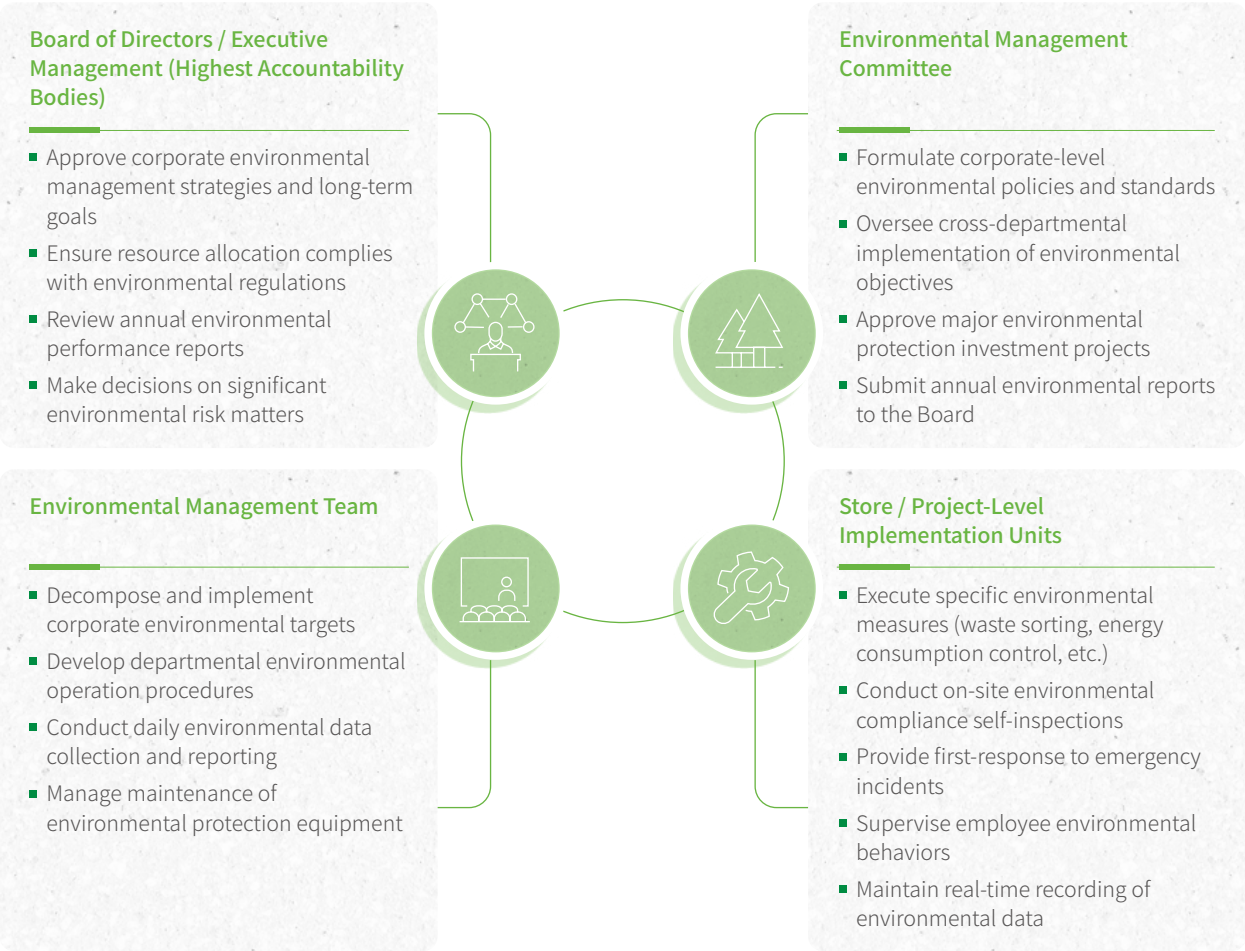
In October 2025, to deepen the promotion and implementation of the *Specification for Refrigerant Management of Retail Enterprises for Cold Chain Refrigeration Equipment and Systems*, Sun Art Retail organised an offline special training session titled "Energy Management, Refrigerant Management, and Case Studies" for maintenance supervisors at selected regional stores. This initiative aims to further strengthen the compliance awareness and practical skills of frontline operations personnel, thereby supporting the company's steady achievement of its green low-carbon operations and sustainable development goals.



Governance Structure

The Group has established a comprehensive environmental management structure, with the Board of Directors and executive management as the highest accountability bodies. A top-down management mechanism clearly assigns and cascades responsibilities, ensuring comprehensive coverage of environmental responsibilities and effective implementation of environmental protection measures.

Sun Art Retail Environmental Management Structure



Management System and Environmental Audit

During the Reporting Period, Sun Art Retail maintained valid ISO 14001 Environmental Management System certification. To ensure that the environmental management system remains effective and compliant, we conduct regular internal environmental audits and external reviews covering 100% of our operating locations.

During the Reporting Period

external reviews covering

100%

of our operating locations



Sun Art Retail ISO 14001 Environmental Management System Certification (Headquarters)

Environmental Targets

To deepen green operating practices, Sun Art Retail has established three environmental goals covering energy efficiency, water conservation and waste reduction. The ESG Working Group drives implementation, the ESG Management Committee oversees progress and reporting, and the Board of Directors conducts periodic reviews. This governance mechanism supports orderly target management and strengthens the transparency and traceability of environmental performance.

Target Dimension	Target Details	Target Progress
Energy Use Efficiency	By 2030, Sun Art Retail will achieve 100% carbon neutrality for electricity used in operations and gasoline/diesel for owned vehicles	In progress
Water Conservation	Reduce water consumption per store by 3% by 2025 (baseline: 2021)	Achieved
Waste Management	Promote resource utilization of food waste; achieve 100% store implementation of waste sorting and 100% cardboard recycling by 2030	In progress

Energy Management

To manage energy performance efficiently, Sun Art Retail has established an Energy Maintenance Management System and an Emissions Management System. Operated jointly by regional monitoring centres and the headquarters monitoring centre, the systems support digital and refined management across data collection, energy consumption analysis, system alerts, and electricity usage audits. During the Reporting Period, the Group further upgraded system functions by introducing intelligent tools, including modules that analyse electricity consumption and revenue in shopping streets and tools for classifying and analysing carbon-emission data. These enhancements strengthen energy monitoring and digital management and support standardised energy-use management across stores.

During the Reporting Period, the Energy Maintenance Management System enabled 24/7 monitoring and dynamic control of store operations and identified and addressed 526 abnormal events. The Group also advanced precise energy-use management and equipment optimisation, delivering estimated energy savings of 10 million kWh.

Energy Maintenance Management System Energy-Saving Initiatives

Identified a total of

52 cases

of abnormal air conditioning system operation

Conducted

152

corrective actions to address equipment management gaps as part of the special project to enhance kitchen exhaust fan operational efficiency

Detected

164

instances of abnormal electricity usage during energy audits

Identified a total of

158 cases

of abnormal air conditioning system operation



During the Reporting Period, the Group systematically advanced energy conservation and emission reduction across three key operating areas: stores, warehouses and transportation, to strengthen end-to-end energy management and improve Sun Art Retail's green operating performance.

Stores

Green Power Trading Plan: In FY2026, Sun Art Retail has engaged stores across 14 provinces in green power trading. The planned procurement volume for green power is approximately 930 million kWh, accounting for about 38.6% of the group's total electricity consumption nationwide. In the future, Sun Art Retail plans to gradually increase the proportion of green electricity usage in line with its operational development and explore diversified models such as "green electricity + nuclear power + green certificates" to advance the realization of carbon neutrality goals.

Store Photovoltaic Construction Project: In FY2026, Sun Art Retail has newly installed photovoltaic power generation systems at 14 stores. As of the end of the Reporting Period, a total of 61 stores has had their photovoltaic projects completed. In the current fiscal year, total photovoltaic power generation amounted to approximately 53.19 million kWh, representing about 2.21% of the group's total electricity consumption.

Elevator 3D Radar Project: To further reduce standby energy consumption of low-frequency-use equipment, Sun Art Retail continues to install 3D radar motion sensors on elevators with lower usage frequency. The elevators will automatically activate upon guest arrival and will delay shutdown after guests depart. In FY2026, we have completed the retrofit of 81 elevators across 31 stores, with an estimated annual electricity savings of approximately 500,000 kWh. As of the end of the Reporting Period, a total of 342 elevators across 120 stores have been retrofitted, with an estimated annual electricity saving of approximately 2.1 million kWh, effectively enhancing equipment operational efficiency and energy utilisation levels.

Refrigeration Cabinet Management: Sun Art Retail continues to strengthen the refined management of the nighttime shutdown duration for store preparation areas and refrigeration cabinets, increasing the average shutdown time by 0.5 hours. In FY2026, the average annual electricity savings per store were approximately 3,500 kWh, with total projected savings reaching 1.7 million kWh.

LED Pilot Project: Sun Art Retail plans to pilot high-efficiency LED lighting in 2 stores, reducing energy consumption by approximately 30% compared to the original light sources, and will evaluate the actual energy-saving effects. If the project achieves expected results, each store is estimated to save approximately 80,000 kWh of electricity annually.

Water-cooled integrated cabinet: Hai'an Supermarket adopts water-cooled integrated cabinets, which are expected to improve energy efficiency by approximately 10% compared with traditional parallel units. This project contributes to further optimising the operational efficiency of cold chain equipment and reducing energy consumption of the refrigeration system.

Warehouses

East China's Suzhou Warehouse: Installed photovoltaic systems covering approximately 11,000 square meters with an installed capacity of 1.5 MW, adopting the "Self-Consumption with Excess Electricity Fed to the Grid" model. In FY2026, the facility generated 1,001,059.86 kWh.

East China's Nanjing Warehouse: Installed photovoltaic systems covering approximately 40,000 square meters with an installed capacity of approximately 4 MW, adopting the "Self-Consumption with Excess Electricity Fed to the Grid" model. In FY2026, the facility generated 1,563,596 kWh.

South China's Nansha Warehouse: Installed photovoltaic systems covering approximately 19,000 square meters with an installed capacity of approximately 4.3 MW, adopting the "Full Grid Feeding Model". In FY2026, the facility generated 3,767,215 kWh.

North China's Jiyang Warehouse: Installed photovoltaic systems covering approximately 24,000 square meters, adopting both the "Full Grid Feeding Model" and "Self-Consumption with No Surplus Fed to the Grid" models, with installed capacities of approximately 5.0 MW and 0.4 MW, respectively. The small-capacity system adopted the self-consumption model, generating a total of 121,677.8 kWh during the Reporting Period and cumulatively saving approximately RMB 10,000 in electricity costs by the end of the Reporting Period.

Transportation



"Return with Full Load" Mechanism: The South China Region (Nansha and Xiamen Warehouse) , the Northeast China and the North China Region integrate warehouse-store delivery and manufacturer pickup information to fully utilise return trip capacity for cargo transportation, thereby improving vehicle loading efficiency and reducing empty running rates. In FY2026, the Northeast China's Shenyang warehouse completed a total of 1,284 return trip projects, effectively reducing waste of transportation resources.

Route Optimisation: In the East China and North China regions, transport routes were adjusted from highways to national roads, reducing fuel consumption and toll expenses while ensuring transport efficiency. The North China region saves approximately RMB 10,000 in toll fees monthly; the East China's Suzhou warehouse saves an average of RMB 100,000 in toll fees monthly by switching to ground distribution.

Carpooling for Shipment: The South China's Nanning and Xiamen warehouses implemented carpooling shipments for stores with insufficient cargo volume that are adjacent or located in the same direction. This initiative improved vehicle load factors, reduced the number of transport trips, and consequently lowered unit transportation energy consumption and carbon emissions.

Vehicle Mix Optimisation: The South China's Nanning warehouse increased the proportion of large vehicles to carry more cargo per trip, reduce number of trips and lower emissions per unit of cargo transported.

Balanced Loading: Northeast China region strengthened on-site loading management and optimised cargo splitting ratios to optimise weight distribution, improving vehicle load factors and transport-resource efficiency.

Business Outsourcing: 5 stores in the Northeast region have been transitioned to external vehicle delivery, effectively reducing transportation costs while maintaining full load rates. In FY2026, total cost savings amounted to approximately RMB 470,000, achieving a synergistic improvement in operational efficiency and resource utilisation.

During the reporting period, our energy consumption performance¹⁰ was as follows:

Metric Name	Unit	FY2024/2025	FY2025/2026
Direct Energy Consumption	MWh	48,059.53	44,821.67
Direct Energy Consumption Intensity	MWh/RMB million revenue	0.67	0.71
Indirect Energy Consumption	MWh	1,477,718.55	1,424,788.11
Indirect Energy Consumption Intensity	MWh/RMB million revenue	20.65	22.46
Renewable Energy from PV	MWh	29,724.83	55,110.78
Renewable Energy from Green Power Procurement	MWh	599,987.87	685,509.95
Renewable Energy from Nuclear Power Procurement	MWh	224,476.83	244,195.00
Total Energy Consumption	MWh	2,379,967.62	2,454,425.51
Total Energy Consumption Intensity	MWh/RMB million revenue	33.26	38.69

¹⁰ The energy consumption is converted into megawatt-hours (MWh) in accordance with the GB/T 2589-2020 General Principles for Calculation of Total Production Energy Consumption.

Emissions Management

To systematically monitor and precisely control operational emissions, Sun Art Retail has established a management framework covering waste, wastewater and gaseous emissions. We strictly comply with applicable national and local environmental regulations, ensure compliant treatment and disposal, reduce emissions and waste at source, and promote recycling and resource recovery to steadily improve environmental performance.

Emissions Management System Functions



Gaseous Emissions Management

The principal air pollutants generated by Sun Art Retail arise from gasoline and diesel combustion by Company-owned vehicles. To reduce emission intensity, the Group refines transportation management, reduces trip frequency and unnecessary mileage, and lowers total air pollutant emissions at source.

During the reporting period, our gaseous emissions¹¹ (excluding greenhouse gases) were as follows:

Metric Name	Unit	FY2024/2025	FY2025/2026
Pollutants from Vehicle Operations			
Sulphur Oxides (SO _x)	tons	0.06	0.05
Nitrogen Oxides (NO _x)	tons	74.99	63.05
Particulate Matter (PM)	tons	5.60	4.70
Carbon Monoxide (CO)	tons	37.66	35.52

¹¹ The gaseous emissions data is calculated with reference to the HKEX *Environmental Key Performance Indicators Reporting Guide*.

Wastewater Management

Wastewater generated by Sun Art Retail arises primarily from water use in store operations and is discharged through municipal sewage networks for centralised treatment. We strictly comply with applicable laws and regulations. Wastewater storage and recycling systems installed on purified water equipment convey wastewater to cleaning-water points for reuse, reducing wastewater generation at source.

During the reporting period, our wastewater discharge was as follows:

Metric Name	Unit	FY2024/2025	FY2025/2026
Total Wastewater Discharge	tons	13,691,927.22	13,790,347.12
Wastewater Discharge Intensity	tons/RMB million revenue	191.36	217.37

Waste Management

Sun Art Retail's principal waste streams include paper products, plastics, corrugated cardboard, foam materials, food waste, used oil, metals, and minimal hazardous waste. To standardize waste management, we equip stores with appropriate categorized waste bins tailored to the waste generation patterns of shopping arcades, sales floors, and office areas, ensuring proper collection and segregation of all waste.

Cardboard Recycling

Cardboard boxes represent Sun Art Retail's primary recyclable material. To ensure the recycling process is standardized, transparent, and traceable, the Group has formulated and implemented the *Store Cardboard Recycling Procedures* to ensure standardized management across all recycling stages. After store departments consolidate cardboard boxes meeting recycling criteria and temporarily store them at designated holding points in the receiving area, warehouse personnel will notify recycling vendors to conduct on-site operations. Under surveillance, both parties jointly complete inventory counting, weighing, and documentation. Following loss-prevention security checks, the cardboard boxes are transferred to an area outside the receiving zone for centralized baling. All recycling data are recorded in a standardized ledger system. Headquarters conducts monthly verification of recycling data, performs timely root cause analysis for any anomalies, and implements corrective measures.

During the Reporting Period, Sun Art Retail recycled 93,209 tons of waste cardboard.

During the Reporting Period

Sun Art Retail recycled

93,209 tons

of waste cardboard

Waste Oil Recycling Programme

Sun Art Retail launched the waste oil recycling initiative in FY2024. Partnering with specialized collaborators, we employ biomass utilization technology to transform waste grease from stores into high-quality bio-based raw materials. These materials serve dual applications: production of renewable diesel and hydrogenated vegetable oil as alternatives to conventional diesel, and manufacturing of sustainable aviation fuel.

