



南順(香港)有限公司
Lam Soon (Hong Kong) Limited

A Member of the Hong Leong Group

(Stock Code : 411)



2026

Environmental, Social and
Governance Report

ABOUT LAM SOON

Lam Soon has been publicly listed on The Stock Exchange of Hong Kong Limited ("HKEX") since 1972. The Group is principally engaged in the manufacturing, trading and processing of food and home care products in Hong Kong, Macau and Chinese Mainland. The Group comprises a broad portfolio of famous brands including "Knife", "Red Lantern", "AXE", "Labour", "Golden Statue", "American Roses", "Royal Sakura" and "Double Peach".

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Message from the Board



The Board of Directors (the “Board”) of Lam Soon (Hong Kong) Limited (the “Company” or “Lam Soon”, together with its subsidiaries, the “Group”) is pleased to present the Environmental, Social and Governance (“ESG”) Report of the Group for the financial year ended 30 June 2026.

Amid an increasingly complex operating environment and the growing impact of climate change, sustainability remains integral to the Group’s long-term growth and resilience. We remain committed to growing our businesses responsibly, balancing environmental and economic considerations and creating positive impact for our stakeholders.

During the year, the Board and the Board Audit and Risk Management Committee (“BARMC”) continued to oversee the Group’s sustainability priorities, risks and opportunities. Following the establishment of our 2029/30 environmental and social targets last year, we maintained our focus on translating these into measurable actions. We implemented various measures and initiatives, from improving resource efficiency and advancing clean energy adoption to supporting employee development and strengthening workplace safety. We also systematically monitored, tracked and reported performance across our business divisions to assess progress, reinforce accountability and guide further action. An overview of our progress and key achievements across the four sustainability pillars is presented in the newly introduced “2025/26 Key ESG Performance Highlights” section of this report.

Recognising that climate resilience is critical to our long-term success, we continued to strengthen our climate governance, risk assessment and reporting capabilities. These efforts support our response to the enhanced climate-related disclosure requirements under the ESG Reporting Code of HKEX. During the Reporting Period, a preliminary exercise has been commenced to collect and consolidate Scope 3 greenhouse gas emissions data in accordance with the GHG Protocol, laying the groundwork for more

comprehensive climate-related disclosures. We also expanded our reporting scope to include our Shanghai and Guangzhou offices, improving the coverage and completeness of our ESG disclosures and advancing our readiness for future alignment with HKFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information.

Our progress is made possible by the commitment and capabilities of our people. As a key step forward, we launched an internal ESG capacity-building programme to equip relevant teams with the knowledge and strengthen their ability to integrate ESG considerations into decision-making and day-to-day operations. This investment in our people is helping to embed sustainability leadership and build the capabilities needed to advance our ESG agenda across the Group.

Beyond our operations, we seek to create positive impact across the communities and industries connected to the Group. During the year, we supported those affected by the tragic fire at Wang Fuk Court in Tai Po through a HK\$2 million donation to the Support Fund. We also contributed to industry talent development by supporting the Hong Kong and Macao regional selection for the iba-UIBC Cup of Bakers 2027. These initiatives reflect our focus on addressing community needs, creating shared value and contributing to a more inclusive and resilient society. Our sustained commitment to the community was recognised with the “Caring Company” award for the nineteenth consecutive year.

We would like to thank our employees, business partners, customers and other stakeholders for their continued support, feedback and contributions to our ESG journey. Going forward, we remain steadfast in our commitment to enhancing our sustainability performance, strengthening the resilience of our businesses and creating long-term value for our stakeholders and the wider community.

About This Report

Reporting Standard

This is the tenth ESG report (the “Report”) of the Company, highlighting its ESG performance, with disclosure reference made to the ESG Reporting Code as set out in Appendix C2 on the Rules Governing the Listing of the Securities (“Listing Rules”) and Guidance issued by the HKEX. The Group has complied with all the “comply or explain” provisions set out in the ESG Reporting Code during the Reporting Period (as defined below).

Reporting Period

From 1 July 2025 to 30 June 2026 (the “Reporting Period”).

Reporting Scope

This Report covers the Group’s overall ESG performance in the manufacture and distribution of food and home care products in Hong Kong and Chinese Mainland, which accounted for 98% of the Group’s total revenue during the Reporting Period. The ESG data and information presented primarily relate to the Group’s major operational sites, including:



Hong Kong

- the Lam Soon Building comprising its management and sales offices, an edible oil plant, and a logistics fleet



Chinese Mainland

- the office in Shenzhen
- the office in Shanghai
- the office in Guangzhou
- the five flour mills in Shekou, Yixing, Jintan, Qionglai and Qingzhou
- the edible oil plant in Shekou
- the home care product plant in Guangzhou
- the specialty fats plant in Jintan

Reporting Principles

Materiality



We focus on issues with high importance to the Group and our stakeholders. Various material sustainability issues were identified through our interaction with internal management and staff as well as external stakeholders. These material sustainability issues form the basis for preparing this Report.

Quantitative



In order to set a measurable target and evaluate the ESG performance more objectively, quantitative information is provided, where appropriate. A data collection tool is used to record and monitor various environmental and social indicators.

Balance



We review and disclose our achievements, areas for improvement and future action plans in this Report to provide an overall picture of our ESG performance.

Consistency



Unless otherwise stated, the methodologies used in this Report are consistent with the prior year for meaningful comparisons of ESG data over time.

Approval

The Board oversees the sustainability management and performance of the Group and undertakes overall responsibility for the Group's ESG strategy and reporting. The BARMC assists the Board, amongst others, to oversee the Group's ESG risks and opportunities and monitor the ESG reporting progress. This Report was reviewed and approved by the Board on 7 September 2026.

Feedback

The Group welcomes stakeholders' feedback on our ESG approach and performance. Please contact us via email at esg@lamsoon.com.

Sustainability at Lam Soon

2025/26 Key ESG Performance Highlights

PILLAR 1

Towards a Greener Future

The Group

- Generated 999,387 kWh of solar electricity across Hong Kong and Chinese Mainland operations.
- Achieved over 99% recovery rate for non-hazardous waste, with 100% recovery of food waste, metals, paper, plastics and sludge.
- The Group and its Food and Home Care Divisions remained on track with their targets on electricity, GHG emissions, water and waste intensities.

Food Division

- Generated 764,997 kWh of renewable electricity at the Jintan Flour Mill, accounting for approximately 5.0% of its total electricity consumption.
- Packaging standardisation initiatives across five flour mills delivered annual savings of approximately RMB200,000 while reducing packaging material consumption.

Home Care Division

- 40% of the wastewater in the home care product plant treated and reused for flushing, cleaning and landscaping.
- Reduced cleaning water usage for switching production lines from 150 tonnes to 120 tonnes, with a goal to further decrease it to 100 tonnes.

PILLAR 2

Empowering our People

The Group

- Achieved 100% employee training coverage.
- Delivered 30,912.5 training hours, representing a 100.3% increase year-on-year.
- Launched a new ESG Capacity-Building Programme.
- Maintained zero employee work-related fatalities.

Food Division

- Implemented targeted capability-building initiatives. Test results showed a 15-20% improvement in employee proficiency.
- Strengthened workplace safety through specialised dust explosion prevention systems and emergency drills across flour mills.

Home Care Division

- Achieved 100% occupational health and safety training coverage.
- Conducted a Regional Annual Business Planning course to strengthen employees' business planning capabilities.

PILLAR 3

Conducting Business with Honour

The Group

- Maintained ISO 9001 certification across all operations.
- Recorded zero major product recalls or product safety incidents during the Reporting Period.

Food Division

- Maintained ISO 22000, HACCP and/or FSSC 22000 certifications across flour and edible oil production facilities.

Home Care Division

- Continued to undertake anti-counterfeiting initiatives targeting online and offline counterfeit products, including legal action against alleged counterfeiters.
- Maintained product quality certifications, including China Environmental Labelling Product certification.

PILLAR 4

Caring for our Community

The Group

- Provided immediate relief to fire-affected communities through a HK\$2 million donation to the Support Fund for Wang Fuk Court in Tai Po.
- Received the "Caring Company Award" for the nineteenth consecutive year.

Food Division

- Supported local baking SMEs and agricultural products through the China International Bakery Exhibition.

Home Care Division

- Donated RMB100,000 from the sales of designated AXE product sold to animal care initiatives to support stray animal welfare.

Approach to Sustainability

Our Core Values

The Group continues to strive for excellence in its day-to-day business operations and embrace the following core values in all aspects. These values are instrumental in driving sustainable growth and development.



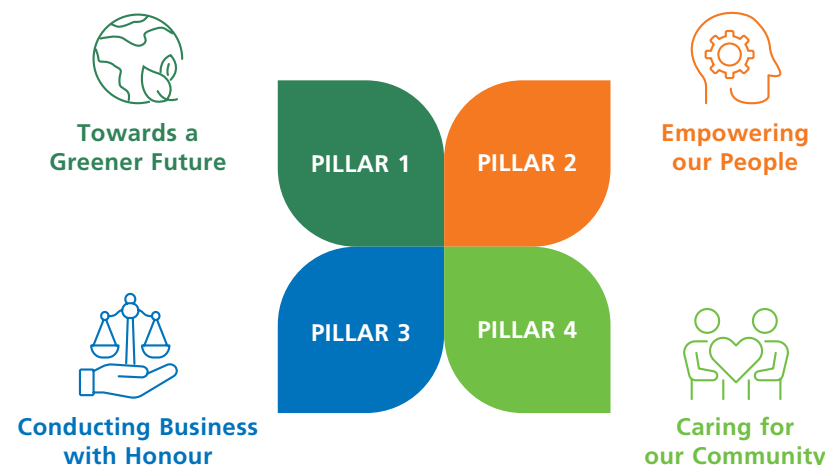
Our Sustainability Mission and Vision

Building on a tradition of creating shared value for stakeholders and local communities, the Group has continuously advanced the integration of sustainability into its business to foster a stronger and more resilient organisation. Guided by our mission of “Lam Soon Sustainability Value Creation”, we are committed to: growing our businesses responsibly, balancing environmental with economic considerations, and creating long-term value to our stakeholders while making a positive contribution to our communities.

Four-Pillar Approach to Sustainability

With strong ESG governance as a key driver of business success, the Group established an integrated four-pillar approach to manage ESG issues regarding the environment, human capital, corporate governance and social capital. We have also identified the United Nations Sustainable Development Goals (“UNSDGs”) where we can make the most impactful contributions and have integrated them into our ESG management.

Mission - Lam Soon Sustainability Value Creation



Sustainability Management

Sustainability Governance

The Group recognises that a strategic focus on sustainability, coupled with the effective management of ESG and climate-related risks, is instrumental in creating long-term value for its business, employees, customers, the environment, and the broader society.

The Group established the Sustainability Governance Structure, under which the Board oversees the Group's sustainability management and performance, and assumes overall accountability for ESG and climate-related strategies, risks, opportunities and disclosures. The Group is committed to maintaining full compliance with all applicable legal and regulatory requirements, including those prescribed under the latest Listing Rules.

Sustainability Governance Structure at Lam Soon

Board of Directors

- To have overall responsibility for the Group's ESG and climate-related matters and to oversee the sustainability and climate change risk management, opportunities and performance of the Group.
- To track the progress of target achievement and Key Performance Indicator ("KPI") performance over the year.