In addition to continuously strengthening routine management of waste oil, including source control, storage and collection, and handover procedures, in FY2026, Sun Art Retail further enhanced the qualification review of partners. Cooperation is limited to enterprises holding a hazardous waste operation licence, resource recycling qualifications, and transportation qualifications, with priority given to designated national partners.

As of the end of the Reporting Period, 106 stores have enrolled in this recycling program.

As of the end of the Reporting Period

106

stores have enrolled in this recycling program

Waste Sorting

Sun Art Retail strictly complies with municipal regulations across all operating cities, implementing standardized internal sorting procedures for food waste, with dedicated staff verifying proper dry-wet separation at stores. Through strategically placed categorized waste bins, we enhance customer awareness of eco-conscious waste classification.

Currently, 445 stores across 154 cities have adopted our waste sorting system.

As of the end of the Reporting Period

154 cities

have adopted our waste sorting system

445

stores across



Food Loss & Waste Reduction

Through multiple initiatives including dedicated containers, near-expiry food management, sorting guidance, fixed-time and fixed-location disposal, and third-party partnerships, Sun Art Retail continues to standardize food waste handling processes and reduce food waste generation.

- **Dedicated Containers:** Green bins are used exclusively for food waste and physically separated from other waste to prevent incorrect sorting.
- **Near-Expiry Food Management:** Early-warning systems, discounted clearance, and safe donation of surplus food reduce the risk of direct disposal.
- **Sorting Guidance:** Stores display sorting signs and conduct on-site supervision to clarify which items, including leftovers, fruit peels and cores, and vegetable leaves, should be disposed of as food waste.
- **Fixed-Time and Fixed-Location Disposal:** Each store's waste room has designated disposal points and time slots to improve sorting accuracy.
- **Third-Party Partnerships:** Professional sanitation providers use fully enclosed specialist vehicles for collection and transportation, helping to prevent secondary pollution.

Sun Art Retail also reduces unnecessary food loss and waste through source reduction, process control, and digital monitoring while maintaining product quality.

- **Source Reduction:** Prioritize selecting fresh product categories that are more sustainable and durable for storage and transportation in procurement and supply chain management; continuously optimize transportation

and warehousing processes to reduce spoilage losses. Simultaneously, establish standard cards for fresh products to define quality and acceptance criteria at key stages including purchasing, warehouse receipt, and store receipt. Conduct spot checks according to a fixed ratio and reject non-compliant products to minimize losses caused by quality issues at the source.

- **Process Control:** We use pre-washed vegetables and semi-finished product-processing models and establish yield standards to minimize trimmings from in-store processing while advancing refined store management.
- **Digital Monitoring:** Stores record food-waste data in real time, and headquarters conducts monthly audits to ensure that the data are authentic, accurate and traceable.

During the Reporting Period, due to the expansion of canteens areas across stores, the amount of food waste generated by Sun Art Retail remained stable compared to the same period of the previous fiscal year. In the future, we will continue to advance waste reduction efforts and have established a new target for reducing food waste: achieving a 5% reduction in food waste in FY2027 compared to FY2026 levels.

Waste Reduction Target

achieving a

5%

reduction in food waste in FY2027 compared to FY2026 levels



Waste data for Sun Art Retail during the Reporting Period were as follows:

Metric Name	Unit	FY2024/2025	FY2025/2026
Non-Hazardous Waste Generation	tons	165,400.55	157,034.41
Non-Hazardous Waste Generation Intensity	tons/RMB million revenue	2.31	2.48
Recyclable Waste Generation	tons	111,558.28	102,471.58
Non-Recyclable Waste Generation	tons	53,842.27	54,562.82
Hazardous Waste Generation	tons	157.08	113.16
Hazardous Waste Generation Intensity	kg/RMB million revenue	2.20	1.78

Water Resource Usage

Sun Art Retail obtains all water from municipal supply networks. The Company attaches great importance to responsible water use and seeks to reduce consumption throughout daily operations by installing water-saving equipment, conducting routine inspections of water facilities, recycling wastewater and displaying water-conservation messages.

Water consumption data during the Reporting Period was as follows:

Metric Name	Unit	FY2024/2025	FY2025/2026
Water Consumption	tons	16,113,543.30	16,229,582.96
Water Consumption Intensity	tons/RMB million revenue	225.20	255.82

Plastic Reduction and Packaging Materials

Plastic Reduction Management

To reduce plastic use in operations and mitigate the environmental impact of plastic waste, Sun Art Retail continues to strengthen plastic-reduction management. The Company strictly implements the *CS00086 Garbage Bag Allocation and Usage Standard* across stores, standardising the specifications of bags used in different waste bins and identifying safe reuse scenarios to reduce unnecessary consumption. We also reduce fresh-product packaging, promote biodegradable alternatives, optimise logistics packaging and respond to local plastic-restriction policies. Headquarters specialists monitor plastic-bag use, conduct monthly audits of related expenditure and carry out on-site inspections to ensure standardised and efficient implementation. During the Reporting Period, expenditure on waste bags was 17% below budget, demonstrating the effectiveness of these measures.

During the Reporting Period

expenditure on waste bags was

17%

below budget



We continue to identify further plastic-reduction opportunities, promote plastic reuse and recycling, and reduce the environmental impact of our operations.



Recyclable Plastic Logistics Containers

For loose item picking and small goods scenarios, we comprehensively promote the use of recyclable logistics containers to replace single-use cartons or plastic bags, reducing packaging waste generation. The containers circulate between warehouses and stores, lowering single-use packaging consumption while effectively reducing per-shipment packaging costs.



Biodegradable Plastic Shopping Bags

To reduce traditional plastic bag usage, the Company continues to promote biodegradable plastic shopping bags. As of the end of the Reporting Period, 282 Sun Art Retail stores have implemented biodegradable plastic shopping bags.

Packaging Material Management

To improve resource efficiency and reduce packaging consumption, Sun Art Retail identifies application scenarios for different packaging materials and advances measures to reduce, reuse and recycle packaging and improve packaging efficiency. We also work with suppliers to explore the use of recycled materials in packaging, supporting a green supply chain and circular economy. During the Reporting Period, we established quantitative packaging-use targets and continued to improve refined packaging management and reduction initiatives.



Promotion of High-Efficiency Mobile Packaging Machines

To enhance nationwide store logistics efficiency and merchandise delivery quality, we officially launched a mobile packaging equipment upgrade initiative in FY2025. By introducing mobile packaging systems, we improved stretch film utilisation efficiency and reduced packaging material consumption at the source. This project effectively addresses issues in traditional workflows, including excessive manual packaging, inefficient loose pallet handling, and limitations of fixed packaging equipment due to space constraints and inflexibility, better meeting dynamic store logistics needs.

Compared to traditional manual packaging modes, the mobile packaging system saves approximately 2 pallets of wrapping film per roll, reducing consumption per pallet by about 11.11% and effectively lowering plastic packaging material usage. Currently, the equipment has been deployed at warehouses in Suzhou, Nanjing, Shaoxing, and Chibi in the East China region. In the future, the Group will continue to promote mobile packaging systems in eligible warehouses nationwide to further reduce plastic packaging consumption, advancing resource efficiency and supporting circular economy goals.

Packaging material use data during the Reporting Period was as follows:

Metric Name	Unit	FY2024/2025	FY2025/2026
Wood/Paper Fibre Packaging	tons	2,065.87	2,103.45
Plastic Packaging	tons	16,535.57	16,757.74
Total Packaging Material Usage	tons	20,676.96	21,081.82
Packaging Material Intensity	tons/RMB million revenue	0.29	0.33

Sun Art Retail Packaging Material Management Initiatives

Improving Procurement Mechanisms

- Achieve reasonable optimisation and stable control of packaging material procurement costs through centralised scale procurement, competitive supplier selection and coordinated management of standardised packaging specifications.

Replacing Stretch Film with Reusable Fabric Wraps

- For return-to-vendor and long-haul transportation, reusable fabric wraps replace single-use stretch film to prevent cross-store contamination and product falling. The wraps are collected, cleaned and reused, reducing single-use plastic waste.

Replacing Stretch Film with Cable Ties

- For shelf stocking and transportation of non-fragile goods, cable ties replace stretch film, meeting securing needs while reducing single-use plastic film in a simpler and more cost-effective manner.

Recovery Process for Fabric Wraps and Cable Ties

- Through establishing a recovery mechanism for fabric wraps and cable ties, used fabric wraps are centrally collected, cleaned and redistributed to form closed-loop management; cable ties are centrally collected at the goods receiving stage and reused, further improving packaging material circularity.

Scenario-Specific Standardisation

- Combining the logistics scenario needs of return-to-vendor, short-haul trunk transport, shelf stocking and picking for loose items, standardised packaging solutions combine fabric wraps, cable ties and reusable containers to continuously improve overall packaging efficiency and resource utilisation efficiency.



Biodiversity and Animal Welfare



Biodiversity Conservation

Sun Art Retail recognises biodiversity as essential to maintaining ecosystem stability and supporting the sustainable development of society. Although the Group’s retail operations do not directly involve the exploitation of natural resources, we respond actively to environmental protection policies issued by local governments and integrate ecological conservation into our strategy and daily operations.

When selecting store sites, constructing warehouses and operating offices, the Group considers potential impacts on the surrounding environment. All offices, stores and warehouses are located away from nature reserves, ecological conservation red-line areas and other ecologically sensitive locations to minimise disruption to natural ecosystems. We also promote resource conservation and ecological protection through green operations, supply chain collaboration and consumer environmental advocacy, helping to protect natural habitats and ecological balance and support harmonious coexistence between people and nature.

Animal Welfare

Sun Art Retail attaches great importance to animal welfare and continues to integrate animal-welfare principles into procurement and supply chain management. During the Reporting Period, we formulated and issued the *Sun Art Retail Animal Welfare Policy*, details of which are provided in the Appendix. In national centralised procurement of key meat categories, including pork, poultry and beef, we include animal-welfare performance among the criteria for prioritising suppliers. We seek to ensure that animals are free from hunger and thirst, discomfort, pain, injury and disease, are able to express normal behaviour, and are free from fear and distress throughout breeding and transportation, thereby improving animal welfare across our supply chain.



Cage-Free Chicken

- We proactively source cage-free poultry from Fujian Sunner Group and Tyson Foods, prioritizing chicken products meeting humane slaughter standards. During the reporting period, welfare-compliant poultry products reached 263 stores across East China, generating RMB 55.04 million in sales (9.7% of RT-Mart's poultry category).
- Chilled poultry products including native Xiangjia Shimen chicken, native black hens, native yellow chickens, and Lihua Snow Mountain free-range chicken adopted cage-free practices, covering 186 stores with cumulative sales of RMB 6.475 million.



Free-Range Australian Beef

- Our grass-fed beef products come from traditionally free-grazed cattle on Australian natural pastures. Available in 263 stores nationwide, these products delivered RMB 136.51 million in sales, accounting for 59% of RT-Mart's beef category revenue.
- These products delivered
- RMB 136.51 million**
- in sales
- accounting for
- 59%**
- of RT-Mart's beef category revenue



Hormone-Free/Antibiotic-Free Poultry

- We continue to expand our range of hormone-free and antibiotic-free poultry products to respond to consumer demand for healthy, safe, and animal-welfare-friendly products. During the reporting period, six antibiotic-free poultry products in 263 stores in East China generated RMB4.35 million in sales; 14 hormone-free poultry variants achieved RMB 59.39 million in sales, demonstrating strong market acceptance.
- Sales revenue amounted to
- RMB 59.39 million**

During the Reporting Period, suppliers holding animal-welfare-related certifications accounted for approximately **20%** of the Group’s sales across all meat categories through online and offline channels. We have set an FY2027 target to increase the sales share of suppliers with relevant animal-welfare certification statements to **30%** and further expand the range of animal-welfare products.



Sun Art Retail embraces responsible supply chain management and works to advance high-quality development across the value chain. We continuously strengthen supply chain governance and build collaborative platforms that enable suppliers to share resources and complement one another's capabilities, jointly creating an efficient, resilient and sustainable supply chain ecosystem.

Building a Responsible Supply Chain	64
Ensuring Outstanding Supply Quality	65
Deepening Collaboration and Connectivity	70

Collaborative Synergy: Building a Responsible Ecosystem



Building a Responsible Supply Chain



Sun Art Retail practises sustainable procurement and gives priority to products carrying internationally recognised certifications such as MSC, OFDC, RSPO and FSSC 22000. We encourage upstream suppliers to improve supply chain transparency and traceability, continuously refine lifecycle traceability mechanisms and establish a standardised and verifiable closed loop for sustainable procurement.

During the Reporting Period, we enhanced traceability compliance, direct sourcing and standardised quality control, further strengthening food safety safeguards and supply chain resilience. We shifted our procurement focus further upstream towards farms, breeding bases and manufacturers. Suppliers are also required to provide a *Commitment to Product Compliance* for all fresh products delivered to warehouses, helping to safeguard quality at source.

During the Reporting Period

sales of products with country-of-origin traceability amounted to approximately

RMB **2.53** billion

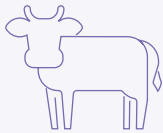
Dairy Product Traceability



During the Reporting Period

29 ambient dairy products and **37** chilled dairy products are traceable to their origin, and private labels launched **two** dairy products, which achieved end-to-end traceability from source to point of sale, generating sales of **RMB 413 million**.

Beef Product Traceability



As of the end of the Reporting Period

All beef products sold by Sun Art Retail were fully traceable to their origin, with complete origin information displayed on the outer packaging. Sales of traceable beef products reached **RMB 487 million** during the year.

Palm Oil Product Traceability



1,241 products have received palm-oil-related certifications, such as RSPO certification, achieving total sales of approximately **RMB 1.5 billion**.

Seafood Traceability



During the Reporting Period

Sales of origin-traceable seafood exceeded **RMB 129 million**, accounting for **40.8%** of nationwide sales of fresh aquatic products. MSC-certified seafood generated sales of more than **RMB 47.97 million**, representing **27.5%** of sales of packaged frozen aquatic products.

Ensuring Outstanding Supply Quality



Sun Art Retail continues to refine its supply chain management system through standardised supplier admission, ongoing management and multidimensional performance assessment, strengthening risk identification and control at source. Building on this foundation, we deepen engagement with suppliers, institutionalise capacity-building initiatives and provide professional training and resource support, jointly promoting a compliant, resilient and sustainable supply chain.

Supplier Admission

Drawing on national food safety standards, international quality requirements and operational experience, Sun Art Retail has established a systematic and multidimensional supplier admission and audit framework. Assessments cover qualification compliance, enterprise operating risks, logistics and transport safety, and the environmental attributes of packaging materials. Procurement teams review statutory qualifications and commercial compliance risks, while the Quality Management Department conducts specialist reviews of product quality-control systems and production environments. Product compliance test reports issued by independent third-party labouratories are also key admission criteria, reinforcing quality and safety controls at the source of the supply chain.

Sun Art Retail Supplier Admission Requirements

Private-Label Suppliers

Internal and External Audits

Admission audits are conducted by the Headquarters Quality and Safety Team together with external audit organisations. Pass criteria and grades are clearly defined (e.g. total score $\geq 75\%$). Preference is given to factories holding quality-system certification, with follow-up audit frequency based on audit ratings.

Audit Focus

Factory-site quality management, quality-system planning and design, environmental and social responsibility performance, and sustainable development practices to improve risk control capabilities.

Non-Private-Label Suppliers

Supplier Compliance

Suppliers complete a *Qualification Assessment Form*. Procurement reviews qualifications and enterprise risks; newly appointed suppliers selected through centralised tendering are subject to Internal Control risk assessment.

Manufacturer Compliance

Verify that the actual manufacturer holds valid qualifications and products come from compliant sources.

Product Compliance

Review product qualifications and third-party type-test reports.

Factory Visit Compliance

Conduct on-site reviews of production environments and risk controls; non-merchandise procurement requires a factory-visit report.

During the Reporting Period

4,805

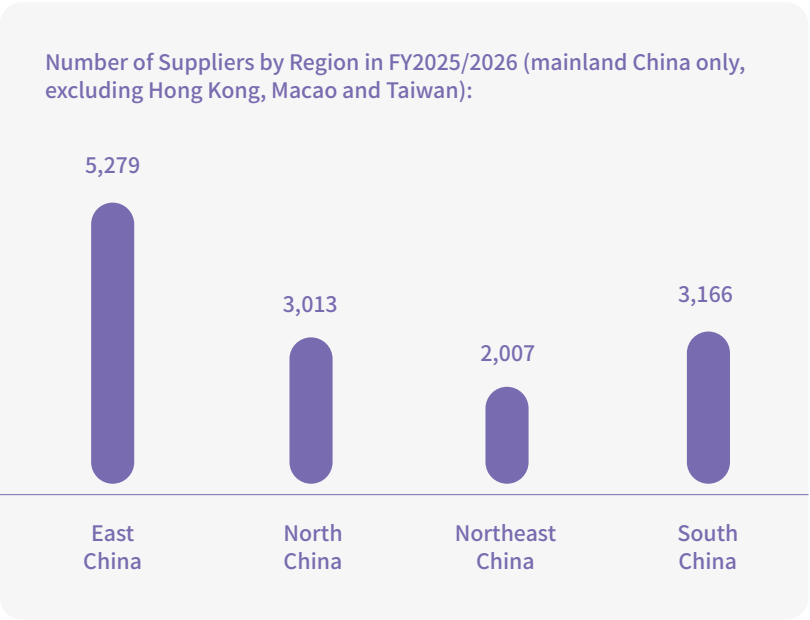
suppliers held HACCP certification

and

4,357

held ISO 22000 certification

Supplier screening incorporates sustainability performance in environmental management, climate action and labour-rights protection. ESG clauses in the audit criteria cover occupational health and safety, anti-corruption and anti-bribery controls, fair competition and environmental protection, with additional scores awarded for strong performance. The Group prioritises suppliers holding HACCP or ISO 22000 certification and gives preference to food manufacturers certified under schemes recognised by the Consumer Goods Forum (CGF). Energy-efficiency requirements are also incorporated into procurement and tender specifications for energy-consuming equipment, including cold-chain systems, air-conditioning units and lighting, making energy conservation a core consideration in equipment selection and supplier technical evaluation.

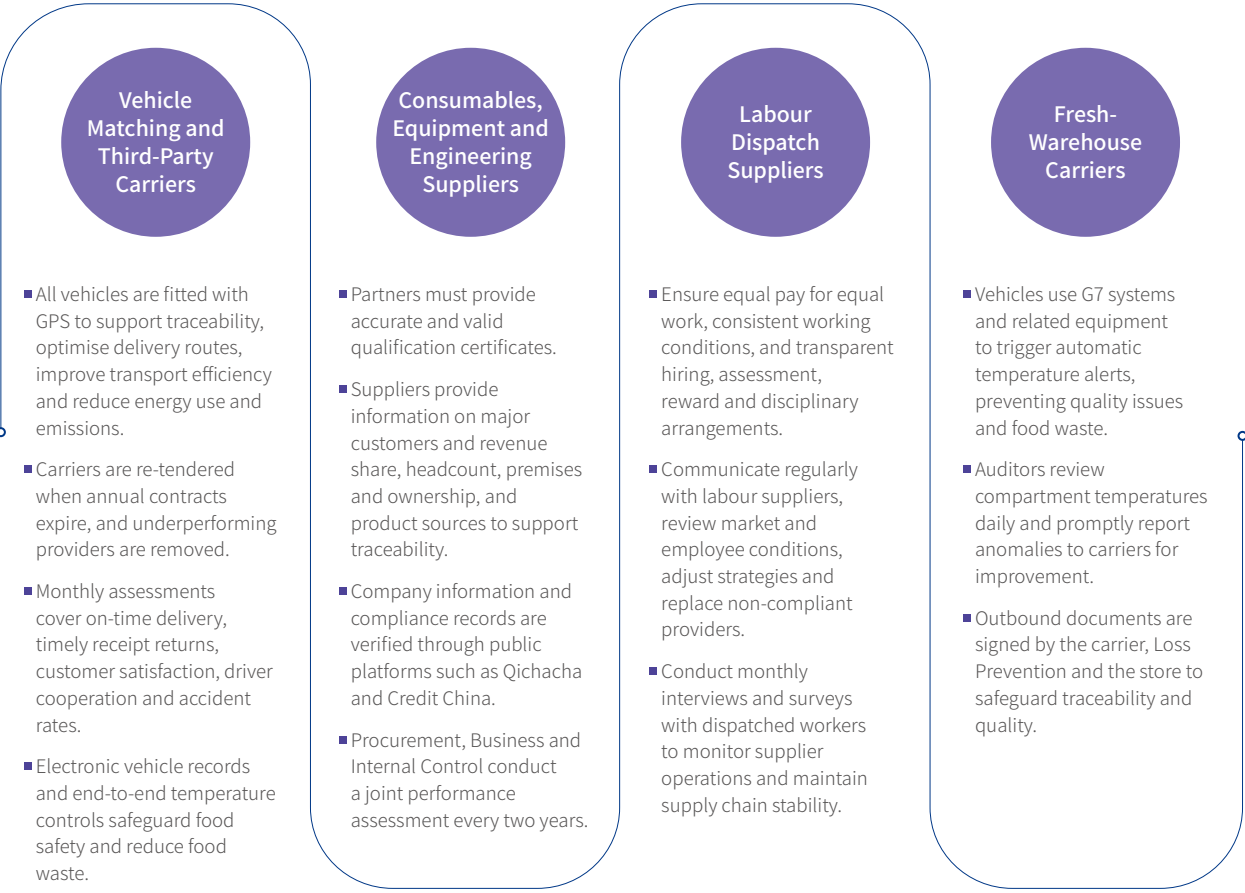


Ongoing Supplier Management

Sun Art Retail applies supplier classification and tiered management throughout the supplier lifecycle to strengthen supply chain risk controls. Through closed-loop management comprising pre-assessment, ongoing monitoring and follow-up, we routinely track indicators such as raw-material traceability, product pass rates and delivery efficiency, thereby enhancing supply chain resilience and business continuity.



To maintain stable and efficient supply chain operations, Sun Art Retail conducts regular on-site supplier audits to assess actual operating conditions. The audits are aligned with the Responsible Business Principles and focus on qualification-document management and compliance, business ethics and anti-fraud controls, labour-rights protection, occupational health and safety, and environmental management-system performance. No violations of employee rights were identified in the supply chain during the Reporting Period.



Quality management for private-label suppliers covers on-site factory audits, comprehensive product evaluations and first-production on-site audits. These stringent controls help safeguard product quality and consumer trust. Private-label manufacturers are subject to annual audits and product sampling, and each product must obtain an annual third-party test report.

On-Site Factory Audit

- All shortlisted prospective manufacturers must pass an on-site audit by the Private Label Quality Team, covering overall conditions, production management, quality systems, mock traceability, and environmental and social responsibility.

Comprehensive Product Evaluation

- All private-label products undergo multidimensional evaluation before final specifications are confirmed.

First-Production On-Site Audit

- During first production, private-label quality staff monitor the process and verify materials, input quantities, process parameters, sensory attributes and taste before products are released for shipment.

Through regular manufacturer audits, Sun Art Retail reviews partners' actual production conditions, identifies potential supply chain risks and implements timely corrective actions. During FY2026, Sun Art Retail completed audits of 1,278 manufacturers.

Localized Procurement

Sun Art Retail promotes local procurement and geographical-indication products to build a distinctive, high-quality product portfolio. By sourcing locally, we shorten supply chains, reduce the carbon footprint of logistics and mitigate supply chain risks, while supporting economic development in producing regions and creating shared commercial and social value.

Sun Art Retail Local Specialty Procurement

Vegetables Added local spinach, dwarf bok choy, Taihu greens, tatsoi, black cabbage and dwarf white bok choy	Aquatic Products - Products include Ningde chilled organic deep-sea large yellow croaker, Zhoushan yellow croaker, hairtail, pomfret, organic Xinghua hairy crab and Rushan oysters - Geographical-indication aquatic products cover chilled, live and frozen categories
Meat - Direct sourcing introduced local specialties including Huzhou Hu sheep, Chongming goat, Songlin fresh pork, Aisen fresh pork, Tuhuai New Year pork, Jinhua Two-End Black pork, Taihu black pork, Horqin beef and Dabie Mountain Wannan chicken - Sales share increased from less than 1% to 5%	Dry Goods - Xiapu geographical-indication products: organic ready-to-use laver and organic Xiapu kelp - Sales share: 14%
Fruit - Added Linhai Yongquan mandarins, Xianju waxberries and Dingzhuang grapes - Sales reached RMB 6.72 million, up 20% year on year	

Supplier Business Ethics

To foster a fair and equitable business ecosystem, Sun Art Retail strengthens business ethics management and encourages partners to build an integrity-based supply chain. During supplier admission audits and first-production reviews, suppliers are informed of integrity requirements, required to sign the Integrity Commitment Letter and provided with whistleblowing channels. For private-label suppliers, the *Commitment Letter on Integrity and Trustworthiness* is included on the first page of the *Own-Brand Procurement Agreement*. The Company adopts zero tolerance towards misconduct: non-compliant suppliers are placed on a blacklist and cooperation is terminated immediately.

During the Reporting Period, we formulated and issued the *Sun Art Retail Supplier Code of Business Conduct* to further standardise business ethics requirements for suppliers; details are provided in the Appendix. All active suppliers signed the *Commitment Letter on Integrity and Trustworthiness*, achieving a 100% signing rate. We have also established an efficient whistleblowing response mechanism: reports are acknowledged within five working days and investigations are launched within 7–14 working days. Investigations are completed within a maximum of three months, helping to uphold ethical business conduct.

All active suppliers signed the *Commitment Letter on Integrity and Trustworthiness*, achieving a

100%

signing rate



Deepening Collaboration and Connectivity

Sun Art Retail is committed to building close and collaborative supplier partnerships. Through open, transparent and diverse communication platforms, the Company organises targeted training and exchange activities, continuously improving resource allocation and strengthening collaboration throughout the partnership lifecycle.



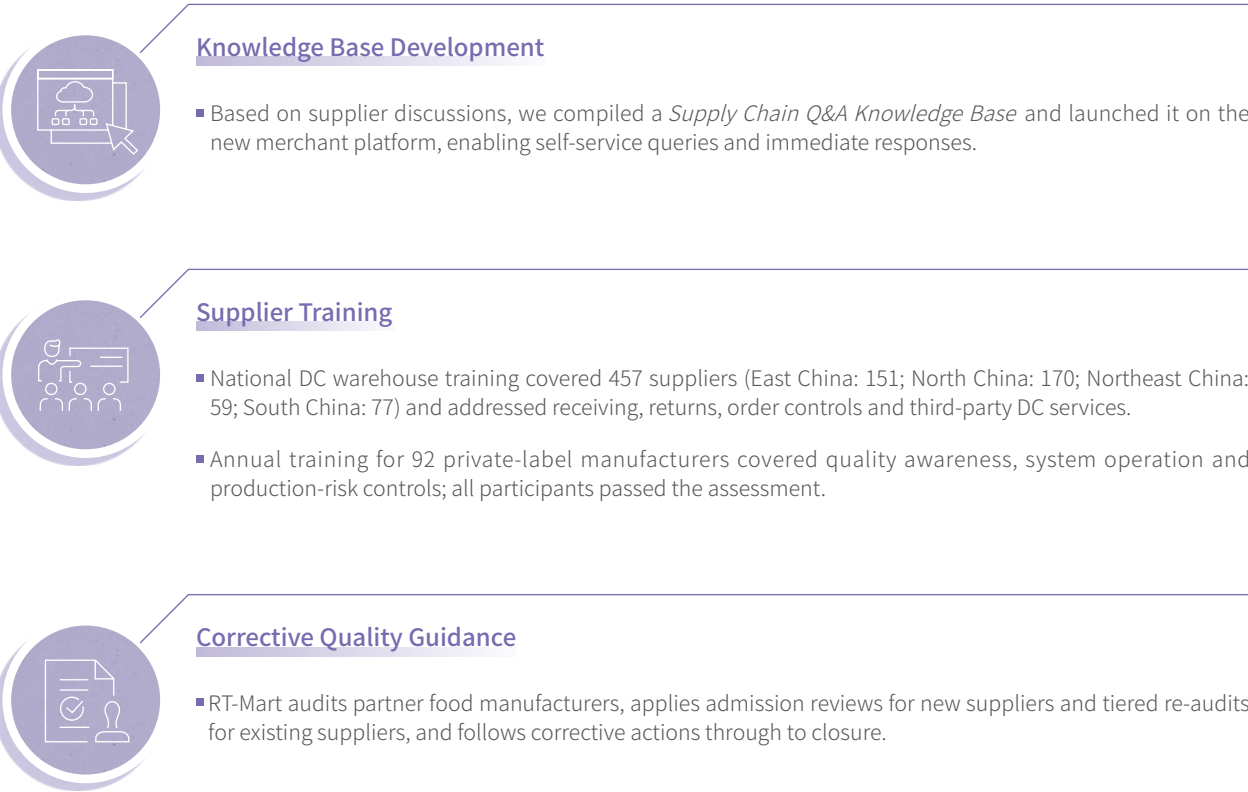
Supplier Engagement

Supplier feedback is an important input for improving our internal management and services. During FY2026, we established multilevel communication channels, including category roundtables, supply chain workshops and supplier satisfaction surveys.



Supplier Empowerment

Sun Art Retail follows a partnership strategy centred on co-creating value and achieving mutual success. Through knowledge-base development, supplier training and other forms of resource support and management improvement, we help suppliers strengthen their capabilities and build a closely connected supply chain ecosystem founded on shared interests.



Sun Art Retail places people at the heart of its values and regards talent as a key driver of sustainable development. We continuously improve our human resources management system across employee development, rights protection, communication and capability building, and provide fair and transparent career pathways and long-term incentive arrangements. Through a tiered talent-development framework and diverse training mechanisms, we support employees at every stage, from frontline roles to management, fostering mutual growth and value creation between employees and the Company.

05

Safeguarding Employee Rights	74
Empowering Employee Development	79
Fostering a Culture of Care	83

People First: Empowering Employee Growth



Safeguarding Employee Rights



Sun Art Retail attaches great importance to protecting employee rights and continues to improve a comprehensive protection framework covering the entire employment lifecycle. We strictly comply with laws and regulations including the *Labour Law of the People's Republic of China* and *Social Insurance Law of the People's Republic of China*, and have implemented internal policies such as our *Employee Handbook*, *Labor Human Rights and Diversity Policy*. Standardised employment processes and systematic safeguards provide end-to-end control over recruitment, onboarding and employment management. We also strengthen dedicated mechanisms for protecting female employees, preventing workplace injuries and responding to emergencies, ensuring that employees' lawful rights and interests are protected through transparent and compliant management.

Employment Practices

Sun Art Retail complies strictly with applicable laws and regulations in all locations where it operates, including the *Prohibition of Child Labour Regulations*, and continually improves its labour-contract and employment-compliance policies. During the Reporting Period, we formulated and issued the *Labor Human Rights and Diversity Policy*. Meanwhile, Guided by the *Employee Handbook* and international standards such as International Labour Organization (ILO) conventions and the Organization for Economic Co-operation and Development (OECD) *Guidelines for Multinational Enterprises on Responsible Business Conduct*, we standardise recruitment and employment practices and prohibit child labour, forced labour and other unlawful employment practices.

All candidates who receive conditional offers undergo multiple identity, qualification and information checks through the Human Resources Information System (HRIS), helping to prevent employment-compliance risks at source. The Company has established dedicated investigation and rectification procedures for irregularities such as child labour or unsigned employment contracts. If an issue is identified, we immediately investigate, take corrective action in accordance with the law and cooperate with regulatory authorities to protect workers' lawful rights and interests. We also review relevant policies and processes on an ongoing basis to further enhance the standardization and effectiveness of its employment management. Employees may raise grievances or provide feedback through email, hotline and the whistleblower mailbox. During the Reporting Period, no incidents involving child labour or forced labour occurred.

We continue to recruit through campus and social hiring channels to attract high-quality talent. Digital functions including visual scheduling, fragmented shift arrangements and real-time monitoring of working-hour limits improve job matching and support closed-loop management across recruitment, onboarding and payroll settlement.

Campus Recruitment

Recruitment is aligned with retail-store operations and focuses on practical, hardworking young talent with the potential to grow from frontline roles, strengthening the pipeline of store operations personnel.

Social Recruitment

Targeted and specialist recruitment focuses on key business areas, including BI and membership stores, strengthening professional capabilities.