Board Audit and Risk Management Committee

- To assist the Board to oversee the Group's overall risk management and governance issues including, among others:
- To oversee, review and evaluate the Group's ESG and climate-related issues, risks, opportunities and strategies, and progress against ESG and climate-related goals and targets.
 - To review ESG and climate-related risk and issue policies and practices, recommend to the Board, and ensure an effective ESG and climate-related risk management system.
 - To ensure proper internal procedures and systems for reporting and maintaining accurate ESG and climate-related data in compliance with relevant laws and regulations.
 - To review the adequacy of staff resources, qualifications and experience for ESG and climate-related performance and reporting, and related training attended during the financial year.
 - To review the annual ESG Report and ensure proper disclosure and compliance with the ESG Reporting Code for submission to the Board.

ESG Task Force

- Chief Executive Officer
- Chief Financial Officer
- General Managers of business units
- Heads of various functions

- To develop and oversee ESG and climate-related strategies and to monitor overall ESG and climate-related performance.
- To implement the strategies, setting their respective actions and goals, and devising and implementing related plans and policies.
- To work with business units and departments on a regular basis to collect data, track operational performance and coordinate the preparation of the ESG report.

Group internal audit department

- To work with the ESG Task Force, the business units and functions to assist the ESG and climate-related data validation for ensuring the consistency of data source and standard, and to strengthen the accuracy of the ESG and climate-related data.

During the Reporting Period, the Group implemented a process to monitor progress towards targets and KPI performance. The BARMC and the Board are regularly updated on the results, enabling effective oversight of ESG performance and issues.

The Group's Enterprise Risk Management ("ERM") Framework consists of ESG and major climate-related risks, ensuring the integration of risk management and internal control processes into daily operations and strategic decision-making. The BARMC conducts regular reviews of the Group's risk registers and risk profile reports, which include the major climate-related risks in the ERM Framework. The Group adopted a systematic approach under the ERM Framework to identify, assess, treat, monitor, and report risks which impact the sustainability of the business. Physical risk and transition risk were identified, assessed, and prioritised as our climate-related risks within the ERM Framework. Measures were implemented to manage risks within the Group's risk appetite to strengthen resilience.

To inform the Group's mitigation strategies, we also conducted a scenario analysis to assess the potential impacts of material climate risks across short-, medium-, and long-term.

Materiality and Stakeholder Engagement

Stakeholder Engagement

The Group values input and feedback from its stakeholders as they bring potential insights to the Group's business. To ensure its business focus remains relevant, the Group commissioned an independent consultant to conduct stakeholder survey and materiality assessments previously to engage and gauge feedback from internal and external stakeholders. We also regularly interact with our stakeholders and understand their expectations through a range of communication channels. Through identifying areas of improvement and maintaining close communication with various stakeholders, the Group aims to continually enhance its ESG performance and management.

Stakeholder Group	Communication Channel
Management and Employees	Annual conferences Appraisal sessions Employee engagement and team building activities Internal e-newsletter and E-post Interviews Intranet Meetings Mediation team Labour union Notice boards
Customers	Trade exhibitions Product Launches/Demonstrations Customer hotlines Customer satisfaction surveys Websites and social media platforms
Investors/Shareholders	Annual and interim reports Annual General Meeting ("AGM") Official website Press releases and announcements
Suppliers and Business Partners	Tendering and procurement communication Regular evaluation Conference calls Meetings Workshops
Industry Association/Regulators/Media	Industry forum Official website Press releases and announcements
Community Partners/NGOs	Community engagement ESG report Social media Volunteering and charitable activities

Materiality Analysis

The Group previously conducted a comprehensive stakeholder engagement which involved over 100 stakeholders via surveys to collect their feedback and recommendations on our ESG performance in various topics, and in which we asked stakeholders to rank the relative importance of each sustainability issue to the Group on a scale of 1 to 5 (with “1” being not important at all and “5” being very important). Based on the industry trend and benchmarks, we identified a total of 17 sustainability issues (as shown in the table below). During the Reporting Period, we have reviewed the material topics.

A materiality matrix was developed from the results of the stakeholder engagement exercise conducted with internal and external stakeholders through an online survey. ESG issues for disclosure in this Report were identified by considering the relevance of each ESG issue to the operations and stakeholders of the Group.

Upon analysing the survey results and adjusted by peers’ materiality, 12 issues were identified within the “Priority” area, while the remaining 5 issues were identified within the “Significant” and “Moderate” areas of the materiality matrix. Among all issues, “product quality and safety”, “business ethics and compliance” and “climate change mitigation and adaptation” were the top three material sustainability issues. The results in the materiality analysis were reviewed and endorsed by the Board.

Material Topics & Materiality Matrix

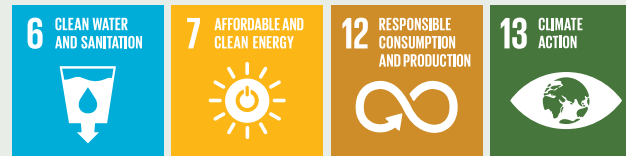
Pillar 1	Pillar 2	Pillar 3	Pillar 4
Towards a Greener Future	Empowering our People	Conducting Business with Honour	Caring for our Community
- Carbon emissions and energy efficiency - Water and effluent management - Waste management - Sustainable packaging Climate change mitigation and adaptation	- Equal opportunities - Fair labour practices - Employee welfare, health and safety, and engagement - Employee development	Product quality and safety - Ethical marketing - Responsible sourcing - Cyber security and data privacy - Corporate governance Business ethics and compliance - Product nutrition and health	Community investment



Pillar 1: Towards a Greener Future

The Group recognises that environmental stewardship is integral to the resilience and long-term sustainability of its business. We are committed to managing our environmental footprint through the efficient use of energy, water and materials, while proactively addressing climate-related risks and opportunities. Across our operations, we continue to promote resource efficiency, reduce emissions and waste, and advance sustainable packaging solutions. By embedding environmental responsibility into our daily operations and corporate culture, we strive to support a cleaner, more resilient and more sustainable future for our employees, customers, communities and other stakeholders.

UNSDGs Involved in This Chapter



Material ESG Topics Involved in This Chapter

- Carbon emissions and energy efficiency
- Water and effluent management
- Waste management
- Sustainable packaging
- Climate change mitigation and adaptation

The Group strictly enforces compliance with applicable environmental laws, regulations and regulatory requirements in the jurisdictions where it operates, covering areas such as air and GHG emissions, wastewater discharge, waste management, soil pollution prevention and noise control. The Group monitors relevant regulatory developments and implements appropriate measures to maintain compliance across its operations. During the Reporting Period, there were no cases of material non-compliance with relevant laws, rules and regulations that have a significant impact on the Group relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Environmental Management

The Group is committed to continuously improving its management of emissions, wastewater, solid waste and noise pollution. The International Organisation for Standardisation (“ISO”) 14001 Environmental Management Systems have been adopted across the majority of the Group’s operating sites to support environmental performance monitoring, energy efficiency and emission reduction initiatives, as well as timely responses to severe environmental incidents.

The Group also follows applicable national, provincial, local and industry standards in managing air emissions, wastewater discharge, waste disposal and industrial noise. Independent environmental testing is conducted annually by accredited external laboratories to assess the performance of existing facilities against applicable regulatory requirements and environmental standards. The findings inform ongoing improvements in environmental performance and compliance management.

Environmental parameters, including air emissions, wastewater discharge, solid waste disposal and noise levels, are regularly monitored. Machinery and equipment are also maintained to prevent excessive noise generation and help protect the health and well-being of workers and surrounding communities. During the Reporting Period, the Group did not receive any material complaints from the surrounding communities regarding air, odour, noise, or night light pollution.

To support continuous improvement in environmental performance, the Group has established environmental targets covering GHG emissions, electricity consumption, water consumption and waste generation, with 2029/30 targets tailored to the operational characteristics of its business divisions. The targets were developed with reference to historical operating data, projected production and resource consumption, and the key environmental action plans of the relevant business divisions.

The Group regularly collects environmental performance data from its divisions to track progress against the targets and monitor the implementation and effectiveness of the related action plans. The results are consolidated and periodically reported to management, the BARMC and the Board for review and oversight. The Group will continue to monitor performance against the targets and review the relevance of the underlying baselines and assumptions. Where material changes in operations affect target applicability or comparability, the Group will review and, where appropriate, refine the relevant targets based on updated operating data.

For the Home Care Division, the Conghua plant is currently under construction and has therefore not been included in the current environmental targets. Nevertheless, we have developed internal projections for its electricity consumption, GHG emissions and production to establish an initial intensity benchmark. These projections will serve as a reference during the plant's initial operational phase, and we will formally consolidate the data and revise the final targets for the Home Care Division once actual baseline data becomes available.



Construction site of the Conghua plant

Climate Change Mitigation and Adaptation

Climate change poses significant risks to the long-term sustainability of businesses and communities worldwide. To mitigate potential climate-related risks and impacts, the Group has established a Climate Risk Management Policy that outlines our commitment to climate change mitigation, adaptation, monitoring and reporting. The recommendations of the Task Force on Climate-related Financial Disclosures have been incorporated into our climate risk management framework to strengthen the assessment of climate-related risks and opportunities and enhance the quality of our disclosures. The Group will continue to enhance its climate risk management practices to support long-term business resilience and sustainable development.

Governance

The Group adopts a four-tier governance framework for ESG and climate-related matters. The Board, with support from the BARMC, has ultimate oversight of the Group's ESG strategy, including the identification, assessment and management of climate-related risks and opportunities. The BARMC regularly reviews the Climate Risk Management Policy to ensure its continued relevance and effectiveness in supporting the Group's evolving climate approach.

Climate change risk is also being actively monitored within the Group's ERM Framework while the business units and departments of the Group are responsible for establishing and implementing relevant risk management actions to mitigate climate risks to an acceptable level. The ESG Task Force oversees the execution and effectiveness of these measures and reports regularly on climate-related matters, emerging disclosure requirements, progress towards emissions reduction targets and related action plans to the Board on a quarterly basis. The Group internal audit department conducts annual review of ESG and climate-related performance data to enhance data accuracy and reliability, supporting effective climate risk monitoring and ESG reporting.

To enhance Directors' understanding of ESG and climate-related matters, focused training on ESG and climate is provided periodically. During the Reporting Period, a dedicated climate-related training session was conducted to provide updates on climate-related disclosure requirements and standards, as well as the Group's roadmap for addressing these requirements. In addition, the Group has established a plan to assess the potential financial impacts of climate-related risks and opportunities on its business and long-term development, and will continue to enhance the incorporation of relevant climate considerations into its investment decision-making and capital allocation processes from these assessments.

Please refer to the section of "Sustainability Management" in this Report for more information.

Strategy

Recognising the growing importance of climate resilience to long-term business success, the Group continued to enhance its understanding of climate-related risks and opportunities during the Reporting Period. An external consultant was engaged to conduct a comprehensive review based on previous assessment outcomes, with the aim of identifying climate-related factors that may materially influence Lam Soon's operations, business strategy and financial performance.