Flexible Employment Platform

For activities such as customer acquisition and product sampling, we explore outsourcing and third-party cooperation to improve operational responsiveness and resource flexibility.

The Company has established a 24-hour risk-response mechanism. Where a third-party employment platform may delay payroll settlement, advance-funding arrangements are activated to protect the lawful rights and interests of all employees, including dispatched workers.

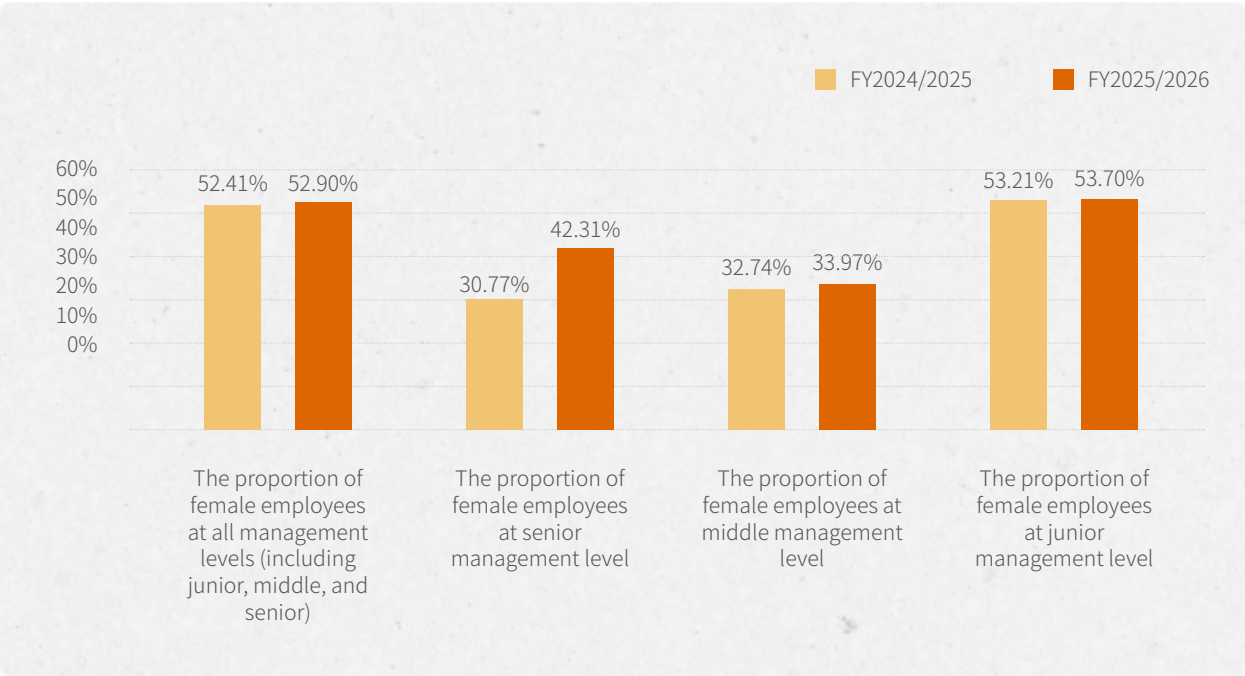
Workforce Diversity

We integrate diversity and inclusion throughout recruitment, appointment and promotion and prohibit discrimination on the basis of age, gender, religion or other protected characteristics. During the Reporting Period, Sun Art Retail received no reports of discrimination.

Women's Leadership in the Workplace

Sun Art Retail continues to promote gender diversity and equality in the workplace. Guided by a capability- and value-based talent philosophy, we believe that development opportunities should not be limited by gender. We maintain fair and transparent recruitment and promotion mechanisms, strengthen career-development and leadership support for female employees, and foster a diverse, inclusive and equitable workplace.

Gender diversity by employee level during the Reporting Period was as follows:



Employment Support for Persons with Disabilities

Sun Art Retail advances diverse and inclusive employment by providing equal opportunities for persons with disabilities, ethnic minorities and other groups. Positions including graphic designers, mailroom clerks, warehouse staff and customer service representatives are matched to employees' physical circumstances and job requirements, supporting stable employment and long-term development. Employees with disabilities receive equal treatment in recruitment, remuneration and career development, including equal pay for equal work, within an inclusive and supportive working environment.

As of the end of the Reporting Period, Sun Art Retail had 62,415 full-time employees, including 966 employees from special groups and persons with disabilities, representing 1.55% of the total.

Indicator	Unit	FY2024/2025	FY2025/2026
By Employment Type			
Full-time Employees	Persons	69,095	62,415
Part-time Employees	Persons	14,232	16,106
By Region			
East China	Persons	37,455	36,444
North China	Persons	6,733	6,402
Northeast China	Persons	6,797	6,204
Central China	Persons	5,554	10
South China	Persons	12,527	13,333
Hong Kong, Macao and Taiwan, China	Persons	29	22
Overseas Employees	Persons	0	0
By Gender			
Male Employees	Persons	24,565	22,620
Female Employees	Persons	44,530	39,795
By Age			
<31 years	Persons	4,920	3,659
31–50 years	Persons	56,833	51,639
≥ 51 years	Persons	7,322	7,117
By Employee Level			
Senior Management	Persons	26	26
Middle Management	Persons	733	736
Junior Management	Persons	18,778	17,787
General Staff	Persons	49,558	43,866

Compensation and Benefits

Sun Art Retail continues to refine a standardised, market-oriented remuneration management mechanism that embeds legality, compliance, fairness and transparency throughout policy design and implementation. The Company complies with applicable remuneration laws and regulations, applies equal pay for equal work and ensures fair and reasonable compensation. We also improve incentive and benefit arrangements and align remuneration with job value, individual contribution and organisational development, strengthening employee recognition, engagement and cohesion.

Remuneration Management

When formulating and implementing remuneration policies, Sun Art Retail considers industry trends, market pay levels and talent-market dynamics to keep its remuneration and benefits competitive. The headquarters remuneration team maintains regular communication with stores, gathers feedback from employees and business units, and reviews and improves related processes, enhancing the fairness, transparency and consistency of policy implementation and employee satisfaction.

Sun Art Retail complies with applicable laws and regulations in every location where it operates and pays all employees above local minimum-wage standards. A position-based pay system links remuneration to job responsibilities and performance, providing an institutional basis for equal pay for equal work regardless of gender. The Company also continues to refine its multilevel incentive framework.

>

All Employees

A combination of fixed and variable remuneration provides differentiated, performance-based incentives. The framework includes fixed pay, performance bonuses, long-term incentives and retirement benefits.

>

Non-Direct Employees

Remuneration is adjusted as appropriate for different employment types and market conditions to mitigate the effects of rising living costs and support employees' basic needs.

Employee Benefits

Sun Art Retail complies strictly with applicable laws and regulations, including the *Labour Law of the People's Republic of China*. The Company pays pension, medical, unemployment, work-injury and maternity insurance contributions and housing provident fund contributions in full and in accordance with the law. In addition to statutory benefits, employees receive a range of welfare and care initiatives, including holiday gifts, team-building activities, supplementary commercial insurance and employee events, supporting well-being, belonging and a positive workplace.

Sun Art Retail Employee Benefits

Paid Annual Leave

We provide paid annual leave commensurate with employees' job levels and years of service, fully respecting their right to take vacations

Holiday Benefits

We organize team-building activities during holidays to enrich employees' personal lives and strengthen team cohesion

Commercial Insurance Benefits

We provide supplemental commercial health insurance to reduce employees' medical expenses and deliver comprehensive healthcare protection

Special Care Benefits

We offer congratulatory gifts for new parents and hardship assistance funds, demonstrating care and support during employees' significant life events or difficulties

Meal Benefits

We provide either complimentary work meals or meal allowances to address dining needs and enhance job satisfaction

Parental Benefits

We grant parental leave and paternity leave, enabling employees to better balance work and family commitments

Role-Based Benefits

Benefits vary by role and level, including housing allowances for transferred employees, vehicles for store managers and executive medical insurance for senior management



Sun Art Retail provides female employees with maternity leave, childbirth leave and childcare leave. Subject to applicable local laws and regulations, married full-time male employees are entitled to fully paid paternity leave following the birth of a child to their lawful spouse. Leave entitlements and duration are determined in accordance with local government requirements.

Empowering Employee Development



Sun Art Retail regards employee growth as a key driver of sustainable development and continues to refine a talent-development system covering the entire career lifecycle. We are committed to providing a diverse, open and sustainable platform that enables employees to realise their potential and achieve personal and professional growth. A multidimensional performance and talent-development framework, supported by a tiered training system and digital learning platform, provides systematic guidance for career advancement and capability enhancement.

Aligned with the needs of different roles and career stages, Sun Art Retail continues to strengthen its training system. Targeted programmes cover professional skills and business operations, as well as industry trends, management capabilities and leadership development. These initiatives enhance employees' professional competence and overall capabilities and support the shared growth of employees and the company.

Employee Promotion

Sun Art Retail has made talent retention and long-term development strategic priorities. A people-centred culture and diverse development mechanisms—including career planning, cross-functional rotations and project assignments—help employees broaden their capabilities and career opportunities. The Company has established a mature promotion system that assesses job competence, professional capability and overall performance, strengthening capability-based selection and enabling employees with strategic thinking and innovative capabilities to access broader development opportunities.

During the Reporting Period, the Company continued to improve its online performance-appraisal system, simplify assessment processes and standardise talent-evaluation criteria nationwide. To address increasing talent mobility in the industry, we strengthened corporate culture and improved the employee experience to enhance organisational cohesion and retention. Sun Art Retail's overall employee turnover rate was 11.74% during the Reporting Period, with the breakdown set out below:

Indicator	Unit	FY2024/2025	FY2025/2026
Overall Turnover Rate	%	16.39	11.74
By Age			
< 30 years	%	40.59	23.50
30–50 years	%	13.94	10.65
≥ 51 years	%	17.08	12.94
By Gender			
Male	%	16.68	11.50
Female	%	16.24	11.87
By Region			
Hong Kong, Macao and Taiwan, China	%	27.27	35.29

Performance Management

Sun Art Retail has established a comprehensive performance management system, with evaluation results serving as an important reference for talent-pipeline development. Strategic objectives are cascaded across organisational levels and incorporated into implementation and assessment frameworks to support effective execution. A tiered and role-specific performance management approach improves the fairness, transparency and effectiveness of evaluation criteria and helps unlock employee potential and organisational vitality.

Performance and incentive management are guided by the principles of being goal-oriented, performance-driven and precisely targeted. Through process and structural improvements, the Company strengthens strategic alignment and organisational execution, enhancing human-resource efficiency and the quality of business growth. At store level, the basic performance-bonus mechanism has been simplified and assessment cycles shortened. At position level, differentiated performance management and incentive alignment are refined for different functional lines and key roles.

>> Position-Level Initiatives <<

Technical Roles

Strengthen long-term incentives by linking medium- and long-term rewards closely to performance, improving retention of core technical talent and aligning individual growth with organisational objectives.

Investment and Development Roles

Refine business-unit incentive rules with differentiated arrangements based on value contribution and project quality, strengthening the acquisition and delivery of high-quality projects and improving development efficiency.

>> Store-Level Initiatives <<

B2B Team

Strengthen the link between performance and remuneration, reinforcing the principle that greater contribution and stronger results receive higher rewards, and enhancing frontline teams' results orientation.

Merchandising Department

Streamline procurement-bonus indicators around core operating and efficiency measures, improving the clarity of assessment and management effectiveness.

Employee Training

Sun Art Retail places great importance on personal learning and professional growth and provides diverse training and development opportunities. Through on-the-job practice and continuous learning, employees can enhance their capabilities and professional standards, unlock their potential and grow together with the Company.

We comprehensively updated the training systems for new hires, sales associates and hourly workers in hypermarkets and supermarkets. Core courses and major programmes for employees at all levels were reviewed and refreshed in line with career-development pathways, further strengthening the tiered and categorised training curriculum. Based on competency models, we established learning pathways covering employees, divisional supervisors, department managers and store managers to support progressive capability development. We also developed 20 concise, practical management micro-courses for offline delivery, enhancing store managers' management capabilities and practical skills.

During the Reporting Period

RT-Mart recruited and trained

230

store supervisor-level trainees nationwide

and trained

98

mentors to support talent development

Sun Art Retail continues to improve a talent-development system covering the entire career lifecycle. Focusing on talent pipelines and management succession, the Company delivers management trainee and leadership-development programmes and provides ongoing specialist training and practical support for store manager trainees (specialist personnel) in the pipeline. During the Reporting Period, RT-Mart recruited and trained 230 store supervisor-level trainees nationwide and trained 98 mentors to support talent development.

Sun Art Retail continually adjusts specialised training to business needs, focusing on key positions and evolving business models and capability requirements. Targeted professional programmes strengthen organisational capabilities and business support.

Fresh Food Technician Training

To strengthen fresh-food capabilities at stores, Sun Art Retail delivered role-specific skills training to 666 employees. The programme covered basic operating standards, standardised processes and quality-management requirements, strengthening frontline practical skills and execution.

Digital Transformation and AI Training

Sun Art Retail developed AI application courses for employees and supervisors, providing systematic training on the use of AI tools in operations, analysis and management and reaching more than 600 participant attendances. Practical exercises and case studies improved employees' ability to use digital tools, supporting efficiency and digital transformation.

Satellite Warehouse Staff Capability Replication Training

Sun Art Retail has established a standardised training framework covering core capabilities such as warehouse operations, sorting and distribution. Centralised learning combined with practical exercises enables rapid role replication and scalable talent development, supporting the rollout and expansion of satellite warehouses.

Train-the-Trainer Program

Sun Art Retail continues to improve its internal trainer certification and advancement system. A mentoring mechanism supports the accumulation of organisational capabilities and the transfer of knowledge and experience. Each year, the Talent Development Centre implements the internal trainer development plan and evaluates trainers on professional expertise and role competence. Outstanding business trainers receive the Gold Shield Support Award in recognition of their contribution. During the Reporting Period, the Company launched the first "How to Deliver an Effective Business Course" trainer certification programme, further professionalising and standardising the internal trainer system.

Internal Trainer Rating Criteria

Associate Trainer★ Passed basic teaching capability assessment	4-Star Trainer★ - Certified as a 3-Star Trainer for at least 1 year - Cumulative teaching hours: 12+ (including at least 4 hours for manager-level employees) - Average trainee evaluation score: 85+ - Participated in the development of at least 1 standardized course - Passed the regional 4-Star Trainer interview and defense	5-Star Trainer★ - Certified as a 4-Star Trainer for at least 1 year - Annual cumulative teaching hours: 16+ (including at least 4 hours for director-level or above employees) - Average trainee evaluation score: 90+ - Participated in the development of at least 2 standardized courses - Passed the headquarters 5-Star Trainer interview and defense
3-Star Trainer★ - Certified as an internal trainer for at least 1 year - Annual cumulative teaching hours: 6+ - Average trainee evaluation score: 80+ - Completed TTT (Training the Trainer to Train) assessment		

Indicator	Unit	FY2024/2025	FY2025/2026
Number of Trainees Among Active Employees	Persons	69,095	62,415
Average Training Hours per Employee	Hours/Person	24.54	30.40
Training Participation Rate of Active Employees	%	100	100
Training Participation Rate by Gender			
Male Employees	%	100	100
Female Employees	%	100	100
Average Training Hours by Gender			
Male Employees	Hours/Person	23	29.11
Female Employees	Hours/Person	25	31.14
Training Participation Rate by Job Level			
Senior Management	%	100	100
Middle Management	%	100	100
Junior Management	%	100	100
General Staff	%	100	100
Average Training Hours by Job Level			
Senior Management	Hours/Person	9.00	0.50
Middle Management	Hours/Person	15.00	10.86
Junior Management	Hours/Person	27.00	34.04
General Staff	Hours/Person	24.00	29.27

Fostering a Culture of Care



Sun Art Retail integrates its people-first philosophy into ESG governance. Employee meetings, satisfaction surveys and other communication channels strengthen care and emotional connection and enhance organisational cohesion. The Company also improves occupational health safeguards, psychological-support hotlines and regular emergency drills, creating multilayered protection for employees' physical and mental health and well-being.

Employee Communication and Care

Sun Art Retail has established trade union mechanisms to safeguard employees' freedom of association and collective bargaining rights and provide stable, accessible communication channels. Employee and management representatives participate jointly in discussions and rule-setting, helping to keep communication open and transparent and protect employees' lawful rights and interests. As of the end of the Reporting Period, 100% of employees were represented by independent unions or covered by collective bargaining agreements.