Climate-related Physical Risks

Physical Risks		Business Impacts	Financial Implications	Mitigation and Adaptation
Acute	Flooding and extreme rainfall	- Property damage, including products and raw materials. - Risks to employee safety and hindrance to commuting, potentially causing disruptions in manufacturing plant operations. - Hindering transportation of raw materials, potentially interrupting supply chains.	- Costs in repairing the damage coupled with the pause in operating activities during affected periods could decrease profits and potentially lead to asset impairment losses. - Increase in capital expenditure to implement preventive measures and additional operating costs related to emergency response and recovery efforts.	The Group has formulated a Flood Prevention Contingency Plan that clearly defined the roles and responsibilities of personnel in the event of anticipated flooding and cyclones. The plan supported timely emergency response and helped mitigate the risk of injuries, operational disruptions and economic losses arising from natural disasters.
	Cyclones			
Chronic	Extreme heat	- Discomfort, health issues and low productivity of employees. - A rise in energy usage for storage and manufacturing facilities as a result of heightened air conditioning and refrigeration demands and therefore in most instances, CO₂ emissions.	Increase in capital expenditure to retrofit cooling systems in manufacturing plants as well as additional operating expenditure to run the units.	- The Group strengthened employees' awareness of heat stress management through regular guidance and emergency drills. - The Group also implemented measures such as staggered working hours, provision of cooling facilities and other workplace heat-relief arrangements for outdoor workers.
	Water scarcity	Limited access to water can disrupt manufacturing operations, leading to lower output, particularly in food manufacturing processes that rely heavily on water (e.g., specialty oil plant).	- Increase in capital expenditure or operational costs as Lam Soon may need to invest in water-saving technologies or use alternative sources. - Higher water prices could further strain financial resources.	

Climate-related Transition Risks and Opportunities

Transition Risks/Opportunities		Business Impacts	Financial Implications	Mitigation and Adaptation
Policy and Legal	Mandates on and regulation of existing products and services	There is a broad portfolio of effective policy instruments available to remove existing barriers to decarbonise. China's dual carbon goals (i.e., peak carbon emissions before 2030 and achieve carbon neutrality by 2060) and Hong Kong's Climate Action Plan 2050. Companies that are not prepared for likely policy changes over the next decade could face a loss of competitiveness.	Increase in commitment on climate ambition on a country and regional level may cause an increase in costs for transitioning to cleaner energy sources.	The Group maintained an internal guideline on the procurement of hybrid electric vehicles, which aimed to further reduce fuel consumption and GHG emission. In addition, the Group continued to advance its renewable energy initiatives through solar PV installations in Hong Kong and the Chinese Mainland, including Hong Kong and Jintan, and planned projects in Shekou and Yixing, to support decarbonisation and energy resilience.
	Implementation of carbon pricing	There is an increasing probability of GHG emission trading schemes and carbon tax establishment in Hong Kong, as well as the national emission trading schemes operating in Chinese Mainland, which already imposes compliance costs on power generators and plans to expand to other sectors. Lam Soon may face new compliance burdens in the near future.	The carbon pricing mechanisms will likely induce extra operational costs on regulatory compliance in carbon markets, reducing profitability.	The Group closely monitored carbon pricing developments in Hong Kong and Chinese Mainland, strengthen its internal GHG emissions management, and implemented energy efficiency and emission reduction measures to better prepare for potential compliance obligations and reduce exposure to future carbon-related costs.
Market	Shifts in consumer preferences	Consumers now strongly favour products and packaging with lower carbon footprints, driven by increasing environmental awareness. If Lam Soon fails to adapt, it may lose market share as consumers increasingly choose greener alternatives.	- Decline in revenue due to market share loss. - Increase in costs due to reactive measures to lower carbon footprints.	The Group continued to minimise packaging materials through measures such as offering refill pouches, replaceable packaging, bulk delivery and light packaging options. Its manufacturing plants also adopted reusable crates, recyclable labelling materials and recycling practices for non-food packaging materials.
	Fluctuated cost of raw materials, utility supplies and services	The utilities market faces uncertainties in the shift to low-carbon systems, with changes including but not limited to investment on renewable energy generation systems. Policies, regulations, and technological changes can alter supply and demand, potentially causing volatility and affecting energy prices as markets adapt. Increase in energy prices as utility providers pass through additional costs.	Lam Soon would be burdened by additional cost for power, paired with the likely additional associated heating and/or cooling cost for the buildings.	The Group has implemented measures including phasing out certain old equipment, upgrading lighting systems and advancing its renewable energy initiatives to enhance energy efficiency and reduce electricity cost.

Climate-related Scenario Analysis

The Group has engaged an independent consultant to undertake a climate-related scenario analysis covering its major operational sites to support its assessment of the potential implications of climate change. Conducted in alignment with the requirements of the ESG Reporting Code, the analysis examined the potential effects of climate-related risks and opportunities under different scenarios and provided insights at both the regional and site levels to support long-term climate resilience planning.

Assessment Framework



Scope

Operational sites covered within the scope of the Report



Time Horizons

Short Term – 2030
Medium Term – 2040
Long Term – 2050

Climate Scenarios and Selected Pathways



Low Emission Scenario

A global mean temperature rise of 1.5°C to 2°C by 2100



High Emission Scenario

A global mean temperature rise of above 3°C by 2100



Physical Risk Pathways

Shared Socio-Economic Pathway 1-2.6 ("SSP 1-2.6"); and Shared Socio-Economic Pathway 5-8.5 ("SSP 5-8.5")



Transitional Risk Pathways

Network for Greening the Financial System ("NGFS") Net Zero 2050; and NGFS Current Policies

Low Emission Scenario

High Emission Scenario

Pathways associated with climate-related physical risks

SSP 1-2.6

A low-emissions pathway limiting warming to ~1.8°C by 2100. This scenario aligns with the Paris Agreement's 2°C target through rapid decarbonisation and sustainable development.

SSP 5-8.5

A very high-emissions pathway projecting 4.4°C warming by 2100. Considered a high-risk, fossil-fuel-intensive pathway, it exceeds Paris Agreement's goals and involves catastrophic impacts such as significant habitat loss and extreme weather.

Pathways associated with climate-related transition risks

NGFS Net Zero 2050

This pathway limits global warming to 1.5°C through immediate, stringent climate policies and rapid technological innovation, achieving net-zero CO₂ emissions by 2050. It requires sectoral transformations and carbon pricing to balance transition risks via coordinated decarbonisation.

NGFS Current Policies

This pathway maintains climate measures that are currently implemented, leading to high emissions and 3°C+ warming. Transition risks escalate in the post-2030 period as delayed action forces abrupt policy shifts. Limited negative emissions result in higher long-term costs, contributing to instability in the financial system.

The assessment evaluated the Group's exposure to climate-related risks and the resilience of its business under various plausible climate scenarios. The findings provide insights into potential climate-related risks and opportunities, enabling the Group to proactively implement appropriate response measures and support informed decision-making to enhance long-term business resilience and sustainable value creation.

Climate-related Scenario Analysis Results: Physical Risk Exposure

Region	SSP 1-2.6				SSP 5-8.5			
	Flooding and extreme rainfall	Cyclones	Extreme heat	Water scarcity	Flooding and extreme rainfall	Cyclones	Extreme heat	Water scarcity
Hong Kong	●	●			●	●	●	
Jiangsu			●	●		●	●	
Shandong			●	●			●	●
Guangdong	●		●		●	●	●	
Shanghai		●	●	●			●	

● The presented results covered regions containing the sites with high exposure level¹ in either short-, medium- or long-term time horizons. The flour mill in Qionglai, Sichuan, was assessed as having risk exposure levels ranging from medium to very low.

Climate-related Scenario Analysis Results: Transition Risks Exposure

	Change in carbon price against baseline year 2020			Change in energy price against baseline year 2020		
	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term
Net Zero 2050	High	High	High	Low	Low	Low
Current Policies	Low	Low	Low	Very Low	Very Low	Very Low

Level of Decrease Very Low Low Medium High Very High

Level of Increase Very Low Low Medium High Very High

The scenario analysis highlighted that several of the Group's operational sites may be exposed to physical climate risks, particularly extreme rainfall and flooding. While these risks remain uncertain in timing and magnitude, recent weather-related incidents have provided practical insights into the potential operational and financial implications of acute climate events, as well as the Group's response and measures to strengthen operational resilience.

¹ Exposure level is determined by evaluating the potential severity and likelihood of each climate-related risk.

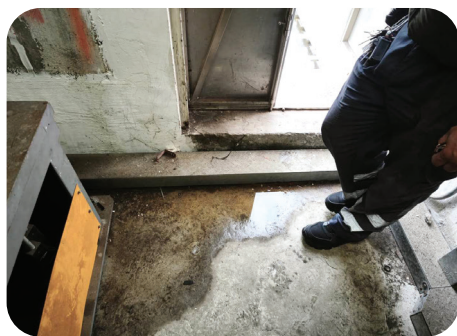


Responding to Extreme Rainfall at Our Hong Kong Office

In May 2026, a severe storm and continuous heavy rainfall affected the Group's facilities in Hong Kong. The incident resulted in temporary flooding at the main entrance gate and water ingress into the machine room of the cargo lift. As a safety measure, lift operations were temporarily suspended for safety inspection and repair. Prompt remedial actions were undertaken to safeguard personnel, restore normal operations and strengthen preparedness for extreme weather events in the future.

To minimise operational disruption, the Group promptly engaged an engineering company to clear the blocked drains and adjusted internal logistics arrangements during the repair period. Related recovery, repair and resilience enhancement works are carried out, mainly comprising drainage clearance, lift repair works and the subsequent installation of a rain canopy outside the lift machine room. The rain canopy helps reduce the risk of rainwater ingress through the ventilation windows, thereby protecting key lift components and enhancing the facility's resilience to heavy rainfall and typhoons.

This incident provided practical insights into the potential operational and financial implications of acute physical climate risks, supporting the Group's continued resource allocation and implementation of targeted adaptation measures.



Drainage clearance and lift repair work sites

Risk Management

The Group has a Climate Risk Management Policy in place to guide the identification, assessment, prioritisation, monitoring and management of climate-related risks and opportunities. The Policy sets out the Group's overall approach to integrating climate considerations into its risk management and business decision-making processes. The Policy defines climate risk as a cross-cutting risk that may affect the Group's strategy, finance, commercial activities and operations. In identifying and assessing climate-related risks and opportunities, the Group considers relevant internal and external information, including its operating locations, value chain activities, business models, greenhouse gas emissions, regulatory developments and location-specific climate hazards. Scenario analysis is also applied to assess the resilience of the Group's businesses under different plausible climate pathways and identify areas for further mitigation and adaptation.

The Group has incorporated material climate-related risks into its ERM Framework, embedding climate risk considerations into its risk management processes, operational activities and business decision-making. Climate-related physical and transition risks are identified and assessed based on their potential likelihood and impact and are prioritised alongside other enterprise risks. The relevant business units and departments develop and implement appropriate mitigation and adaptation measures, while the BARMC regularly reviews the Group's material climate-related risks through the risk registers and risk profile reports.

The Group will continue to monitor and review material climate-related risks and opportunities, taking into account changes in operating conditions, regulatory developments and the results of scenario analysis. The findings will inform the prioritisation of risks, development of mitigation and adaptation measures, resource allocation and the Group's ongoing climate resilience planning.

Metrics and Target

We annually disclose our energy and GHG performance, providing transparent information about our fuel consumption and Scope 1, 2 and 3 GHG emissions.

We have set electricity and GHG emission reduction targets with target year of 2029/30 to support the Group's transition towards a lower-carbon future. For details of our Scope 1, 2 and 3 emissions, targets and progress, please refer to the "Carbon Emissions and Energy Efficiency" section in this Report.

Carbon Emissions and Energy Efficiency

Energy Efficiency Management

The Group has implemented various policies and initiatives to improve energy efficiency across its operations. The edible oil plant in Shekou has established the Energy Resource Management Procedure to enhance the management of the power system, ensuring a reliable supply of electricity for production and office facilities. Additionally, this procedure encourages a safe and rational use of energy while considering the environmental impact. The specialty fats plant has implemented the Energy Resource Management Control Programme to enhance energy and resources management, while the home care product plant has established the Electricity Management Regulation to raise employees' awareness and promote efficient electricity use.

Energy Efficiency Targets

The Group established electricity intensity targets tailored to the operating circumstances of its business divisions². The targets are based on stable operational data from 2023/24 for the Food Division and 2024/25³ for the Home Care Division, together with projected production, consumption and planned ESG actions.

Base Year	Target Year	Division	Target Detail	Base Year Performance	2025/26 Progress
2023/24	2029/30	Food Division	To reduce electricity intensity by 3%	77.88 kWh/tonne of production volume	On Track
2024/25 ³	2029/30	Home Care Division	To reduce electricity intensity by 2%	26.19 kWh/tonne of production volume	On Track

² The 2029/30 electricity consumption intensity targets of the Food Division cover five flour mills in Shekou, Yixing, Jintan, Qionglai and Qingzhou, the specialty fats plant in Jintan, and the edible oil plants in Shekou and Hong Kong. The 2029/30 electricity intensity targets for the Home Care Division cover the home care product plant in Guangzhou.

³ The 2024/25 base year for the Home Care Division reflects fundamental operational changes in production model taken place since 2024/25 to handle production of increased product categories with a higher frequency of line changeovers and increase in production shifts.

Energy Efficiency Measures

Lam Soon implements energy conservation measures ranging from procedural changes to equipment upgrades. Key initiatives include:

Business Operations	Energy conservation initiatives
Hong Kong Office	The Group has planned to replace three chillers at Lam Soon Building in Hong Kong. The first replacement, completed in June 2024 and partially funded by the CLP Eco Building Fund, has saved approximately 97,500 kWh of electricity since its completion in 2023/24.
Shekou edible oil plant	- Turned off lighting in the packaging area and certain electrical appliances during non-production periods including lunch breaks. - Operated central air conditioning on a set schedule to conserve energy. - Shortened operation time of mixers at the sewage treatment station. - Revamped the central air conditioning system in the perfusion workshop which is estimated to save 8,900 kWh of electricity consumption per year. - Replaced electric lights with solar lights in the tank area.
Flour mills	- Planned to upgrade to low-energy motors in a phased approach. - Implemented variable frequency drives for equipment with high energy consumption, such as air compressors, to reduce energy intensity.
Specialty fats plant	- Implemented centralised production scheduling to reduce downtime and minimise electricity consumption and lower energy costs. - Establish ongoing energy consumption assessments with high energy-consuming equipment to be gradually replaced or phased out based on assessment results.

Energy Performance in 2025/26

During the Reporting Period, the Group consumed 58,020,803.49 kWh of electricity, compared with 56,994,178.93 kWh last year. The Group's overall energy intensity was 86.59 kWh/per tonne of production volume. Energy consumed by the Group included electricity, natural gas, liquefied petroleum gas ("LPG"), petrol and diesel.

For further details of the Group's energy performance, please refer to the ESG Performance Table in the Appendix.

GHG Emissions Management

The Group manages and monitors GHG emissions across its operations to identify major emission sources and support the implementation of appropriate reduction measures. To enhance the accuracy and credibility of its disclosures, the Group engages an independent third-party institution to review and verify relevant GHG emissions data. Since 2013, a qualified third-party verifier has been appointed to verify the GHG emissions data of Shekou flour mill in accordance with the Specification with Guidance for Quantification and Reporting of the Organisation's GHG Emissions (SZDB/Z 69-2018), as part of its commitment to the national Emission Trading Scheme operating in Chinese Mainland.

GHG Emission Reduction Targets

We have set targets tailored to each of our business divisions⁴, reinforcing our commitment to reducing GHG emissions. Food Division and Home Care Division targets are based on the stable operational data of the base year 2023/24 and 2024/25 respectively, together with projected production and consumption and the key ESG action plans to be implemented. The Group's GHG emission intensity targets cover its combined gross Scope 1 and Scope 2 GHG emissions, without deducting carbon offsets or avoided emissions.

In 2025/26, the Food and Home Care Divisions recorded GHG emissions intensities of 0.043 and 0.014 tonnes of carbon dioxide equivalent ("tCO₂e") per tonne of production, respectively, representing reductions of approximately 10.4% and 12.5% from their respective base years and placing both divisions well ahead of their 2029/30 reduction targets.

Base Year	Target Year	Division	Target Detail	Base Year Performance	2025/26 Progress
2023/24	2029/30	Food Division	To reduce GHG emission intensity by 3%	0.048 ⁵ tCO ₂ e/tonne of production volume	On Track
2024/25	2029/30	Home Care Division	To reduce GHG emission intensity by 2%	0.016 ⁵ tCO ₂ e/tonne of production volume	On Track

GHG Emission Reduction Measures

To drive GHG emission targets, Lam Soon has developed a comprehensive approach. Our key action plans include:

- Purchasing green electricity
- Discontinuing the use of natural gas
- Establishing a new solar PV system
- Replacing old motors and roots blower systems with new and energy-efficient alternatives

To reduce Scope 1 GHG emissions, the Group selects refrigerants with a lower Global Warming Potential where practicable. The Group has planned to gradually replace three chillers at Lam Soon Building in Hong Kong, substituting R22 refrigerant with R134a refrigerant. The first chiller replacement was completed in June 2024. Also, the Group has an internal guideline on the purchase of hybrid electric vehicles aiming at further reducing fuel consumption and Scope 1 GHG emissions.

⁴ The 2029/30 GHG emission intensity targets of the Food Division cover five flour mills in Shekou, Yixing, Jintan, Qionglai and Qingzhou, the specialty fats plant in Jintan, and the edible oil plants in Shekou and Hong Kong. The 2029/30 GHG emission intensity targets for the Home Care Division cover the home care product plant in Guangzhou.

⁵ The base year performance of the target has been restated following recalculation.

As part of its efforts to reduce Scope 2 GHG emissions, the Group took part in the Renewable Energy Feed-in Tariff Scheme through 542 solar PV modules installed on the rooftop of Lam Soon Building in Hong Kong. Since commencing operation in November 2019, the solar PV system has generated a total of 1,602,501 kWh of electricity as of June 2026, which was supplied to CLP's power grid.

In Chinese Mainland, a 0.7 MW solar PV system was installed in the flour mill in Jintan. At the Shekou flour mill, a solar power project with a planned generation capacity of 400 kW and estimated average annual electricity generation of 400,000 kWh is under development, with roof load-bearing capacity testing underway during the Reporting Period. Our flour mill in Yixing plans to establish solar PV system for the warehouse in 2026/27. These projects will also serve as a source of electricity supply to mitigate the risk of operation disruption during peak demand in electricity and achieve carbon reduction across the operation processes.



The 220-kW solar PV modules installed at the roof top of Lam Soon Building in Hong Kong



The 0.7-MW solar PV modules installed in the flour mill in Jintan

Group Green Energy Contribution

HONG KONG



Total Renewable Electricity
Generated

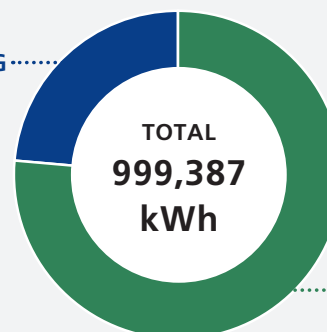
234,390 kWh



Generated Savings

HK\$957,000

HONG KONG.....
23.5%



JINTAN
76.5%

JINTAN



Total Renewable Electricity
Generated

764,997 kWh



Generated Savings

RMB 234,000

GHG Emissions Performance in 2025/26

The Group measures its GHG emissions in accordance with the GHG Protocol, which provides a recognised and consistent basis for quantifying emissions across its business operations and monitoring performance over time. The Group defines its organisational boundary based on the operational control approach, covering operations over which it has operational control. The GHG accounting methodology remained consistent with the previous reporting period to support comparability, while Scope 2 emissions were calculated using the location-based approach. Where actual activity data was unavailable, estimates were made using the best available operational data and applicable emission factors to provide a reasonable and consistent representation of the Group's GHG emissions.

During the Reporting Period, the Group's business operations resulted in GHG emissions of 32,407 tCO₂e, mainly carbon dioxide, methane, nitrous oxide and hydro fluorocarbons. The overall intensity of the GHG emissions for the Group remained stable at 0.04 tCO₂e/tonne of production volume, compared with the prior year. The major sources of GHG emissions for the Group came from production activities, canteen operations and motor vehicles. The GHG reported arose from the following activities and scopes:

- Direct (Scope 1) GHG emissions from the combustion of various fuels in stationary and mobile sources, and release of refrigerants;
- Energy Indirect (Scope 2) GHG emissions from purchased electricity; and
- Other Indirect (Scope 3) GHG emissions from business air travel, freshwater and sewage processing, and paper waste disposal at landfills.

For further details of the Group's GHG emissions performance, please refer to the ESG Performance Table in the Appendix.

While the Group's decarbonisation efforts have primarily focused on improving energy efficiency and reducing Scope 1 and Scope 2 GHG emissions from its own operations, we recognise the importance of progressively extending our focus to emissions across the value chain. As a first step, the Group has commenced a pilot Scope 3 GHG emissions data collection and consolidation exercise in accordance with the GHG Protocol during the Reporting Period. We will continue to enhance the comprehensiveness, quality and coverage of Scope 3 data collection and enhance related disclosures in future reporting periods to support effective value chain decarbonisation efforts.

Water and Effluent Management

Water Resource and Effluent Management

The Group has established policies and guidelines on water management to regulate water consumption practices of employees, such as the Water Management Regulations, to ensure the effective protection and sustainable utilisation of water resources through standardising employees' practices regarding water usage.

The Group consumes water for its production and domestic activities. Water consumed by its Hong Kong operations was supplied by the Water Supplies Department in Hong Kong, whilst water consumed by its Chinese Mainland operations was sourced from the municipal water supply system in their respective locations. There was no issue identified in sourcing water that was fit for purpose. The plants have water tanks in place to store water for emergency use.

All discharges from production and domestic activities are pre-treated on-site through regularly maintained grease traps and septic tanks. On-site wastewater treatment facilities are installed in some of our operational sites for advanced sewage treatments⁶. 40% of the wastewater in the home care product plant is treated and reused for flushing, cleaning and landscaping, while the majority of the pre-treated wastewater enters the sewage collection system and discharges to a nearby municipal sewage pipe network system.