We collect employee opinions and suggestions through staff meetings, discussion sessions and complaint mailboxes and respond promptly to employee needs. Personnel handling complaints and whistleblowing reports are required to protect complainants' information strictly. Disclosure of such information and any form of retaliation are prohibited; violations are handled seriously in accordance with applicable laws and regulations, and serious cases are referred to the judicial authorities.

We attach great importance to employee mental health and continue to improve our psychological-support system. Regular employee discussion sessions provide employees with a forum to express their views, and employees are encouraged to seek professional counselling when needed. Care measures are tailored to the needs of employees at different levels.

Senior Management

Provide a dedicated psychological counselling hotline to strengthen mental-health support and safeguards.

Frontline Employees

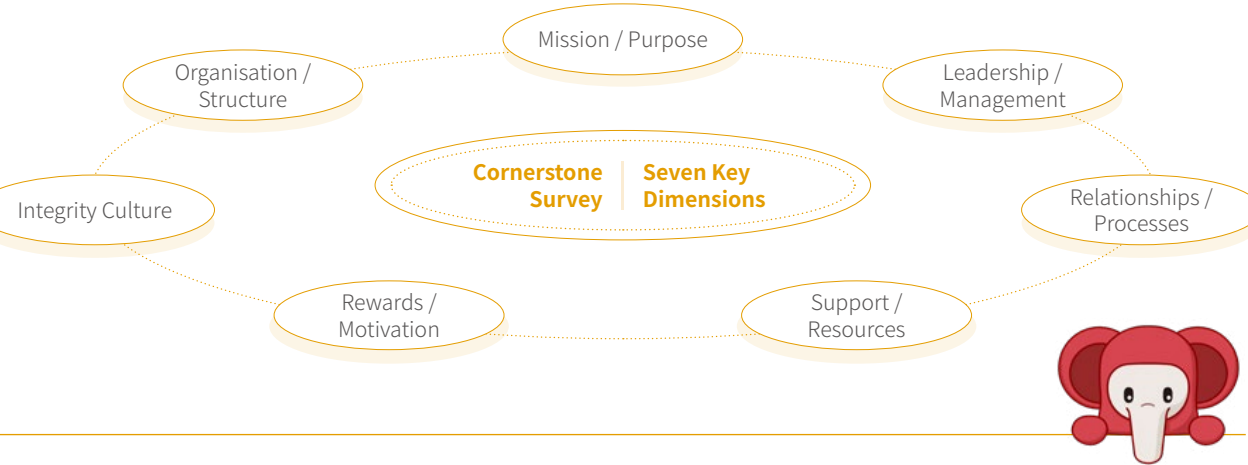
Maintain open communication through employee discussion sessions and feedback channels to understand and respond promptly to employee needs.





Cornerstone Surveys

We regularly conduct and continuously improve the Cornerstone Survey on satisfaction and engagement. During the year, the survey added an "Integrity Culture" dimension and monthly pulse surveys, strengthening two-way communication and enabling timely responses to employee needs. Structured questionnaires were supplemented by one-to-one interviews, including executive interviews, middle-management roundtables and surveys of general employees, providing broad and in-depth coverage. The survey was integrated with organisational-diagnosis questions to assess employees' perceptions of the Company across multiple dimensions. During the Reporting Period, the average satisfaction score was 4.14 out of 5 for supervisors and 4.53 for employees.



Employee Health and Safety

Sun Art Retail complies strictly with laws and regulations including the *Work Safety Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*. During the Reporting Period, we formulated and issued the *Occupational Health and Safety Policy* to strengthen employees' safety awareness and their ability to prevent accidents and respond to emergencies.

Sun Art Retail maintains a red-line target of "Zero Major Fire Accidents" and continually reviews and improves internal safety policies. We conduct regular workplace risk identification and hazard inspections, strengthen supervision of safety compliance and reinforce process controls through training and emergency drills. During the Reporting Period, the Group recorded 10 work-related fatal accidents among employees.

We continue to improve the workplace environment by installing eye-protective lighting and adding greenery, among other measures, to enhance working conditions, safeguard employees' physical and mental health and reduce occupational-health risks.

Sun Art Retail Employee Health and Well-Being Initiatives



We implement scientific working hour planning to minimize overtime and prolonged labor



We adopt flexible work arrangements for specific positions, enabling employees to balance work and rest based on individual needs



We create comfortable work environments equipped with eye-protective lighting systems and greenery

Safety Training ⬇

Sun Art Retail provides safety-awareness education and specialised training for employees in higher-risk positions and uses knowledge assessments to verify understanding of role-specific safety requirements. This supports a systematic, multilevel and targeted safety training framework. The Company also refines safety incentives and recognises employees who comply rigorously with safety requirements, encouraging active participation in workplace safety.

Safety Education & Training

We conduct annual safety training for nationwide store employees through both online and offline channels, covering topics such as safety belt usage standards and elevated work procedures, effectively reducing safety risks and minimizing workplace accidents.

Fire Safety Training

We implement biannual fire safety training for all employees and delivery riders, combining theoretical knowledge with practical drills to ensure mastery of fire extinguishing and crowd evacuation skills.

Emergency Drills

We organize anti-terrorism, fire, power-outage and emergency response drills with 100% employee participation to further strengthen emergency response capabilities.

Key Employee health and safety metrics during the Reporting Period are as follows:

Indicator	Unit	FY2023/2024	FY2024/2025	FY2025/2026
Number of Work-Related Injuries	cases	262	271	217
Fatalities from Work-Related Accidents	persons	5	3	10
Lost Workdays Due to Work Injuries – Employees	days	17,296	12,674	15,493
Work-Related Fatalities per 100 Employees	persons/100 employees	0.006	0.004	0.016
Work-Related Injuries per Million Work Hours	Cases/million hours	1.14	1.88	1.61
Occupational Disease Rate per Million Work Hours	Persons/million hours	0	0	0

Supplier Health and Safety ⬇

In accordance with the Sun Art Retail Supplier Code of Business Conduct, suppliers must comply strictly with applicable health and safety laws, regulations and operating standards. They are required to ensure that employees follow relevant procedures and documentation requirements and to establish and maintain safety-protection systems appropriate to their operations.

Suppliers must proactively identify and address workplace hazards, strengthen the management of hazardous materials and implement necessary protective measures to prevent fires, explosions, leaks and other incidents during storage and use, protecting personnel and minimising the risk of injury.

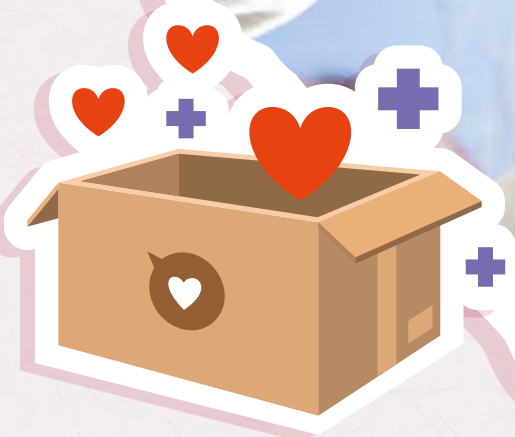
Sun Art Retail actively fulfils its social responsibilities and supports public well-being, rural revitalisation and charitable development. Leveraging the reach of the Group's retail network, we undertake diverse initiatives focused on vulnerable groups and rural communities. By aligning community investment with our business strengths, we continue to broaden participation and enhance our capacity to create social value.

06

Spreading Compassionate Impact

88

Compassion in Action: Building a Better Future



Spreading Compassionate Impact



The Company continues to undertake charitable initiatives that draw on the reach of its stores and the strength of brand partnerships. Our activities cover health education, support for diverse groups and social development, while exploring further opportunities to connect public welfare with brand collaboration.

During the Reporting Period, Sun Art Retail donated approximately RMB 128,800 to charitable causes.

Supporting Public Health

Sun Art Retail leverages its offline touchpoints to address health topics such as oral care. Working with brand partners, we combine public education with interactive experiences to encourage consumers to pay attention to health and help raise public health awareness.



RT-Mart X Safeguard Handwashing Station Donation Programmeme

During the Reporting Period, RT-Mart partnered with Safeguard on a handwashing-station donation campaign. For each purchase of more than RMB 59 of Safeguard products at an RT-Mart store, the Group and One Foundation donated RMB 5 to support handwashing facilities at primary schools in mountainous areas. A total of five handwashing stations will be donated under the campaign.



RT-Mart × SakyKids Children's Day with Doraemon Oral Health Campaign

During the Reporting Period, RT-Mart partnered with Sakykids to hold a Children's Day oral-health campaign featuring Doraemon. Interactive "Love Your Teeth" mini-classes introduced children to oral-care knowledge and the Bass brushing technique, while free oral examinations were provided to children visiting the stores.



RT-Mart × Kindness 100 Love Package Campaign

Kindness 100 is a nationwide university-student volunteering initiative launched by the China Foundation for Rural Development to expand access to quality education for primary school students in less-developed rural areas. During the Reporting Period, RT-Mart visited Nasa Town Central School in Guangnan County, Yunnan Province, and donated art learning packages, helping rural pupils gain access to art education.



RT-Mart Charity Flea Market Neighbourhood Festival

24 RT-Mart stores in Fujian jointly held the fourth Charity Flea Market Neighbourhood Festival, inviting children aged 5–15 and their parents to exchange unused items and enjoy meaningful family time. To mark World Book Day, RT-Mart Quanzhou Century Store partnered with FanShu to organise a charity flea market, book-exchange corner and gratitude-themed reading session. Children sold unused books, toys, household items and handmade crafts, with all proceeds donated to elderly-care homes. Families could also donate usable items and write messages of goodwill, while the stores contributed care and support on behalf of RT-Mart.



Caring for Diverse
Groups

Sun Art Retail focuses on the needs of diverse groups and works with charitable organisations to build multidimensional support systems for vulnerable and underrepresented communities. We encourage public participation in inclusive care and contribute to a more inclusive society.

RT-Mart Double Ninth Festival Senior Care Campaign

During the Reporting Period, RT-Mart South China held a "Double Ninth Tea Gathering: Folk Customs and Traditional Elegance" event. Seniors made dogwood sachets, sampled traditional festival foods and took part in community performances by the "Silver-Age Art Troupe". The combination of intangible-cultural-heritage crafts, food culture and talent showcases brought festival traditions to life and conveyed respect and care for older people.

RT-Mart North China also held a "Double Ninth Festival Fun Day". Members aged 60 or above received longevity noodles upon presenting valid identification and took part in activities such as touhu and table-tennis relay races. The event was well received and helped foster a community atmosphere of respect, care and enjoyment for older people.



RT-Mart × Whisper Rural School Toilet Renovation Programmeme

In 2019, Whisper and the China Youth Development Foundation launched a long-term initiative to renovate toilets at 10 rural schools each year, supporting the health and development of female students. During the Reporting Period, RT-Mart partnered with Whisper to support rural sanitation through consumer participation. The two parties jointly sponsored the renovation of toilet facilities at one Hope Primary School, contributing approximately RMB 300,000 in value. The project improved students' sanitation conditions and supported the healthy, confident development of girls in rural communities.



Appendix

Content Index for the HKEX Environmental, Social and
Governance Reporting Code

Environmental, Social and Governance Aspect and General Disclosures and Key Performance Indicators (KPIs)		Relevant Section
A. Environmental		
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. <i>Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.</i>	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
KPI A1.1	The types of emissions and respective emissions data.	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
KPI A1.2	[Repealed 1 January 2025]	/
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
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.	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. <i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i>	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh '000s) and intensity (e.g. per unit of production volume, per facility).	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
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.	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations 3.3 Biodiversity and Animal Welfare

Environmental, Social and Governance Aspect and General Disclosures and Key Performance Indicators (KPIs)		Relevant Section
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations 3.3 Biodiversity and Animal Welfare
Aspect A4: Climate Change		
[Repealed 1 January 2025]		/
KPI A4.1	[Repealed 1 January 2025]	/
B. Social		
Employment and Labour Practices		
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.	5.1 Safeguarding Employee Rights 5.2 Empowering Employee Development
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	5.1 Safeguarding Employee Rights
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	5.2 Empowering Employee Development
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.	5.3 Fostering a Culture of Care
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	5.3 Fostering a Culture of Care
KPI B2.2	Lost days due to work injury.	5.3 Fostering a Culture of Care
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	5.3 Fostering a Culture of Care
B3: Development and Training		
General Disclosure:	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. <i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i>	5.2 Empowering Employee Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	5.2 Empowering Employee Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	5.2 Empowering Employee Development
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.	5.1 Safeguarding Employee Rights
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.1 Safeguarding Employee Rights
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	5.1 Safeguarding Employee Rights

Environmental, Social and Governance Aspect and General Disclosures and Key Performance Indicators (KPIs)		Relevant Section
Operating Practices		
B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	4.2 Ensuring Outstanding Supply Quality
KPI B5.1	Number of suppliers by geographical region.	4.2 Ensuring Outstanding Supply Quality
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.	4.2 Ensuring Outstanding Supply Quality
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	4.2 Ensuring Outstanding Supply Quality
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	2.2 Selecting Healthy Products 4.2 Ensuring Outstanding Supply Quality
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.	2.1 Upholding Quality and Safety 2.3 Creating an Exceptional Shopping Experience
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	2.1 Upholding Quality and Safety
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	2.3 Creating an Exceptional Shopping Experience
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	1.4 Corporate Governance
KPI B6.4	Description of quality assurance process and recall procedures.	2.1 Upholding Quality and Safety
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	2.3 Creating an Exceptional Shopping Experience
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.	1.4 Corporate Governance
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.	1.4 Corporate Governance
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.4 Corporate Governance
KPI B7.3	Description of anti-corruption training provided to directors and staff.	1.4 Corporate Governance
Community		
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.	6.1 Spreading Compassionate Impact
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6.1 Spreading Compassionate Impact
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	6.1 Spreading Compassionate Impact

Part D: Climate-related Disclosures

Climate-Related Disclosures	Section
(I) Governance	1. 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) determine(s) whether appropriate skills and competencies are developed or will be available to oversee strategies designed to respond to climate-related risks and opportunities
	(ii) How and how often the body(s) or individual(s) is (are) 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 climate-related risks and opportunities
	(iv) How the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities and monitor(s) progress towards those targets (see paragraphs 19–22), including whether and how related performance metrics are included in remuneration policies (see paragraph 17); and
	(b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities:
	(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
	Climate-related risks and opportunities
	2. 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:
(II) Strategy	(a) Describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;
	(b) Explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;
	(c) Specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and
	(d) Explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.
	Business model and value chain
	3. 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-Related Disclosures	Section
(I) Governance	Strategy and decision-making
	4. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:
	(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:
	(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;
	(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);
	(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and
	(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any), described in accordance with paragraphs 19 to 22.
	(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 4(a).
	5. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 4 (a).
	Financial position, financial performance and cash flows Current financial effect
(II) Strategy	6. An issuer shall disclose qualitative and quantitative information about:
	(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and
	(b) the climate-related risks and opportunities identified in paragraph 6(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.
	Financial position, financial performance and cash flows Anticipated financial effect
	7. 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.
	Climate resilience

8. 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:

Climate-Related Disclosures		Section
(II) Strategy	(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;	3.1 Climate Change Response
	(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	3.1 Climate Change Response
	(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	3.1 Climate Change Response
	(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;	3.1 Climate Change Response
(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	3.1 Climate Change Response
	(iii) the reporting period in which the climate-related scenario analysis was carried out.	3.1 Climate Change Response
(III) Risk Management	9. 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);	3.1 Climate Change Response
	(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	3.1 Climate Change Response
	(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);	3.1 Climate Change Response
	(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;	3.1 Climate Change Response
	(v) how the issuer monitors climate-related risks; and	3.1 Climate Change Response
	(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	Not applicable
	(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.		
(IV) Metrics and Targets	Greenhouse gas emissions	
	10. 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;	3.1 Climate Change Response
	(b) Scope 2 greenhouse gas emissions; and	3.1 Climate Change Response
	(c) Scope 3 greenhouse gas emissions.	3.1 Climate Change Response

Climate-Related Disclosures	Section
11. 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;	3.1 Climate Change Response
(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	3.1 Climate Change Response
(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	3.1 Climate Change Response
(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 10(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	3.1 Climate Change Response
(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 10(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).	3.1 Climate Change Response
Climate-related transition risks	
12. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	3.1 Climate Change Response
Climate-related physical risks	
13. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	3.1 Climate Change Response
Climate-related opportunities	
14. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	3.1 Climate Change Response
Capital deployment	
15. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Not applicable
Internal carbon prices	
16. 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	Not applicable
(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.	Not applicable
Remuneration	
17. 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 1(a)(iv).	Although the Company has identified climate-related risks and opportunities, management's key performance indicators (KPIs) and compensation structure are not currently directly linked to climate change factors. The Company will continue to assess the impact of climate issues on its business strategy and will review compensation policies at appropriate times in the future to ensure alignment with the Company's long-term Sustainable Development Goals.