The treated effluent discharged by our operational sites fulfilled the requirements of permitted discharge limits set by the *Discharge Limits of Water Pollutants (DB44/26-2001)*. The home care product plant monitors chemical oxygen demand ("COD") in real time.

During the Reporting Period, the home care product plant engaged third-party testing organisation to measure COD, with a result of 20 mg/L well-below the discharge limit of 500 mg/L. Chinese Mainland's third-level emission standards were met. The specialty fats plant adheres to the guidelines set forth in the *Wastewater Quality Standards for Discharge to Municipal Sewers (CJ343-2010)*, as well as other relevant national industrial pollutant discharge standards and urban domestic sewage treatment system acceptance standards. The edible oil plant in Shekou performs regular third-party wastewater testing and the sampling results of COD, pH value, total suspended solids, and oil and grease were all within the relevant permissible levels during the Reporting Period.

⁶ Since the flour mills did not generate industrial wastewater, and the wastewater generated by the edible oil plant in Hong Kong was minimal, there were no on-site wastewater treatment facilities provided in these plants.

Water and Effluent Performance in 2025/26

During the Reporting Period, the Group consumed 193,842 m³ of freshwater, with a water consumption intensity of 0.27m³/tonne of production volume.

For further details of the Group's water performance, please refer to the ESG Performance Table in the Appendix.

Water Conservation Targets

To drive meaningful water conservation without disrupting operations, we have set water consumption intensity targets tailored to each of our business divisions⁷. Food Division and Home Care Division targets are based on the stable operational data of the base year 2023/24 and 2024/25 respectively, combined with projections of future production and consumption taking into account the key ESG action plans to be undertaken.

Base Year	Target Year	Division	Target Detail	Base Year Performance	2025/26 Progress
2023/24	2029/30	Food Division	To reduce water consumption intensity by 5%	0.13 m ³ /tonne of production volume	On Track
2024/25	2029/30	Home Care Division	To reduce water consumption intensity by 2%	1.47 m ³ /tonne of production volume	On Track

Water Conservation Measures

The Group persistently reduces water loss by maintaining and upgrading its water supply pipeline system, reducing water consumption through upgrading water-saving devices and reusing wastewater whenever possible. Some water-saving initiatives include:

- Using cooling water recirculation system for cooling towers;
- Installing automatic faucets;
- Re-using purified reverse osmosis water for toilet flushing and greening of plant areas;
- Inspecting regularly and promptly repairing leaking water pipes and faucets;
- Recycling steam condensate for oil heating;
- Installing flow-regulating toilets and water-saving toilets;
- Redesigning production plan to produce products with common fragrance ingredients to minimise the water needed for changeover cleaning; and
- Collaborating with HR to educate and promote behavioural change in water conservation.

Our factories implement a range of water-saving initiatives tailored to their specific needs and capabilities, including:

Manufacturing plants	Water-saving initiatives
Home care product plant	• Reduced cleaning water usage for switching production lines from 150 tonnes to 120 tonnes.
Specialty fats plant	• Implemented centralised production scheduling to group similar products together, thereby reducing the water consumption needed for cleaning. • Achieved a water reuse rate in the cooling tank of the refrigeration system exceeding 98%. • Recycled condensate from steam generated from softened water.

⁷ The 2029/30 water consumption intensity target of the Food Division covers five flour mills in Shekou, Yixing, Jintan, Qionglai and Qingzhou, the specialty fats plant in Jintan, and the edible oil plants in Shekou and Hong Kong. The target also covers our Hong Kong office, as it shares one master water meter with the Hong Kong edible oil plant, located in the same building. The 2029/30 water consumption intensity target for the Home Care Division covers the home care product plant in Guangzhou.

Waste Management

Non-hazardous Waste and Hazardous Waste Management

The Group has established multiple policies to facilitate waste management. Our edible oil plants have implemented the Waste Management Procedure to ensure proper waste control, disposal, and mitigate pollution and personal hazards associated with waste, while the flour mills and the home care product plants have established the Waste Control Programme to maintain ecological balance, reduce waste pollution to the surrounding environment, and effectively manage the disposal of various waste materials generated by the Group. Waste Management Control Programme has been implemented in the specialty fats plant to assist proper waste management and mitigate pollution to the surrounding ecological environment.

The Group is committed to reducing waste generated in our manufacturing plants and offices and ensuring that both hazardous and non-hazardous wastes are well-managed.

To prevent potential harm to human health through contamination of soil, air and water resources, the Group is committed to implementing proper and timely treatment of hazardous wastes and non-hazardous wastes that require strict control by engaging qualified service providers for collection and further handling. For hazardous wastes, we have appointed licensed operators in accordance with applicable industry standards to collect and handle hazardous wastes prior to disposal. For non-hazardous wastes, centralised waste collection, storage and transfer facilities for on-site solid wastes are available in accordance with national standards to improve recycling rates. Commercial wastes are transferred to designated collection points; other recovery, including scrap metals and waste paper, are collected and repurposed by qualified recyclers.

Additionally, for offices, waste recycling bins are installed in the offices to encourage paper recycling. Waste Separation Bins was placed at lobby of Lam Soon Building for collection of paper, plastic bottles and metals.

Waste Reduction Targets

We have set waste intensity targets tailored to each of our business divisions⁸, designed to adapt to the regional waste diversion restrictions and to enhance our commitment to source reduction. Food Division and Home Care Division targets are based on the stable operational data of the base year 2023/24 and 2024/25 respectively, combined with projections of future production and consumption taking into account the key ESG action plans to be undertaken.

Base Year	Target Year	Division	Target Detail	Base Year Performance	2025/26 Progress
2023/24	2029/30	Food Division	To reduce waste intensity by 6%	0.85 ⁹ kg/tonne of production volume	On Track
2024/25	2029/30	Home Care Division	To reduce waste intensity by 2%	7.44 kg/tonne of production volume	On Track

Waste Reduction and Recycling Measures

Our manufacturing plants have established the following initiatives to reduce waste generation:

- Recycles the empty chemical containers by the raw material suppliers;
- Establishes the “Waste Management Procedure” and sets up various recycling stations, to facilitate better classification of wastes for storage and disposal;
- Generates economic benefits from non-hazardous wastes, by selling them to recognised recycling companies; and
- Turns waste into energy through food waste collection.

⁸ The 2029/30 waste intensity target of the Food Division covers five flour mills in Shekou, Yixing, Jintan, Qionglai and Qingzhou, the specialty fats plant in Jintan, and the edible oil plant in Shekou and Hong Kong, The 2029/30 waste intensity target for the Home Care Division covers the home care product plant in Guangzhou.

⁹ The base year performance of the target has been restated following the scope expansion of non-hazardous waste data collection.

During the Reporting Period, the edible oil plant in Shekou also prioritised the use of high-quality containers and standardised the number of steel supports used at container loading bays to five per container. These measures helped reduce material consumption and the generation of scrap metal during container transportation and handling.

During the Reporting Period, Lam Soon has maintained its collaboration with the Environmental Protection Department (“EPD”) on waste reduction initiatives in Hong Kong. We continued our food waste collection programme, under which food waste is converted into energy. Since 1 June 2023, we have arranged for the collection of food waste in our canteen. The EPD’s appointed service provider collects the food waste on a daily basis and transports it for further treatment, ultimately transforming it into energy. As of 30 June 2026, approximately 22,200 kg of food waste has been collected in total.

To drive the waste targets, Lam Soon has developed a comprehensive approach. Our key action plans for the coming years include:

- Developing partnerships with recycling specialists to transform cleaning materials into raw materials for other companies, diverting them from waste streams;
- Engaging suppliers to negotiate a closed-loop system for the recovery and recycling of raw material packaging; and
- Collaborating with the research and development and quality departments to optimise production changeover processes through technical adjustments to reduce wastewater and sludge volumes.

Waste Performance in 2025/26

The Group generated an approximate total of 52,840 kg of hazardous waste with an intensity of 0.07 kg/tonne of production volume and 1,171,853 kg of non-hazardous waste with an intensity of 1.60 kg/tonne of production volume during the Reporting Period. Hazardous wastes generated include waste with organic solvent, waste with mineral oil, waste with dye and coating, selenium and mercury-containing wastes, pesticide wastes and other wastes (i.e. waste containers, capacitors and oil wipes). Non-hazardous wastes generated comprised food, paper, plastic, scrap metal, sludge and commercial wastes. Over 99% of the non-hazardous wastes were recovered during the Reporting Period, with 100% recovery rates achieved for food waste, scrap metal, sludge, waste paper and waste plastic.

For further details of the Group’s waste performance, please refer to the ESG Performance Table in the Appendix.

Pollution Control

All air-borne emissions are strictly monitored by the Ministry of Environmental Protection of the PRC. All sampling results from our plants were within permissible levels stated by various emission standards, including the *Determination of Toxic Substances in Workplace Air – Chloride (GBZ/T 160.37-2004)*. The specialty fats plant also meets the requirements under the *Determination of Toxic Substances in Workplace Air Part 73: Methyl Chloride, Dichloromethane, Chloroform and Carbon Tetrachloride (GBZ/T 300.73-2017)*.

Specifically, the home care product plant has established the “Environmental Protection Control Procedures for New Projects”, which focuses on reducing pollution caused by construction and renovation activities.

The Group has made much effort on air pollution reduction through various initiatives at our operational sites. The flour mills are equipped with dust collector systems for collection and removal of airborne dust generated during the flour production processes. When the air passes through the filter, the flour dust is captured and circulated back to the production processes. Then the filtered air is released into the atmosphere via exhaust pipes mounted on the building’s walls or roof. The filters and exhaust pipes are constantly being monitored by the production team. Our operational sites have invested to upgrade all forklift trucks to electric-powered models, resulting in lower fuel consumption and reduced emission. The staff canteen uses electricity rather than LPG to reduce air pollution caused by catering service. Fume exhaust generated from canteen operations in other plants is purified by electrostatic precipitator before releasing into the atmosphere.

In addition, the Group commissions an independent third-party organisation to conduct annual testing on air pollutions, and the results confirm compliance with applicable environmental regulations and requirements.

Sustainable Packaging

The Group has established multiple policies for our manufacturing plants to monitor and regulate the use of sustainable packaging, detailed specifications and testing requirements for packaging materials such as polyethylene terephthalate (“PET”) oil bottles, paper boxes, labelling to ensure compliance with sustainability standards.

Packaging materials consumed by the Group were mainly recyclable materials including plastic, cotton bags and paper. Packaging materials were sourced from external suppliers, with constant inspection on quality, particularly on their safety and hygiene performances. During the Reporting Period, a total of 16,968 tonnes of packaging materials have been consumed for finished products, representing a consumption intensity that remained stable at 0.02 tonnes/tonne of production volume compared with the prior year.

The Group has been proactively exploring ways to reduce the use of packaging materials and promoting products with replaceable packaging to reduce the consumption of plastic pumps. Additionally, we offer customers the option to purchase refill pouches and products with refill available to reduce the use of packaging.

Furthermore, the edible oil plant in Shekou adopted nitrogen filling technology to address the issue of sunflower oil bottle deformation and reduce bottle weight. The weight of sunflower oil bottles has been reduced by 15g per bottle. Based on an expected annual production volume of approximately 1.2 million bottles of sunflower oil, the initiative is anticipated to save 18 tonnes of PET annually.

The following practices were implemented by our manufacturing plants to minimise packaging materials:

- Offer bulk delivery and light packaging to reduce the consumption of packaging materials;
- Evaluate packaging suppliers annually for compliance assurance;
- Reduce the use of non-recyclable resources for packaging;
- Apply various re-using and recycling methods to non-food packaging materials, such as re-using as turnover box, or recycling by recognised handlers;
- Adopt recyclable labelling materials, such as replacing polyvinyl chloride (“PVC”) based labelling materials with those made of PET;
- Offer package products with crates which can be reused; and
- Require packaging material suppliers to reduce packaging weight.



Standardising Flour Packaging to Reduce Material Use

During the Reporting Period, Lam Soon advanced sustainable packaging through a packaging standardisation project across its five flour mills, covering valve sacks, paper-plastic sacks and bran sacks. Key measures included removing paper brand restrictions for valve sacks, adopting unified paper-plastic sack specifications with fewer paper layers, and increasing the proportion of additives used in bran sacks from 10% to 60%–100%. The optimised solution is expected to generate annual savings of around RMB200,000, while ensuring quality requirements, reducing the number of paper layers and the difficulty for suppliers in paper stocking, making it more environmentally friendly and efficient, and strengthening brand consistency.



Pillar 2: Empowering our People

The Group strives to cultivate a workplace where fairness, respect and care are embedded in our daily practices, and where employees feel safe, supported and inspired to grow. Through upholding fair labour practices, promoting employee well-being, safeguarding occupational health and safety, and encouraging open communication and engagement, we seek to build a culture in which our people can thrive. We also remain committed to providing equal opportunities and supporting continuous development, enabling our employees to realise their potential while contributing to the long-term success of the Group.

UNSDGs Involved in This Chapter

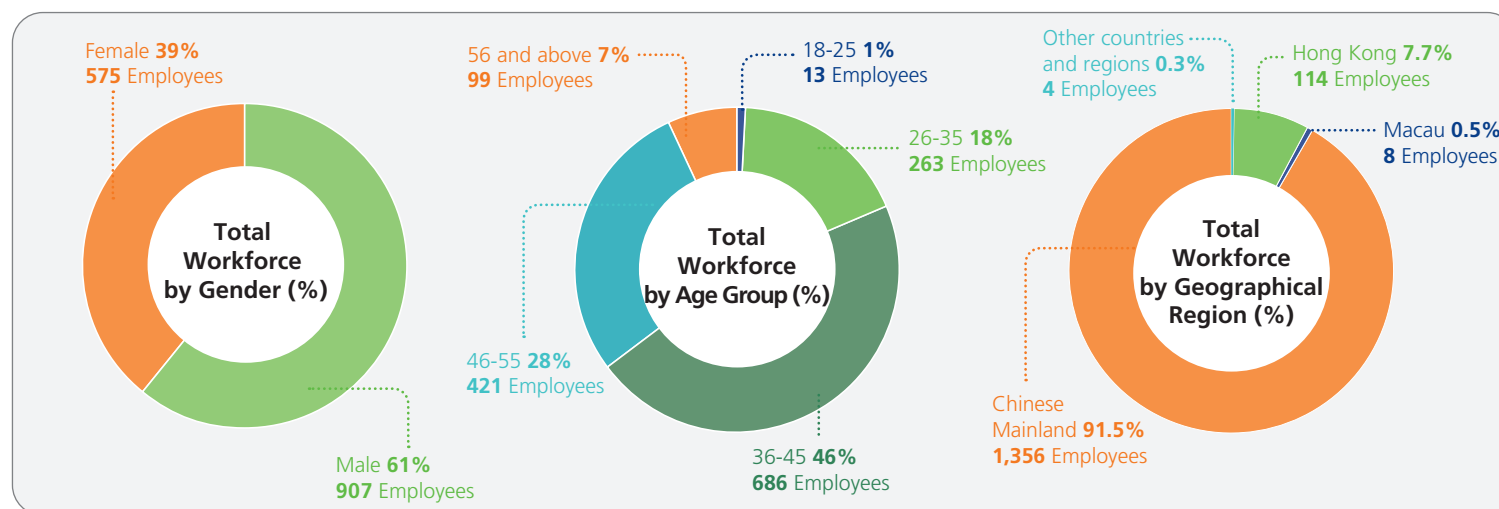


Material ESG Topics Involved in This Chapter

- Equal opportunities
- Fair labour practices
- Employee welfare, health and safety, and engagement
- Employee development

The Group recognises that its employees are central to its long-term success and is committed to fostering a fair, inclusive and supportive workplace. Under this pillar, the Group upholds responsible labour practices and equal opportunities, safeguards employee health, safety and well-being, promotes open communication and engagement, and invests in continuous learning and career development. Through strengthened safety measures, accessible training resources and enhanced performance management, the Group seeks to empower employees to realise their potential and contribute to sustainable business growth.

The Group had a total of 1,482 employees as of 30 June 2026, all of whom were full-time employees. The total workforce categorised by gender, age group and geographical region is shown on the following charts.



Fair Labour Practices

We aim to create a diverse, welcoming culture and a safe working environment in which our people are engaged, nurtured and empowered to realise their full potential.

The Group regards human resources (“HR”) as its most valuable asset. With a mission to create value for its employees, the Group offers attractive career prospects, a wide variety of learning opportunities and a safe working environment.

The Group is, in all material respects, in compliance with the applicable laws of Hong Kong and Chinese Mainland regarding labour rights and employment, including but not limited to *Employment Ordinance*, *Minimum Wage Ordinance*, and *Employees’ Compensation Ordinance of Hong Kong*, and *Labour Law*, *Labour Contract Law*, and *Social Insurance Law of the PRC*.

The Code of Conduct provides our employees with clear requirements on their conduct at work. It sets out the ethical principles and the behaviours expected to be observed by our employees and explains how employees are expected to apply the Group’s values and comply with the laws and regulations that affect its operations.

The HR department continues to implement an appropriate reference checking during the recruitment process to comply with the applicable laws regarding employment and labour standards, such as the *Employment Ordinance of Hong Kong* and *Provisions on the Prohibition of Using Child Labour of the PRC*. Staff Handbook and Children Regulations are in place to outline the standards and approach on labour practices and child labour.

Lam Soon respects employees’ rights and freedom of association. The Group has no formal collective bargaining agreements in effect. In Chinese Mainland, 99.9% of our employees are affiliated with labour unions. In Hong Kong, all employees possess the right and freedom to form and join labour unions.

The Group will take appropriate disciplinary action against anyone who is in breach of any applicable laws, regulations, and ordinance. We have complied with relevant laws and regulations in relation to the prevention of use of child and forced labour during the Reporting Period.

Employee Health and Safety

The safety and wellbeing of employees is a core concern of the Group. To provide a safe and healthy working environment, the Group adopts a rigorous approach to occupational health and safety (“OHS”) management and implements measures to ensure compliance with applicable laws and regulations, including but not limited to the *Law of the PRC on the Prevention and Control of Occupational Diseases*, the *Hong Kong Occupational Safety and Health Ordinance* and the *Hong Kong Employees’ Compensation Ordinance*. The Group also complies with relevant industry-specific safety requirements, including the *Safety Regulations for Dust Explosion Prevention and Protection (GB 15577-2018)*, *Safety Regulations for the Protection of Dust Explosion for Grain Processing (GB 17440-2008)*, *Guide for Pressure Venting of Dust Explosions (GB/T 15605-2008)* and *Safety Specifications for Dedusting Systems Used in Dust Explosion Hazardous Areas (AQ 4273-2016)*. To support effective OHS management across its operations, the Group has established relevant systems and policies to identify, assess and manage OHS risks.

Employee Health & Safety Targets

To enhance overall workplace wellness and demonstrate our commitment to protecting our workforce, we have set Group targets aimed at maintaining a safe work environment, as shown in the table below.

Base Year	Target Year	Target Detail	Base Year Performance	2025/26 Progress
2023/24	2029/30	To reduce lost time injury rate ¹⁰ by 40%	0.34	On Track ¹¹
2023/24	2029/30	Maintain zero employee work-related fatality case	0	0
N/A	2029/30	97% of employees to receive OHS training	N/A ¹²	On Track

¹⁰ Lost time injury rate (LTIR) = (Number of work-related lost time injuries/Total number of hours worked) × 200,000. Work-related lost time injuries refer to lost time injuries that arise from exposure to hazards at work. Other types of incidents that are not connected with the work itself are not included in the calculation. During the Reporting Period, the Group adopted the above methodology to collect and calculate the lost time injury rate. To ensure the accuracy, consistency and comparability of performance data across reporting periods, the data for the base year has been restated where applicable.

¹¹ The LTIR increased in 2025/26 compared with the base year. The Group continues to strengthen its safety management system to support ongoing progress to achieve the 2029/30 target.

¹² The total number of employees receiving training was not categorised by training type in 2023/24. We have improved data collection with the breakdown of OHS training in 2025/26.

Employee Health and Safety Measures

Lam Soon has adopted a comprehensive strategy to improve workplace safety management and achieve employee health and safety targets.

We continuously enhance our protocols and systems to identify and address potential health and safety risks in our working environment. Our flour mill in Shekou conducted annual testing and detection of occupational hazard factors in the workplace to ensure that we provide our employees with a safe working environment. Furthermore, we perform monthly Environmental, Health and Safety (“EHS”) and fire safety investigations at our operational sites to proactively identify and address potential hazards. In addition, offices and canteens are assessed by qualified institutions to ensure that they meet applicable national standards regarding indoor environmental pollution control. Besides, the Group prioritises formaldehyde-free products and wood products from FSC-certified forests when purchasing office furniture to ensure that its employees work in a safe environment.

To raise the safety and health awareness of all employees, we implemented an annual occupational health training system. In addition to the foundational training, a three-tier safety access education mechanism is established for new hires, emphasising awareness of job-specific safety protocols. The Group continued to strengthen employees’ OHS awareness through fire safety and emergency drills at all plants. During the Reporting Period, the edible oil plant in Shekou conducted a fire safety and emergency drill, and organised an annual “Fire Safety Re-education Training” and “Occupational Health Training”, with a 100% coverage of the employees in the plant.

To mitigate occupational disease risks and safeguard health rights, annual or biennial check-ups are offered to employees based on their employment categories and nature, apart from mandatory health check-up before employment. Frontline workers in Chinese Mainland undergo health check-ups annually. Employees exposed to high occupational health risks are offered occupational health checks in accordance with the statutory requirements. Appropriate personal protective equipment (“PPE”) is provided to employees based on their duties performed.

Given the special nature of flour mills, their OHS management is a key focus for the Group.

To address explosion hazards, the flour mills have deployed various explosion protection systems which passed regular inspection from the State Administration of Work Safety (e.g. explosion-proof lighting system and flameless vent installations on dust collectors). Our plants have obtained relevant explosion-proof certifications, ISO 9001, ISO 14001, ISO 22000, Hazard Analysis and Critical Control Point (“HACCP”) and FSSC 22000 certification.