Climate-Related Disclosures	Section
Industry-based metrics 18. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular <i>business models</i> , 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 <i>disclosure topics</i> described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Not applicable
Climate-related targets 19. 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;	3.1 Climate Change Response
(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	3.1 Climate Change Response
(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);	3.1 Climate Change Response
(d) the period over which the target applies;	3.1 Climate Change Response
(e) the base period from which progress is measured;	3.1 Climate Change Response
(f) milestones or interim targets (if any);	3.1 Climate Change Response
(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	3.1 Climate Change Response
(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	3.1 Climate Change Response
20. 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;	Have not been subject to third-party verification.
(b) the issuer's processes for reviewing the target;	3.1 Climate Change Response
(c) the metrics used to monitor progress towards reaching the target; and	3.1 Climate Change Response
(d) any revisions to the target and an explanation for those revisions.	Not applicable
21. 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.	3.1 Climate Change Response
22. For each greenhouse gas emissions target disclosed in accordance with paragraphs 19 to 21, an issuer shall disclose:	
(a) which greenhouse gases are covered by the target;	3.1 Climate Change Response
(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	3.1 Climate Change Response

Climate-Related Disclosures	Section
(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;	3.1 Climate Change Response
(d) whether the target was derived using a sectoral decarbonisation approach; and	The targets are not derived using a sectoral decarbonisation approach.
(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;	Not applicable
(ii) which third-party scheme(s) will verify or certify the carbon credits;	Not applicable
(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	Not applicable
(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).	Not applicable
Applicability of cross-industry metrics and industry-based metrics 23. In preparing disclosures to meet the requirements in paragraphs 3 to 8 and 19 to 20, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 10 to 17) and (ii) industry-based metrics (see paragraph 18).	Not applicable

GRI Content Index

Statement of use	Sun Art Retail has reported the information cited in this GRI content index for the period from 1 April 2025 to 31 March 2026 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

Disclosure Topic/ Disclosure Item	Disclosure Item Title	Section
GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021		
Organisation and its reporting practices		
2-1	Organisational details	About Sun Art Retail
2-2	Entities included in the organisation's sustainability reporting	About the Report
2-3	Reporting period, frequency and contact point	About the Report
2-4	Restatements of information	None
2-5	External assurance	None
Activities and Workers		
2-6	Activities, value chain and other business relationships	1.2 Stakeholder Engagement 4.3 Deepening Collaboration and Connectivity
2-7	Employees	5.1 Safeguarding Employee Rights 5.2 Empowering Employee Development 5.3 Fostering a Culture of Care
2-8	Workers who are not employees	4.3 Deepening Collaboration and Connectivity 5.3 Fostering a Culture of Care
Governance		
2-9	Governance structure and composition	1.4 Corporate Governance
2-10	Nomination and selection of the highest governance body	1.4 Corporate Governance
2-11	Chair of the highest governance body	See the Annual Report for details.
2-12	Role of the highest governance body in overseeing the management of impacts	1.4 Corporate Governance
2-13	Delegation of responsibility for managing impacts	1.4 Corporate Governance
2-14	Role of the highest governance body in sustainability reporting	From our Board 1.1 ESG Governance
2-15	Conflicts of interest	See the Annual Report for details.
2-16	Communication of critical concerns	From our Board 1.1 ESG Governance

Disclosure Topic/ Disclosure Item	Disclosure Item Title	Section
2-17	Collective knowledge of the highest governance body	From our Board
2-18	Evaluation of the performance of the highest governance body	From our Board
2-19	Remuneration policies	See the Annual Report for details.
2-20	Process to determine remuneration	See the Annual Report for details.
2-21	Annual total compensation ratio	See the Annual Report for details.
Strategy, Policies and Practices		
2-22	Statement on sustainable development strategy	From our Board
2-23	Policy commitments	1.4 Corporate Governance 4.2 Ensuring Outstanding Supply Quality 5.1 Safeguarding Employee Rights
2-24	Embedding policy commitments	1.4 Corporate Governance 4.2 Ensuring Outstanding Supply Quality 5.1 Safeguarding Employee Rights
2-25	Processes to remediate negative impacts	1.4 Corporate Governance 2.1 Upholding Quality and Safety 5.1 Safeguarding Employee Rights
2-26	Mechanisms for seeking advice and raising concerns	1.4 Corporate Governance 5.3 Fostering a Culture of Care
2-27	Compliance with laws and regulations	1.4 Corporate Governance
Stakeholder Engagement		
2-29	Approach to stakeholder engagement	1.2 Stakeholder Engagement
2-30	Collective bargaining agreements	None
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	From our Board 1.3 Materiality Assessment
3-2	List of material topics	From our Board
Economic		
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	See the Annual Report for details.
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	1.4 Corporate Governance
205-2	Communication and training about anti-corruption policies and procedures	1.4 Corporate Governance
205-3	Confirmed incidents of corruption and actions taken	1.4 Corporate Governance

Disclosure Topic/ Disclosure Item	Disclosure Item Title	Section
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behaviour, antitrust and monopoly practices	1.4 Corporate Governance
Environment		
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
302-3	Energy intensity	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
302-4	Reduction of energy consumption	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
303-2	Management of water discharge-related impacts	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
303-4	Water discharge	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
303-5	Water consumption	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
305-2	Energy indirect (Scope 2) GHG emissions	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
305-4	GHG emissions intensity	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
305-5	Reduction of GHG emissions	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
305-7	Nitrogen oxides (NO _x), sulphur oxides (SO _x) and other significant air emissions	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
306-2	Management of significant waste-related impacts	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
306-3	Waste generated	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
306-4	Waste diverted from disposal	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
306-5	Waste directed to disposal	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers screened using environmental criteria	4.2 Ensuring Outstanding Supply Quality
308-2	Negative environmental impacts in the supply chain and actions taken	4.2 Ensuring Outstanding Supply Quality
Social		
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	5.1 Safeguarding Employee Rights 5.2 Empowering Employee Development
401-3	Parental leave	5.1 Safeguarding Employee Rights

Disclosure Topic/ Disclosure Item	Disclosure Item Title	Section
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	5.3 Fostering a Culture of Care
403-2	Hazard identification, risk assessment and incident investigation	5.3 Fostering a Culture of Care
403-3	Occupational health services	5.3 Fostering a Culture of Care
403-5	Worker training on occupational health and safety	5.3 Fostering a Culture of Care
403-8	Workers covered by an occupational health and safety management system	5.3 Fostering a Culture of Care
403-9	Work-related injuries	5.3 Fostering a Culture of Care
403-10	Work-related ill health	5.3 Fostering a Culture of Care
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	5.2 Empowering Employee Development
404-2	Programmes for upgrading employee skills and transition assistance	5.2 Empowering Employee Development
404-3	Percentage of employees receiving regular performance and career development reviews	5.2 Empowering Employee Development
GRI 405: Diversity and Equality of Opportunity 2016		
405-1	Diversity of governance bodies and employees	5.1 Safeguarding Employee Rights
GRI 406: Discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	5.1 Safeguarding Employee Rights
GRI 408: Child Labour 2016		
408-1	Operations and suppliers at significant risk for incidents of child labour	5.1 Safeguarding Employee Rights
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	5.1 Safeguarding Employee Rights
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments and development programmes	6.1 Spreading Compassionate Impact
GRI 414: Social Assessment of Suppliers 2016		
414-1	New suppliers screened using social criteria	4.2 Ensuring Outstanding Supply Quality
414-2	Negative social impacts in the supply chain and actions taken	4.2 Ensuring Outstanding Supply Quality
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	2.1 Upholding Quality and Safety
GRI 417: Marketing and Labelling 2016		
417-1	Requirements for product and service information and labelling	2.3 Creating an Exceptional Shopping Experience
417-2	Incidents of non-compliance concerning product and service information and labelling	2.3 Creating an Exceptional Shopping Experience
417-3	Incidents of non-compliance concerning marketing communications	2.3 Creating an Exceptional Shopping Experience
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.3 Creating an Exceptional Shopping Experience

Sustainability Accounting Standards Board (SASB)

Content Index

Topic	Accounting Metric	Code	Corresponding Section
Energy Management in Retail and Distribution	Total energy consumed, percentage grid electricity, percentage renewable energy	CN0403-01	3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
	Discussion of management approach to identifying and addressing data security risks	CN0403-02	2.3 Creating an Exceptional Shopping Experience
Data Security	Number of data-security breaches, percentage involving customers' personally identifiable information (PII), number of customers affected	CN0403-03	2.3 Creating an Exceptional Shopping Experience
	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	CN0403-04	5.1 Safeguarding Employee Rights
Workforce Diversity & Inclusion	Amount of legal and regulatory fines and settlements associated with employment discrimination	CN0403-05	
Fair Labor Practices	Average hourly wage and percentage of in-store employees earning minimum wage, by region	CN0403-06	5.1 Safeguarding Employee Rights 5.2 Empowering Employee Development
	1) Voluntary and (2) involuntary employee turnover rate for in-store employees	CN0403-07	
	Amount of legal and regulatory fines and settlements associated with labor law violations	CN0403-08	
Product Sourcing, Packaging and Marketing	Revenue from products third-party certified to environmental and/or social sustainability standards	CN0403-09	2.2 Selecting Healthy Products 3.2 Fulfilling Our Responsibility for Environmentally Friendly Operations
	Description of processes to assess and manage risks and/or hazards associated with chemicals in products	CN0403-10	3.3 Biodiversity and Animal Welfare
	Description of strategies to reduce the environmental impact of packaging	CN0403-11	4.1 Building a Responsible Supply Chain

ESG Policies

Sun Art Retail Code of Business Ethics

1. Purpose

Sun Art Retail Group Limited ("Sun Art Retail" or the "Company") is committed to establishing and maintaining a business environment founded on high ethical standards and integrity, and to fostering a sound business ethics framework and a culture of integrity. This Code is formulated to enable stakeholders to oversee our business conduct and to support the lawful, compliant and sustainable operation of the Company.

2. Scope

This Code applies to Sun Art Retail Group Limited its wholly owned and controlled subsidiaries, and all operating entities under the Sun Art Retail brand. The Company also encourages its business partners, suppliers and other stakeholders to observe the principles of this Code.

3. Anti-Corruption and Anti-Bribery

3.1 The Company conducts business in accordance with applicable laws and the principle of integrity and shall not obtain or retain business through corrupt practices.

3.2 The Company adopts a zero-tolerance approach to corruption and bribery. All employees and third parties acting for or on behalf of the Company must comply with applicable anti-corruption and anti-commercial-bribery laws, regulations and industry standards. No person may abuse their position for personal gain or engage in any form of improper exchange of benefits.

3.3 The Company is committed to transparency in all commercial dealings and to the principles of fairness and openness. Employees must ensure that all financial records are clear, accurate and complete and faithfully reflect the substance of the underlying business transactions.

4. Antitrust and Fair Competition

The Company is committed to fair and open competition and strictly complies with all applicable competition, antitrust and competitive-intelligence laws. When dealing with customers, suppliers, competitors, government authorities or other third parties, employees must not provide false, misleading or deceptive information, or obtain an improper advantage through manipulation, concealment, misuse of privileged information or any other unfair practice. Employees must uphold fair dealing and help maintain an orderly and competitive market.

5. Anti-Discrimination and Anti-Harassment

5.1 The Company promotes an equitable, respectful and inclusive workplace and complies with all applicable laws on equal employment, non-discrimination and anti-harassment in the jurisdictions where it operates.

5.2 Discrimination on the basis of gender, age, ethnicity, nationality, religion, marital status, disability, sexual orientation or any other protected characteristic is prohibited, as are harassment, insults, bullying and other conduct that undermines personal dignity.

5.3 Employees are encouraged to report any actual or suspected discrimination or harassment promptly. The Company will keep reports strictly confidential and prohibits retaliation in any form.

6. Conflicts of Interest

6.1 Employees must avoid any actual, potential or perceived conflict between their personal interests and the interests of the Company. Any such conflict must be disclosed promptly to the appropriate supervisor, and suitable measures must be taken to manage or resolve it.

6.2 Employees participating in business decisions must act objectively, impartially and in the best interests of the Company, and must not allow personal relationships or interests to influence their judgement.

7. Anti-Money Laundering and Insider Trading

7.1 The Company strictly prohibits money laundering and insider trading in any form. Employees must comply with all applicable national and local laws and regulations relating to anti-money laundering and securities dealing.

7.2 Employees must act with integrity and transparency in conducting Company business and must not misuse their positions to obtain unlawful benefits or engage in conduct that may damage the Company's reputation.

8. Confidentiality and Information Protection

8.1 The Company is committed to protecting the privacy and information security of stakeholders, including business partners and consumers. It applies appropriate controls, including monitoring of secure data transmission, to prevent unauthorised access, transfer, disclosure or misuse of personal information.

8.2 Employees must comply strictly with the Company's confidentiality requirements and must not disclose trade secrets, customer information or any other confidential or sensitive information without proper authorisation.

9. Environment, Health and Safety

9.1 The Company complies with all applicable environmental, health and safety laws and regulations. It maintains environmental and occupational health and safety management measures, provides regular training, and promotes awareness of safety and environmental protection among employees.

9.2 The Company has established and continues to improve mechanisms for identifying, assessing, preventing and controlling environmental, health and safety risks arising from its business activities.

9.3 The Company is committed to monitoring the environmental impacts of its products and operations and to conducting business in a safe, compliant and environmentally responsible manner.

9.4 The Company requires employees, contractors, suppliers and business partners to comply with environmental, health and safety standards no less stringent than those applied by the Company.

10. Reporting Channels

10.1 The Company is committed to maintaining a fair, impartial and transparent working environment and business ecosystem. Employees, suppliers, business partners and other stakeholders are encouraged to report any actual or suspected breach of business ethics.

10.2 The Company has established the *Complaint Guidelines* and protects the identity of whistleblowers. Retaliation is subject to zero tolerance. The Company will investigate unlawful or non-compliant conduct, will not accept reports made maliciously or in bad faith, and will keep whistleblower information strictly confidential. All reporting materials are treated as confidential documents, and retaliation against a whistleblower in any form is strictly prohibited.

10.3 The Company has established standardised procedures for receiving, investigating and resolving reports. Reported matters are investigated independently, impartially and promptly, and appropriate corrective and accountability measures are taken based on the findings.

10.4 Any person, including employees, consumers, customers, suppliers and other parties that have dealings with the Company, may submit a report in their real name concerning an actual or suspected breach of this Code through any of the following channels:

- 1) Reporting website: <https://anticorruption.rt-mart.com/pages/index>
- 2) Postal address: RT-Mart Integrity, No. 255, Jiangchang West Road, Jing'an District, Shanghai 200436, China
- 3) Reporting email: jubao@rt-mart.com

11. Training

The Company has launched the Integrity Portal on both PC and DingTalk platforms, integrating seven online modules: the Policy Centre, Declaration Centre, Report Misconduct, Integrity Announcements, Learning and Training, Integrity Examinations, and Effective Management. The platform enhances the transparency, standardisation and operational efficiency of integrity and compliance management. The Company will continue to standardise the management of gifts and conflicts of interest and strengthen employees' awareness of proactive disclosure.

12. Oversight

12.1 The Chief Executive Officer is ultimately accountable for the Group's business ethics management, regularly reviews investigation results and reports on material business ethics cases, and coordinates the development of the integrity and compliance system. The Integrity Department organises and guides the implementation of this Code and monitors its effectiveness.

12.2 Compliance with this Code forms part of employee assessment and is incorporated into the performance management system. All new employees must sign the *Acknowledgement of the Sun Art Retail Group Limited Employee Discipline System*. The Company treats compliance conduct as an important criterion in assessing employees' professional ethics and overall performance, with the aim of promoting voluntary compliance with applicable laws, regulations and this Code and protecting the Company's reputation and legitimate interests.