During the Reporting Period, all our flour mills conducted annual dust explosion emergency drills to enhance preparedness for operation-specific risks.



On 2 December 2025, the flour mill in Shekou held a dust explosion emergency drill.

Noise reduction devices have been installed in the equipment of the flour mills such as exhaust fans, air compressors and grinders in accordance with the requirements of the Environmental Impact Assessment Report conducted by the Group’s appointed agencies.

The risk of developing respiratory diseases is high for employees working inside the flour mills, especially if they are not properly protected with adequate PPE. To reduce workers’ exposure to flour dust, effective dust collection devices are installed at all flour mills to ensure that the airborne dust concentration does not exceed regulatory exposure standards. The collected flour dust is filtered through a pulse dust collector, and the filtered air is discharged through a 15-metre-high exhaust stack. Annual assessments are also conducted on the occupational environmental factors.

Employee Health and Safety Performance

The Group maintained zero employee work-related fatalities during the Reporting Period, reflecting its continued focus on safeguarding employee health and safety. During the Reporting Period, 86% of employees received OHS training, helping to strengthen safety awareness and promote a culture of workplace safety across the Group.

Employee Welfare and Engagement

The Group has incorporated an annual salary review and year-end performance bonus mechanism into its remuneration policy. The Group also provides competitive remuneration with various benefits to attract and retain talent. Employment package is regularly reviewed taking into consideration of the market trend, benchmarking the industry's salary and benefit information through salary survey reports conducted by professional consultants. In addition, a share-based award scheme is in place for granting share options and/or free shares of the Company to the eligible employees to align their long-term interests with those of the shareholders and for the purposes of staff motivation and talent retention.

Employees in Chinese Mainland are entitled to year-end bonus, social security insurance and housing fund. Year-end bonus, life and health insurance are provided to employees in Hong Kong upon completion of probationary period. Additionally, staff sale, meals and shuttle bus services are made available to employees according to the actual situation. Fair terms on working hours, holidays, termination of contract, fringe benefits and leave entitlement are stipulated in the employment contracts signed between employees and the Group. Overtime work shall be applied through submission of application forms and approved by departmental supervisors. Any disputes will be settled according to the Group's appeal procedures in an equitable and prompt manner.

Employees are kept informed of the Group's key projects, future directions and latest market strategies, activities, social events and news in the industry through notice boards, intranet, meetings, annual conferences and the internal e-newsletters.

The Group also arranges various onboarding training activities to help new employees adapt to the company culture. During the Reporting Period, the Group organised group meetings and team building activities to enhance employees' sense of belonging and foster staff relationships. Some of the activities organised during the Reporting Period include:



Team building event for Hong Kong Home Care & Oil team in January 2026



Team building events for the Flour Division in Chinese Mainland

Equal Opportunities

Equal opportunities are given to employees in respect of recruitment, training and development, job advancement, and compensation and benefits. Employees are not discriminated against or deprived of such opportunities on the basis of gender, ethnic background, religion, colour, sexual orientation, age, marital status, family status, retirement, disability, pregnancy or any other discrimination prohibited by applicable laws of Hong Kong and Chinese Mainland. Staff Handbook is in place to outline the standards and approach on promoting equal opportunities in the workplace.

The Group maintains a standardised appraisal system to evaluate employees' performance and capabilities and alignment with the Group's business objectives. The framework adopts a dual-dimensional framework comprising Key Result Areas ("KRA"), which assess the achievement of annual performance objectives, and Key Behaviours ("KB"), which evaluate behavioural performance and capability development. Applying consistent and transparent assessment criteria across the Group helps promote objectivity, fairness and equal opportunities in performance evaluation and advancement.

During the Reporting Period, the Group further strengthened its performance management framework through specialised training on KRA setting, the implementation of performance target-setting and mid-year review system, and system guidance training for employees. The appraisal process incorporates two-way dialogue between employees and management, facilitating the joint establishment of measurable performance goals and development plans, while fostering a shared understanding of performance expectations. Assessment results are categorised under a five-tier distribution mechanism to promote fairness and consistency to align individual development goals with the Group's strategic direction. The results also provide a basis for employee promotion, salary increments and career development opportunities.

No material non-compliance with relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare had been identified during the Reporting Period.

Employee Development

With HR as one of its core values, the Group believes that strengthening employees' capabilities creates mutual benefits for both the organisation and the staff individually. We have implemented the Lam Soon Learning Development Management Guidelines to establish a training and development system for our employees, aiming to enhance their professional skills, management capabilities, and personal qualities. Training needs are identified through appraisal sessions with employees. The training provided can effectively address below objectives:



Facilitate the achievement
of the Group's and/or
its departmental targets



Increase productivity in every
aspect of working processes



Enhance employees' satisfaction



Assist employees' career
development

Employee Development Targets

The Group has established targets on employee training to demonstrate its commitment in talent development:

Target Year	Target Detail	2025/26 Progress
2029/30	100% of employees to receive training	On Track
2029/30	To increase the average training hours to 19 hours	On Track

To drive the training targets, Lam Soon has developed a comprehensive approach. Our key action plans include:



Adopting a three-tier assessment
mechanism to align training
priorities with strategic, business
and individual development needs.



Consolidating internal and external
training records through the
E-learning platform, to enhance
data coverage, traceability and
management efficiency.



Workplace Learning & Training Initiatives

The Group offers training opportunities from mandatory training and skill enhancement to the more advanced supervisory skills and managerial development, targeting employees of various levels. Employees are provided with internal and external training on numerous areas, such as job related training, ISO training, OHS training, customs regulations training and IT security awareness training.

To specifically strengthen the capabilities of its sales team and maintain a pipeline of future sales talent, the Group regularly identifies, motivates and develops employees with sales potential. Sales employees receive ongoing training in sales techniques, product knowledge and technical support for product solutions. We deploy a mix of tools through both online and offline channels, including job competency model assessments, case studies on sales practices, and group interviews to assess employees' potential and strengths. We tailor development paths that emphasise practical application and allocate resources for individual talent to foster their continuous growth.

Some training programmes took place during the Reporting Period are highlighted below:

Product-Related Training for All Plants



- Conducted a series of training sessions on flour and oils, specialty oil products and application scenarios, strengthening the baking technology team's skills in flour and specialty fat pairing, lamination techniques and product quality control.



- Provided dedicated yeast training to all technical service team members, covering yeast types, characteristics, usage methods and key baking applications, further strengthening the team's knowledge of raw materials and ability to provide comprehensive technical solutions to customers.

Sales and Cross-departmental Collaboration Training



- Launched the "MRT 'Troika' Collaborative Operations Workshop" and the "Efficient Customer Acquisition Course" for sales managers and supervisors across four regions, strengthening cross-departmental collaboration and customer acquisition capabilities. Following the training, knowledge proficiency in these areas increased by 20% and 15%, respectively.



Sales Team Empowerment Course



Home Care Division Regional Annual Business Planning Course





ESG Capacity Building Programme

To systematically enhance ESG awareness and practical capabilities across all employees, the Group has launched a tiered and categorised ESG Capacity Building Programme. During the Reporting Period, online courses on ESG Data Collection Guidance and ESG Performance Enhancement Strategy were completed. Quarterly ESG newsletters were also published for management, summarising the latest ESG policy trends and industry updates. Going forward, ESG capacity-building will be continuously advanced, to strengthen the skills of staff in ESG-related roles and build stronger ESG leadership across the Group.



Series of ESG-related Trainings

To further enhance the convenience and flexibility of training resources, the Group continued to invest in and optimise its interactive E-learning platform. During the Reporting Period, we launched two workplace competency course series for all employees, covering more than 10 workplace scenarios, including presentation and communication, email writing, WeCom¹³ message handling, meeting etiquette, business dining etiquette and professional attire. Post-course knowledge quizzes were provided to reinforce learning outcomes. We also introduced an “Office Safety Guidelines” course covering office safety inspections, emergency evacuation precautions, electrical safety, safe equipment use and emergency incident response. Employees can arrange their learning progress according to their personal schedules and career development needs, enabling flexible access to high-quality training resources.



Workplace competency course series launched through Lam Soon E-learning platform

¹³ WeCom is an internal communication and collaboration platform that supports employee engagement and day-to-day business operations.

In addition to internal training, the Group provides eligible staff with subsidies or full reimbursement for external courses, workshops and other professional development activities under its training policy. Staff are also encouraged to share the knowledge gained with colleagues, further fostering continuous learning across the Group.

To help new employees integrate into the workplace, the Group provides structured online and offline onboarding support. The “60-Day Learning Journey for New Hires”, available on the Group’s online learning platform, covers four modules: Introduction & Culture, Branding & Safety Education, Policies & Tools, and Learning & Sharing. Complementing the online programme, business supervisors develop tailored probationary plans and provide regular check-ins, mentorship and day-to-day guidance to support employees’ adaptation, development and successful transition into their roles.



Workplace Learning & Training Performance

During the Reporting Period, Lam Soon’s employees received a total of 30,912.5 hours of training, representing an increase of 100.3% compared with 2024/25. The trainings covered a broad range of topics, including IT, OHS, ESG and other various professional skills.

Pillar 3: Conducting Business with Honour



The Group is committed to conducting business responsibly and creating long-term value through ethical and transparent practices. We strive to earn and maintain the trust of our stakeholders by upholding high standards of governance, accountability and integrity across our operations and value chain. By embedding these principles into the way we operate, we seek to strengthen business resilience, foster sustainable growth and contribute positively to the communities we serve.

UNSDGs Involved in This Chapter



Material ESG Topics Involved in This Chapter

- Product quality and safety
- Ethical marketing
- Responsible sourcing
- Cyber security and data privacy
- Corporate governance
- Business ethics and compliance
- Product nutrition and health

The Group integrates responsible business practices into its operations and relationships with stakeholders. This pillar outlines our approach to corporate governance, product quality and safety, responsible sourcing, ethical marketing, product nutrition and health, business ethics and compliance, as well as cyber security and data privacy. Through these efforts, we seek to uphold high standards of conduct, protect the interests of our stakeholders and maintain their confidence in the Group.

Corporate Governance

The Group continuously refines the Company's governance structure to improve the level of governance and safeguard the interests of all stakeholders. The Board recognises that maintaining high standards of corporate governance is an ongoing commitment. During the Reporting Period, the Corporate Governance Code of the Company has been revised with alignment of the applicable legal and regulatory requirements. The Board provides overall leadership and control for the Company and has delegated relevant aspects of the functions to the board committees and management, where appropriate, to assist it in discharging its duties. The Company has been establishing a biennial Board performance review process to evaluate the Board's effectiveness and identify areas for continuous improvement.

Diversity within the Board is crucial for achieving our sustainable strategy and development. Our Board Diversity Policy stipulates that when assessing and selecting candidates for Board succession, the Board Nomination Committee must consider a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service and the ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

For details of the Group's corporate governance practices, please refer to the section of "Corporate Governance Report" in our Annual Report 2026.

Business Ethics and Compliance

The Group upholds a zero-tolerance approach to corrupt practices by employees. To ensure ethical business practices, the Group strictly observes applicable laws, regulations and regulatory documents related to commercial bribery, including but not limited to *Criminal Law and Anti-Unfair Competition Law of the PRC*, and *Prevention of Bribery Ordinance*, *Theft Ordinance*, and *Organised and Serious Crimes Ordinance of Hong Kong*.