13. Breaches of the Code

A breach of applicable laws, regulations or this Code may have serious consequences for both the employee concerned and the Company. The Company adopts a zero-tolerance approach to breaches of this Code and will impose disciplinary action according to the nature and severity of the conduct, up to and including termination of employment.

Sun Art Retail Anti-Corruption Policy

1. Purpose

Sun Art Retail Group Limited ("Sun Art Retail" or the "Company") is committed to conducting business lawfully, ethically and transparently and to complying with all anti-corruption laws applicable in the jurisdictions where it operates. This Policy is established to strengthen the Company's culture of integrity, promote responsible business conduct and prevent corruption involving the Company or its employees.

2. Scope

This Policy applies to Sun Art Retail Group Limited its controlled subsidiaries and all operating entities under the Sun Art Retail brand. The Company encourages suppliers, distributors and other stakeholders to apply the principles of this Policy.

3. Responsibilities

The Chief Executive Officer is ultimately accountable for the Company's anti-corruption programme and regularly reviews its implementation, material compliance breaches and remediation. The Internal Control and Compliance Working Group and the Integrity Department are jointly responsible for interpreting, guiding and overseeing this Policy. Under the Company's tripartite investigation mechanism, they work with functions including Operations and Loss Prevention to implement anti-corruption controls and handle reports effectively.

4. Policy Statement

Sun Art Retail places its anti-bribery and anti-corruption obligations above commercial interests and requires every employee to comply strictly with the Code of Business Ethics. This Policy sets out the fundamental principles and requirements applicable to the Company, its employees and business partners under relevant anti-corruption laws.

4.1 Conflicts of Interest

4.1.1 A conflict of interest arises where an employee's personal interests conflict, or may conflict, with the interests of the Company or the duties of the employee's position.

4.1.2 Employees and agents must avoid actual, potential or perceived conflicts between their personal interests and the overall interests of the Company.

4.1.3 Any conflict of interest must be reported promptly to senior management or the Internal Control Department and handled in accordance with the instructions received.

4.2 Gifts and Hospitality

4.2.1 Employees must not, directly or indirectly, offer gifts, hospitality or other benefits to customers, public officials or government personnel with a corrupt purpose, or solicit gifts, favours or hospitality from any such person.

4.2.2 Any gift or hospitality received must be declared promptly through the Gift Declaration System and handled in accordance with the *RT-Mart Gift Handling Rules*, the Code of Business Ethics and applicable anti-corruption laws.

4.3 Sponsorships and Charitable Donations

4.3.1 Sponsorships or charitable donations must never be used to conceal or facilitate corruption. All such activities must comply with the Company's internal rules and applicable laws and may proceed only after compliance review by the Internal Control Department, to ensure transparency and legitimate purpose.

4.3.2 No employee may, in the name of the Company, provide funding or support to any government or government official, political candidate, election campaign, political activity, political organisation or related person.

4.4 Books and Records

4.4.1 All asset disposals, expenditures, accounting entries and related transactions must be supported by complete, truthful and accurate records retained in the Company's books and records for inspection and audit.

4.4.2 Employees and third-party agents must not enter into sham transactions or agreements, conceal material information or create false, incomplete or misleading books and records.

4.5 Third-Party Management

4.5.1 Suppliers, distributors, agents, consultants and other business partners must not engage in bribery or corruption when cooperating with or acting for or on behalf of the Company and must comply with applicable anti-corruption requirements.

4.5.2 Before engaging a third party, the Company will conduct proportionate compliance due diligence or risk assessment and will monitor the third party's business ethics and anti-corruption performance throughout the relationship.

4.6 Anti-Bribery and Anti-Corruption Training

Sun Art Retail provides regular anti-bribery and anti-corruption training for directors, management and employees to strengthen their understanding of applicable laws, business ethics standards and integrity requirements, and to improve their ability to identify, prevent and respond to corruption risks. Targeted briefings or specialised training are provided to employees in higher-risk roles, taking account of their business activities.

4.7 Reporting and Disciplinary Action

4.7.1 Employees, consumers, customers, suppliers and other business partners who become aware of an actual or suspected breach of this Policy by any person associated with Sun Art Retail must report it promptly through one of the following channels:

- 1) Reporting website: <https://anticorruption.rt-mart.com/pages/index>
- 2) Postal address: RT-Mart Integrity, No. 255, Jiangchang West Road, Jing'an District, Shanghai 200436, China

3) Reporting email: jubao@rt-mart.com

4.7.2 The Company has established procedures for investigating and resolving suspected breaches independently, impartially and promptly. Based on the findings, the Company will implement corrective measures, accountability measures and appropriate risk-control enhancements.

4.7.3 Employees who breach this Policy are subject to disciplinary action under applicable Company rules, including, where appropriate, administrative sanctions, termination of employment and referral to judicial or regulatory authorities.

5. Policy Review and Update

Sun Art Retail will review and update this Policy regularly in response to changes in applicable laws, regulatory requirements and business circumstances and will continue to strengthen its anti-corruption management system.

4.1 Continuous Improvement of the Information Security Management System. The Company has established and continues to improve its information security management system. It regularly assesses, updates and optimises security policies, technical safeguards and management processes to respond to an evolving cyber-threat environment.

4.2 Data Integrity and Security. The Company implements appropriate technical and organisational measures to prevent unauthorised access, alteration, disclosure, destruction or loss. Sensitive data are classified and managed according to their level of sensitivity, and their integrity, accuracy and security are protected throughout collection, generation, storage, transmission, use and disposal.

4.3 Threat Monitoring and Incident Response. The Company deploys threat-detection and response mechanisms to monitor network and system activity and to identify, analyse and address anomalous behaviour, security incidents and potential risks promptly. If a cybersecurity incident occurs, the Company will communicate transparently with affected stakeholders, where appropriate, regarding remediation and measures to prevent recurrence.

4.4 Accountability of All Employees. Information security responsibilities apply to all employees. The Company clarifies the duties of personnel at each level and reinforces awareness through training, assessment and accountability mechanisms, fostering a culture in which everyone is responsible for and contributes to information security.

4.5 Third-Party Security Requirements. Suppliers, business partners and other third parties must comply with the Company's information security and privacy requirements when processing data, accessing systems or providing services. These obligations are implemented through contractual provisions, security assessments and monitoring and inspection.

5. Privacy Governance

5.1 This Policy applies to all operational activities of the Company, including store operations, e-commerce and digital business, membership management, marketing, and cooperation with suppliers, contractors and other third parties. All relevant parties must comply with this Policy.

5.2 The Company designates an individual or function responsible for privacy matters to coordinate, organise, guide and oversee the day-to-day implementation of this Policy, handle enquiries, requests and complaints relating to personal information, and monitor the effectiveness of implementation.

5.3 The Company integrates privacy governance into the Group's risk management and compliance management systems so that privacy requirements operate in coordination with risk management, internal control and compliance mechanisms and are applied consistently across the Group.

5.4 The Company adopts zero tolerance towards breaches of privacy requirements. Persons responsible for data leakage, unauthorised access, misuse of personal information or other violations are subject to disciplinary action. Serious matters or suspected criminal offences will be referred to the competent authorities in accordance with law.

5.5 Where appropriate, the Company engages independent external organisations to audit compliance with and implementation of this Policy and requires remediation and improvement in response to audit findings.

5.6 The Company conducts regular internal audits to assess compliance, identify and correct deficiencies promptly, and continuously improve its privacy-protection capabilities.

6. Protection of Customer Personal Information

6.1 Categories of Personal Information Collected. In providing goods and services, the Company may collect the following categories of personal information:

Personal identification and contact information, such as name, email address, telephone number, country of residence and city;

Membership and transaction information, such as membership account identifiers, points, purchase history, order details and payment-related information; and

Information provided during communications, including comments, enquiries and feedback, and other content submitted through the Company's websites, mobile applications or mini-programmes.

6.2 Purposes of Collection and Use. The Company may use customer information for the following purposes:

To process and respond to customer requests, enquiries, applications, complaints and feedback and provide related support;

To process orders, complete transactions, arrange delivery and provide after-sales services;

To operate and maintain membership programmes and provide points, benefits and personalised services;

To operate, maintain and manage the Company's websites, mobile applications and mini-programmes and resolve technical issues and failures;

To detect, prevent and address security, fraud and technical issues;

To improve the functionality and performance of the Company's products, services and digital platforms;

To manage and maintain customer relationships and support day-to-day business management;

To protect, exercise or enforce the Company's legal rights and interests; and

For other purposes disclosed to customers in advance, subject to customer consent where required and to applicable law.

Sun Art Retail Information Security and Privacy Protection Policy

1. Purpose

This Policy is formulated in accordance with applicable laws and regulations, including the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*, to protect the information security and privacy of Sun Art Retail Group Limited ("Sun Art Retail" or the "Company") , maintain the confidentiality, integrity and availability of data, prevent unauthorised disclosure, alteration, loss or other security risks, and require contractors, suppliers and business partners to meet information security and privacy standards no less stringent than those applied by the Company.

2. Scope

This Policy applies to all employees, contractors, suppliers, business partners and other relevant third parties of Sun Art Retail Group Limited and its controlled subsidiaries. It covers all information systems, data-processing activities and information assets connected with the Company's business, including offline stores, e-commerce platforms, membership programmes and supply-chain management.

3. Information Security and Privacy Protection Principles

The Company applies the following principles in all business activities:

3.1 Lawfulness and Compliance. The Company complies with applicable requirements relating to cybersecurity, data security and personal information protection in China and in every country or region in which it operates. All information-processing activities must have a lawful basis and be conducted in accordance with applicable laws and regulations.

3.2 Data Minimisation and Purpose Limitation. The Company collects, uses, stores and otherwise processes personal information and other data only to the extent necessary for specified business purposes. Processing must remain within the scope of authorisation, must not be used for unrelated purposes, and must have a clear, lawful and legitimate purpose.

3.3 Zero Tolerance. The Company prohibits conduct that breaches information security or privacy requirements. Data leakage, unauthorised access, misuse of personal information and other violations are subject to disciplinary action and are not tolerated.

4. Information Security Commitments

Sun Art Retail attaches great importance to information security and is committed to preserving the confidentiality, integrity and availability of its information assets. The Company applies the following principles and measures:

6.3 Customer Rights. Subject to applicable laws and regulations, customers may exercise the following rights in relation to their personal information:

Right to opt out. Customers may opt out of non-essential collection or processing of personal information and of targeted marketing activities;

Right to provide affirmative consent. Processing of sensitive personal information or processing for non-essential purposes requires the customer's explicit, informed and voluntary opt-in consent. Pre-ticked boxes and forced consent are prohibited;

Right of access. Customers may request confirmation as to whether the Company processes their personal information and may obtain a copy of that information;

Right to data portability. Customers may request to receive personal information they have provided in a structured, commonly used and machine-readable format and, where applicable, to have it transferred to another service provider;

Right to rectification. Customers may request correction or completion of inaccurate or incomplete personal information;

Right to erasure. Customers may request deletion of some or all of their personal information in circumstances prescribed by law, including where processing violates applicable laws or regulations, information was collected or used without required consent, processing breaches an agreement with the customer, the processing purpose has been achieved or is no longer necessary or possible to achieve, or the customer withdraws consent.

6.4 Retention. Personal information is retained only for as long as necessary to provide products and services, conduct business operations and achieve the stated processing purposes, or for the minimum retention period required by law. When the retention period expires, the Company will delete or anonymise the information in accordance with applicable law.

6.5 Security Safeguards. The Company implements physical, technical and organisational safeguards, including access controls, encryption, data masking and security audits, to protect the confidentiality, integrity and security of customer information.

6.6 Disclosure to Third Parties. The Company discloses personal information to third parties, including service providers, affiliates, law-enforcement bodies and competent authorities, only where there is a lawful basis, such as performance of contractual obligations, customer consent, compliance with law or response to a security incident. Recipients must comply with the Company's information security and privacy standards.

6.7 Monitoring of Secondary Use. The Company monitors the extent to which personal information is used for purposes other than the original purpose of collection, assesses the necessity, reasonableness and compliance of such use, and continuously improves its data-processing practices.

7. Responsible Use of Artificial Intelligence (AI)

Sun Art Retail is committed to the responsible use and development of artificial intelligence (AI) in a manner consistent with the Company's Code of Business Ethics, respecting the rights and dignity of individuals and upholding non-discrimination, privacy and fair treatment. The Company recognises the value that AI can create for customers, employees and communities, but requires its development and deployment to be governed by robust ethical principles and applicable laws and regulations. The following principles apply:

7.1 Respect for Data Privacy. Personal data must be processed securely, transparently and responsibly in the use or development of AI, in compliance with applicable data-protection laws and regulations.

7.2 Cybersecurity. Security and assurance controls must be embedded in AI systems, which must be rigorously tested and continuously monitored to prevent cyber threats, misuse and unintended consequences.

7.3 Prevention of Bias. Potential bias in the use or development of AI must be identified and mitigated proactively, with particular attention to characteristics protected by applicable law, such as race, gender and age. Corrective action must be taken promptly where bias or discriminatory outcomes are identified.

7.4 Human Oversight and Intervention. Human involvement must be maintained in critical decisions, particularly decisions that may materially affect individuals. Final judgement and compliance review must remain subject to human oversight, with manual intervention available where necessary.

7.5 Transparency and Explainability. Where practicable, the Company will provide clear and understandable explanations of how AI systems operate and make decisions, supporting transparency and the explainability of outputs and decisions.

7.6 Accountability. Clear accountability mechanisms must be established for outputs generated by AI models or tools. Responsibility for relevant outputs and decisions must be allocated, and appropriate governance and response processes must be maintained to address unintended consequences or harm.

7.7 Defined Boundaries of Use. Permitted and prohibited uses of AI must be clearly defined. Applicable scenarios and methods of use must be standardised to prevent out-of-scope or improper use.

7.8 Environmental Footprint. Proprietary and third-party AI data centres and models should maintain a low environmental footprint, with energy efficiency and sustainability considered in technology selection and deployment.

7.9 Prohibited AI Practices. The Company will not use or deploy AI systems involving manipulative practices, exploitation of human vulnerabilities, social scoring or unauthorised biometric surveillance, including systems that fall within prohibited AI practices under the EU *Artificial Intelligence Act* (EU AI Act).

8. Oversight

8.1 The Technology Department, Legal Department and Customer Service Department jointly oversee privacy and information security and guide the day-to-day implementation of this Policy. The Board of Directors oversees implementation of the information security and privacy framework and relevant key performance indicators.

Sun Art Retail Animal Welfare Policy

1. Purpose

Sun Art Retail Group Limited ("Sun Art Retail" or the "Company") recognises the importance of farm animals in providing nutritious meat, dairy products and eggs to consumers. As a retailer, the Company recognises that, in addition to protecting the natural ecosystems on which people depend, it has a responsibility to consider animal welfare. Sun Art Retail therefore promotes animal protection and welfare awareness and is committed to continuously improving the welfare of farm animals in its supply chain.

2. Scope

This Policy applies to Sun Art Retail Group Limited its controlled subsidiaries and all operating entities under the Sun Art Retail brand. The Company encourages suppliers, distributors and other stakeholders to apply the principles of this Policy.

3. Responsibilities

This Policy is approved and issued by the Board of Directors, which bears ultimate responsibility for animal-welfare governance. The ESG Management Committee, together with the Merchandising Department and the OEM Department, is jointly responsible for interpreting, guiding and overseeing this Policy.

Relevant functional departments and the ESG Working Group are responsible for initiating, reporting on and effectively implementing the Company's animal-welfare initiatives.

8.2 Information security and privacy governance is integrated into the Group's risk and compliance management system. The Company conducts internal audits of compliance and engages independent third-party audits where necessary.

9. Supplementary Provisions

9.1 Matters not addressed by this Policy, or any inconsistency between this Policy and applicable laws, regulations or normative documents, shall be governed by those laws, regulations or normative documents.

9.2 This Policy is formulated, amended and interpreted by the relevant departments of the Company and takes effect on the date of approval by the Company.

9.3 This Policy is reviewed annually and may be updated as necessary or amended promptly following material regulatory or technological developments.

4. Policy Statement

Sun Art Retail supports the United Nations Sustainable Development Goals, particularly Climate Action, Responsible Consumption and Production, Life on Land and Partnerships for the Goals, and demonstrates its commitment to animal.

4.1 The Five Freedoms of Animal Welfare

Suppliers of applicable product categories must observe the following Five Freedoms of animal welfare:

4.1.1 Freedom from hunger and thirst, through ready access to fresh water and a diet that maintains full health and vigour;

4.1.2 Freedom from discomfort, through the provision of an appropriate environment, including shelter and a comfortable resting area;

4.1.3 Freedom from pain, injury and disease, through prevention or rapid diagnosis and treatment;

4.1.4 Freedom to express normal behaviour, through sufficient space, appropriate facilities and the company of the animal's own kind; and

4.1.5 Freedom from fear and distress, through conditions and treatment that avoid mental suffering.

4.2 Use of Antibiotics

Suppliers of applicable product categories must observe the following requirements concerning the use of antibiotics:

Antibiotics and other veterinary medicines may be used only to treat animal disease and must be administered in

accordance with strict veterinary approval procedures and applicable laws and regulations.

Sun Art Retail Supplier Code of Business Conduct

Sun Art Retail Group Limited ("Sun Art Retail" or the "Company") attaches great importance to lawful and responsible supply-chain operations. All suppliers that provide products or services to Sun Art Retail and its wholly owned or controlled subsidiaries ("Sun Art Retail Suppliers") must comply with applicable laws, regulations and industry standards in the jurisdictions where they operate, protect the ecological environment, fulfil their social responsibilities, maintain sound governance and promote sustainable development.

As a supplier to Sun Art Retail, we undertake to comply with the following Supplier Code of Business Conduct established by Sun Art Retail Group Limited.

1. Non-Discrimination

1.1 Every employee of a Sun Art Retail Supplier must be treated fairly and with respect, regardless of appearance, gender, race or any other protected characteristic. Discrimination, harassment and unfair treatment are prohibited, and employees must be protected from retaliation, intimidation and other abuse.

2. Prohibition of Forced Labour

2.1 Sun Art Retail Suppliers must not employ involuntary, coerced, trafficked, bonded or otherwise forced labour under any circumstances.

2.2 Suppliers must not unlawfully restrict workers' freedom of movement, retain identity documents, require deposits or financial guarantees, or make deductions from wages beyond those permitted by law.

3. Prohibition of Child Labour

3.1 Suppliers must comply with all laws and regulations relating to minimum working age, must not employ persons below the lawful minimum age or engage in any form of child-labour exploitation, and must maintain controls to prevent the inadvertent employment of child labour.

3.2 Suppliers must verify age during recruitment. Persons under 18 must not be assigned to night work or to work that may harm their health, safety, physical or mental development, or morals.

4. Freedom of Association and Collective Bargaining

4.1 Suppliers must respect workers' lawful rights to freedom of association and collective bargaining.

5. Working Hours and Overtime

5.1 Suppliers must comply with applicable laws and regulations concerning working hours, rest periods and leave and must not unilaterally extend normal working hours.

5.2 Overtime must be voluntary and must comply with applicable legal requirements.

6. Wages and Benefits

6.1 Suppliers must provide employees with full, fair and timely wages and benefits in accordance with all applicable laws and regulations.

7. Health and Safety

7.1 Suppliers must ensure that employees comply with applicable health and safety operating procedures and documentation requirements. They must establish and implement health and safety management systems appropriate to their operations.

7.2 Suppliers must identify and rectify workplace hazards promptly, manage hazardous substances properly, and implement adequate safeguards to prevent fires, explosions, leaks and other incidents, protect personnel and minimise the risk of injury.

8. Business Ethics

8.1 Suppliers must prohibit corruption and bribery in all forms, comply with applicable anti-corruption laws and regulations in the jurisdictions where they operate, and observe the requirements of the *Integrity Commitment Letter*.

8.2 Suppliers must conduct business in accordance with the principles of fair competition.

9. Information Disclosure and Privacy Protection

9.1 Suppliers must accurately disclose information relating to products, services and prices in accordance with applicable laws, regulations, industry standards and guidelines. They must not make false or misleading statements about their own or a competitor's products, services, performance or track record.

9.2 Suppliers must not disclose information concerning Sun Art Retail publicly without the prior knowledge and consent of Sun Art Retail.

10. Environmental Protection

10.1 Suppliers must comply with applicable national and local environmental laws and regulations, explore energy-saving and resource-efficiency technologies, conserve resources, handle waste lawfully and responsibly, and protect ecological balance.

10.1.1 Sun Art Retail encourages suppliers to use clean, efficient, economical and safe energy in their operations.

10.1.2 Sun Art Retail encourages suppliers to protect biodiversity in accordance with international and national standards, avoid adverse impacts on biodiversity and ecosystems, and maintain ecological balance.

10.1.3 Sun Art Retail encourages suppliers to manage water use systematically, use water resources responsibly, establish long-term improvement plans, improve water-use efficiency and reduce water intensity.

10.1.4 Sun Art Retail encourages suppliers to control pollutant emissions effectively throughout production and operations and to pursue sustainable development.

10.1.5 Sun Art Retail encourages suppliers to consider the impacts of climate change, establish appropriate climate-related targets and plans, and take action to address climate change.

10.1.6 Sun Art Retail encourages suppliers to protect forest resources and pursue sustainable forestry practices.

10.1.7 Sun Art Retail encourages suppliers to obtain recognised environmental certifications, including environmental management system certification, and to maintain sound environmental management practices.

11. Animal Welfare

11.1 Suppliers of applicable product categories must observe the Five Freedoms of animal welfare:

11.1.1 Freedom from hunger and thirst, through ready access to fresh water and a diet that maintains full health and vigour;

11.1.2 Freedom from discomfort, through the provision of an appropriate environment, including shelter and a comfortable resting area;

11.1.3 Freedom from pain, injury and disease, through prevention or rapid diagnosis and treatment;

11.1.4 Freedom to express normal behaviour, through sufficient space, appropriate facilities and the company of the animal's own kind; and

11.1.5 Freedom from fear and distress, through conditions and treatment that avoid mental suffering.

11.2 Antibiotics and other veterinary medicines may be used only to treat animal disease and must be administered in accordance with strict veterinary approval procedures and applicable laws and regulations.

12. Genetically Modified Products

12.1 Suppliers must clearly label any supplied product containing more than 0.9% genetically modified material.

The supplier confirms that it has carefully read and fully understood the legal implications of each provision of this *Supplier Code of Business Conduct*. The supplier agrees to comply with this Code and to accept the supervision of Sun Art Retail Group Limited.

Sun Art Retail Labor Human Rights and Diversity Policy

1. Purpose

To further standardise human rights practices and clarify the Company's management philosophy on labor practices and diversity, ensuring that the human rights management of Sun Art Retail Group Limited ("Sun Art Retail" or the Company) complies with or conforms to all applicable laws and regulations in the locations where it operates, and to implement effective response measures, thereby establishing a diverse, equal, inclusive, and respectful working environment, this policy is hereby promulgated.

2. Scope

This policy applies to Sun Art Retail Group Limited, its controlled subsidiaries, and all operating entities under Sun Art Retail. We encourage suppliers, distributors, and other business partners and stakeholders to adopt this policy as a reference.

3. Responsibilities

3.1 This policy is approved and promulgated by the Board of Directors as the highest responsible body. The ESG Management Committee and the Human Resources Department are jointly responsible for the interpretation, guidance, and supervision of this policy.

3.2 Each functional department and the ESG Working Group are responsible for the execution and reporting of the Company's human rights matters and for their effective implementation.

4. Human Rights and Diversity Commitment

Sun Art Retail respects and recognizes the content of international human rights conventions such as the *United Nations Universal Declaration of Human Rights*, the *International Covenant on Economic, Social and Cultural Rights*, and the *United Nations Guiding Principles on Business and Human Rights*. In accordance with the *Declaration on Fundamental Principles and Rights at Work* established by the International Labour Organization, we demonstrate the Company's commitment to human rights and diversity:

4.1 Legal Employment

4.1.1 Prohibition of Child Labor

We strictly prohibit individuals under the age of 18 from engaging in any form of work within the scope of Sun Art Retail's operations during recruitment, and we take relevant measures to prevent the misuse of child labor (e.g., verification of identity card photo consistency).

4.1.2 Prohibition of Forced Labor

We strictly prohibit the use of any forced or coerced workers and encourage employees to voluntarily sign employment contracts and mutually choose renewal intentions.

4.1.3 Combating Human Trafficking

We firmly resist human trafficking.

4.2 Anti-Discrimination and Anti-Harassment

4.2.1 Employee Diversity

We strictly comply with the labor standards stipulated by the state in employee recruitment, promotion, training, and compensation and benefits, providing equal opportunities for everyone, regardless of gender, race, age, sexual orientation, skin color, religious belief, physical disability, marital status, or other characteristic factors.

4.2.2 Equal Pay for Equal Work

We provide employees with position-based compensation commensurate with their work capabilities. Compensation for the same position and rank is not affected by factors such as gender or age.

4.2.3 Anti-Harassment and Prohibition of Retaliation

We maintain a zero-tolerance attitude towards harassment (including sexual and non-sexual harassment), bullying, and insults occurring in the workplace and other work-related environments. We will regularly conduct diversity training on workplace discrimination and harassment for all employees, and establish a comprehensive incident reporting and handling mechanism. Once workplace discrimination or harassment is discovered, it will be reported immediately, and corrective and disciplinary measures will be taken, while ensuring employee privacy and safety to prevent unfair treatment and retaliation.

4.3 Freedom of Association and Collective Bargaining

4.3.1 We respect freedom of association. Employees have the right to freely choose whether to join, form, or refuse trade unions and association organizations, subject to compliance with the laws and regulations of the operating locations.

4.3.2 We support and actively promote friendly dialogue and collective bargaining with trade unions and association organizations on matters such as collective labor contracts, compensation and benefits, and employee protection.

4.4 Working Hours, Compensation, and Benefits

4.4.1 Working Hours and Overtime

We strictly comply with the labor laws and regulations of the operating locations, formulating reasonable work plans for employees to ensure they complete corresponding work tasks within legal working hours. For overtime situations during special periods, we fully respect employees' willingness and pay overtime compensation at the corresponding standards required by labor laws and regulations.

4.4.2 Employee Compensation

The compensation we pay to employees complies with all applicable wage laws in the operating locations. We commit that our employees' wages are not lower than the local minimum wage standard, and we pay employees reasonable returns based on the value of their positions.

4.4.3 Statutory Benefits

We commit to paying employees full wages, various social insurances, housing provident funds, and other benefits on time in accordance with national laws and relevant regulations of the various operating locations.

5. Grievance Channels

Sun Art Retail continuously maintains open employee communication and grievance channels. Under the premise of ensuring employee safety and privacy, we encourage employees to file complaints and provide feedback on workplace discrimination, gender harassment, unfair treatment, and other situations via email, public complaint hotlines, and reporting mailboxes. At the same time, we will conduct serious investigations into all employee complaints and feedback. If the situation is verified, we will adopt a "zero tolerance" approach to seriously handle the relevant personnel and promptly provide feedback to employees on the investigation results and handling situation.



Reporting Channel: Ding Talk - Employee Union Complaints

Sun Art Retail Occupational Health and Safety Policy

1. Purpose

Sun Art Retail Group Limited ("Sun Art Retail" or the Company) always prioritizes the health and safety of its employees. By constructing an occupational health and safety assurance system focused on preventing work-related injuries and accidents, and by taking practical safety management and risk prevention actions, we aim to achieve systematic management and continuous improvement, reduce the impact of operational activities on employee health and safety, and create a safe, inclusive, and comfortable working environment for employees, contractors, and customers.

2. Scope

This policy applies to Sun Art Retail Group Limited, its controlled subsidiaries, and the employees, contract workers, and contractors of all operating entities under Sun Art Retail. We encourage suppliers, contractors, distributors, and other stakeholders to adopt this policy as a reference.

3. Responsibilities

3.1 This policy is approved and promulgated by the Board of Directors as the highest responsible body. The ESG Management Committee, the RT-Mart Operations Department, and the Internal Control Department are jointly responsible for the interpretation, guidance, and supervision of this policy.

3.2 Each functional department and the ESG Working Group are responsible for the execution and reporting of the Company's employee health and safety matters and for their effective implementation.

4. Policy Statement

Sun Art Retail strictly complies with the national and local laws and regulations on occupational health and safety in the locations where it operates, including but not limited to the *Work Safety Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, and the *Environmental Protection Law of the People's Republic of China*, as well as applicable international, national, and local industry standards and requirements. We actively respond to the initiatives of the *United Nations Sustainable Development Goals*, particularly targeting goals such as "Good Health and Well-being," demonstrating the Company's commitment to occupational health and safety:

4.1 Management System and Objectives

We encourage all operating sites under Sun Art Retail to comply with the relevant requirements of the ISO 45001 Occupational Health and Safety Management System, identify positions that affect safety performance at each operating site and define their corresponding

responsibilities, further review the level of occupational safety and health management through regular performance audits, and actively implement improvement measures. We commit to setting quantitative OHS objectives at multiple levels of the organization, regularly reviewing and following up on our progress against objectives and indicators, and continuously improving the OHS management system.

4.2 Occupational Health and Safety Management

We ensure that all personnel of the Company comply with all operational procedures and documentation requirements related to health and safety operational activities. At the same time, we promote the formulation of safety protection management systems tailored to the actual conditions of grassroots organizations and strictly enforce them. We actively identify and respond to workplace safety hazards, properly manage hazardous materials on a daily basis, and take adequate safety protection measures to prevent accidents such as fires, explosions, or leaks during storage and use, ensuring personnel work safety and preventing personal injury incidents. We commit to integrating occupational health and safety risk management and assessment into all business processes, formulating effective action plans and priorities, and continuously enhancing our management level in responding to risks.

4.3 Safety Awareness Education and Communication

We actively advocate for a transparent occupational health and safety culture, continuously improve the safety awareness education system, regularly carry out a series of safety training activities covering all employees, effectively enhance the practical results of team safety learning and employee safety skills, and emphasize safety precautions, emergency response, and relevant case explanations to employees, thereby reducing safety risks and the likelihood of employee injuries. We are committed to ensuring consultation with and participation of all employees and employee representatives (where applicable) in all matters related to occupational health and safety. The Company commits to emphasizing transparency in environmental, health, and safety matters and maintaining open dialogue with internal and external stakeholders.

4.4 Safety Prevention Practical Drills

We regularly arrange offline fire safety drills, anti-terrorism drills, power outage drills, and other safety drills at various operating sites to help employees correctly and proficiently master the proper use of relevant fire safety tools, and to strengthen employees' emergency response capabilities and self-protection abilities in emergency situations such as fires, attacks, and power outages.

Applicable Laws and Regulations

<i>Environmental, Social and Governance Reporting Code</i>	<i>Law of the People's Republic of China on the Prevention and Control of Occupational Diseases</i>
<i>Company Law of the People's Republic of China</i>	<i>Food Safety Law of the People's Republic of China</i>
<i>Securities Law of the People's Republic of China</i>	<i>Advertising Law of the People's Republic of China</i>
<i>Code of Corporate Governance for Listed Companies</i>	<i>Cybersecurity Law of the People's Republic of China</i>
<i>Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited</i>	<i>Law of the People's Republic of China on the Protection of Consumer Rights and Interests</i>
<i>Corporate Governance Code</i>	<i>Information Security Technology — Personal Information Security Specification</i>
<i>Provisions on the Prohibition of Using Child Labour</i>	<i>National Food Safety Standard — General Standard for the Labelling of Prepackaged Foods</i>
<i>Labour Law of the People's Republic of China</i>	<i>National Food Safety Standard — General Rules for Nutrition Labelling of Prepackaged Foods</i>
<i>Labour Contract Law of the People's Republic of China</i>	<i>Administrative Provisions on Food Labelling</i>
<i>Social Insurance Law of the People's Republic of China</i>	<i>Environmental Protection Law of the People's Republic of China</i>
<i>Law of the People's Republic of China on the Protection of Rights and Interests of Women</i>	<i>Energy Conservation Law of the People's Republic of China</i>
<i>Regulation on Work-Related Injury Insurance</i>	<i>Water Pollution Prevention and Control Law of the People's Republic of China</i>
<i>Anti-Unfair Competition Law of the People's Republic of China</i>	<i>Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste</i>
<i>Anti-Money Laundering Law of the People's Republic of China</i>	<i>SB/T 10814-2012 Guidelines for Supermarket Waste Management</i>
<i>Interim Provisions on Banning Commercial Bribery</i>	
<i>Patent Law of the People's Republic of China</i>	
<i>Trademark Law of the People's Republic of China</i>	
<i>Work Safety Law of the People's Republic of China</i>	

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Retail Group Limited