The Group has established its Whistleblowing Policy, with the aim to set out and formalise the reporting channels on suspected misconduct, malpractice or non-compliance within the Company. The Group internal audit department will consolidate all cases received, assess the severity of each case and report to the senior management and the BARMC when there is an event of foreseeable significant impact on the Group's operations and/or reputation. The investigation will be conducted in a fair and efficient manner. A whistleblower will be protected from retaliation, adverse employment action or legal action by the Group where the report is made in good faith.

Our whistleblowing channels are:

Email: whistleblowing@lamsoon.com

By post: Group Internal Audit
Hong Kong:
Lam Soon (Hong Kong) Limited
21 Dai Fu Street,
Tai Po Industrial Estate,
Tai Po, New Territories,
Hong Kong

Chinese Mainland:
Lam Soon Group
18th Floor, Lifeng Centre,
Yuexiu District, Guangzhou,
Guang Dong Province,
The People's Republic of China

All information received shall be handled by the Group Internal Audit or other relevant persons instructed by senior management, with the findings reported to senior management and the BARMC. Management may take disciplinary action against any persons found to have committed misconduct, malpractice or non-compliance, and the matter may be reported and information may be provided to the police or relevant authorities/governing or professional bodies as the findings may call for.

Enforcing integrity and transparency across our operations, through stringent anti-corruption and business ethics policies, is imperative in building trust, creating a positive impact and being a good corporate citizen. As we uphold our corporate governance values, the Group acknowledges the importance of anti-corrupt behaviours in establishing itself as a sincere and reputable industry player.

In order to prevent corruptions across the Group, we continuously monitor and look out for unusual activities and provided any relevant information of the suspected case to the Group internal audit department for investigation. The Group has implemented policies on anti-corruption and procedures concerning offering or accepting gifts and gratuities, which require employees to consider the appropriateness of the giving and receiving of gifts and hospitality. Staff handbook and Code of Conduct were disseminated to all employees who are required to become acquainted with and to abide by these policies and procedures.

Our contractors and suppliers will also be required to sign as appropriate with us the anti-corruption policy, to ensure they abide by the same. In addition, our Group has in place training, management systems and internal controls to prevent corruption from occurring.

During the current fiscal year, the Group conducted specialised anti-fraud and enterprise risk management training for all employees. The anti-fraud module used typical industry violation cases as materials to clarify integrity standards and the Code of Business Conduct, enhancing employees' sensitivity to irregular signals and their awareness of proactive reporting. The ERM module systematically introduced foundational methodologies for risk identification, assessment, and response, helping employees in non-specialist roles build a basic understanding of risk management.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws or regulations regarding anti-corruption.



Anti-fraud and enterprise risk management training

Cyber Security and Data Privacy

The Group's legal department assists with the Group's compliance with applicable laws and regulations in data privacy, including the *Personal Data Protection Ordinance of Hong Kong* and the *Personal Information Protection Law of the PRC*. We strictly follow internal policies, manuals, guidelines and procedures on protecting personal data. Before collecting personal data from data providers, they are informed of the purposes of data collection and how it will be used. Procedures on handling, storing, transferring and erasing customers' personal data collected are reviewed periodically. Additionally, we conduct mandatory group-wide IT security awareness training annually to raise awareness and strengthen defence capabilities, further ensuring the Group's sustainable development.

During the Reporting Period, the Group is not aware of any cases of material non-compliance with laws and regulations regarding cyber security and data privacy matters.

Responsible Sourcing

The Group adheres to all applicable laws, rules, and regulations of Hong Kong, Chinese Mainland, and relevant international standards. During the Reporting Period, no cases of material non-compliance were identified.

Our Code of Conduct outlines our commitment in upholding business ethics and integrity and developing long-term relationships with our business partners based upon fairness, mutual trust and benefit. We also have procurement management, supplier management and evaluation policies in place which specify the Group's procurement principles. The policies delineate the responsibilities of the procurement department into two distinct functional teams, which are strategic procurement and operational procurement, while also providing guidelines and procedures to manage the supply chain during the tendering process, contract period, and post-completion of work.



Three underlying principles on procurement management as outlined in the procurement policy

Just-in-Time Inventory

Adopt a just-in-time inventory model to buy only what the business operation needs with speculative behaviour prohibited.

Local Sourcing

Source from local suppliers to reduce transportation costs.

Quality & Competitiveness

Source for high quality and competitive products to meet the business strategy of the Group.

Onboarding and Contractual Commitments

As a pre-requisite of our procurement practices, we enter contracts with outsourced providers to require that they meet OHS, product quality and environmental standards while performing their works. To strengthen quality and compliance across our supply chain, our procurement contract templates for both new and existing suppliers include clauses covering intellectual property, anti-bribery, quality requirements, third-party liability, import and export compliance, and environmental protection, tailored to the relevant circumstances. During the Reporting Period, we introduced an Anti-Bribery Policy and a Supplier Code of Conduct as mandatory requirements in the Lam Soon Supplier Relationship Management ("SRM") system.

Furthermore, new suppliers will be required to complete the "Supplier Due Diligence Letter" upon registration in the Lam Soon SRM system, confirming to their integrity and declaring any potential conflicts of interest.

The Group's Logistic Guideline mandates suppliers of our transportation and external warehousing services to complete due diligence and pre-requisite qualification. Vendors with any court rulings resulting in compensation that exceeds HK\$100,000 or RMB100,000 will be disqualified. Vendors are also required to have an established safety management process in place and maintain proper safety training records.

Supplier Selection

During the tendering process, suppliers are selected and rated by the Group's evaluation team based on a set of criteria, in terms of product price and quality, payment terms and after-sales service. The evaluation team comprises members from multiple departments and operates in an open and transparent manner. The evaluation and selection criteria for new suppliers will be based on the requirements stipulated by of the key departments concerned, including quality control, research and development, and marketing. Additionally, considerations for environmental and social risks have been incorporated into the supplier selection process and contracts to ensure that suppliers' practices align with the Group's long-term sustainability vision. For example, in the evaluation of labour outsourcing, criteria such as social insurance contributions, workplace injury coverage, and timely wage payments will be included as part of the scoring standards.

Systematic Monitoring of Suppliers

The SRM system is used to digitalise procurement management by incorporating inquiry, bidding, and price database. The SRM system covers the functions of supplier lifecycle management, RFx Management¹⁴ and online tender. During the Reporting Period, we have launched the second phase of SRM development in flour mill operations, while implementation was substantially completed for the Oils and Specialty Fats Division except for certain complex packaging material categories. We are continuing to expand the functionality and coverage of our SRM system to establish modules including demand applications, contract approval and signing, order execution and quality inspection of received goods.

Within the contract period, background, permits, licences and certificates of suppliers are checked regularly to ensure their compliance with food safety policies and standards, as well as national and local environmental policies with must-have certificates for relevant industries. We have adopted a document system to more efficiently verify, record and regularly assess the supplier's licences. Products sourced from suppliers are subject to multiple tests to ensure they are of national food safety standards. The flour mills and the edible oil plant in Shekou collect suppliers' activity logs on a regular basis, and evaluate their performance every six months for compliance assurance. At the specialty fats plant, the procurement team conducts supplier evaluation through the Group's E-flow system. Suppliers of packaging materials are audited against their quality, services, safety and hygiene performances according to the Supplier Assessment and Control Procedures annually. The home care product plant conducts monthly quality control meeting to follow up on quality and safety issues raised by our suppliers. Suppliers are required to address any identified non-conformities. Suppliers who violate laws and regulations, fail to meet tender requirements, or commit misconducts during the contract period can be subject to compensation payment and/or contract termination.

Supplier Performance Management

During supplier's performance evaluation period, suppliers' performance will be evaluated based on the marking scheme as set out in the Supplier Management Policy. As stipulated in our Supplier Management Guideline, our site logistic teams will report monthly KPI scores of our contract delivery vendors, and initiate follow-up with vendors if necessary. Additionally, as specified in the vendor contracts and Logistics Supplier Management Guideline for Road Transportation, all our operational sites are required to follow regular KPI scheme established with key logistics vendors.

During the Reporting Period, the procurement department has not received any requests from users regarding product recalls, consumer data protection, or privacy policies.

Number of suppliers by geographical region

Geographical region	No. of suppliers
Hong Kong	29
Chinese Mainland	369
Others (including Canada, US, Australia, Europe and Asia)	14

Along the supply chain, designated employees are responsible for maintaining, monitoring and improving the Group's overall procurement management. The Group encourages employees to take proactive, comprehensive and stringent measures in the process of procurement, to avoid unnecessary loss and ensure utilisation efficiency of its resources in accomplishing the production, supply and sales targets. Our flour mill and edible oil plant in Shekou conduct at least two annual customs compliance training sessions for legal representatives and senior customs management personnel. These initiatives equip staff with essential and updated knowledge for customs compliance, procurement operations and regulations, aiming to enhance their capability to implement best practice in supply chain management, reduce risks of non-compliance and expedites customs clearance processes. Ultimately, these efforts help safeguard the Group's operational efficiency and competitiveness in the global market.

¹⁴ RFx is a collective term for Request for Information (RFI), Request for Quotation (RFQ) and Request for Proposal (RFP).



Strengthening Procurement Capabilities and Compliance

During the Reporting Period, we have launched the procurement fundamentals course and compliance training to help employees familiarise themselves with the Group's procurement regulations and processes, understand supplier management methodologies, to ensure standardised procurement practices.



Procurement Fundamentals Course and Compliance Training

Ethical Marketing

The Group adheres to the *Advertisement Law of the PRC*, and has established guidelines on marketing and labelling to ensure that product specification and promotional activities comply with applicable laws and regulations. Labels of edible oils, specialty fats and flour products contain nutritional profile and product composition. For home care products, the product labels provide information on the main ingredients, dosage instructions, directions for use and safety precautions. Labels are required to be approved by our legal department and quality assurance department with records filed. New product packaging shall be submitted for patent registration whenever necessary. Notably, the home care product plant has earned the China Environmental Labelling Products Certification for meeting the prescribed requirements on labelling hazardous substances in raw materials or products, pollutants in the factory, and adhering to environmental policy in the production processes.

The Group values the promotion of a healthy lifestyle. As part of its ongoing effort to increase awareness among business-to-business customers and strengthen technical support to industry partners, the Group has set up nine baking centres in Shenzhen, Yixing, Jinan, Chengdu, Jintan, Quanzhou, Harbin, Shanghai, and Zhengzhou. Other online promotional channels, including Xiaohongshu, Tik Tok and WeChat, are part of the

digitalised Lam Soon Flour Operation media platform, where we upload videos on various topics, including introduction of new products and solutions, nutritional values of our products from registered dietitians and sharing of cooking recipes prepared with nutritious ingredients.



Knife Zero Trans Fat Oil Promotional Poster

Lam Soon promoted its Knife cooking oil brand through lifestyle-oriented marketing activities, encouraging consumers to make health-conscious choices in everyday cooking and reinforcing awareness of a balanced lifestyle.

During the Reporting Period, Lam Soon successfully engaged audiences across digital and physical platforms for our Food and Home Care Divisions as follows:

Platform/Activity	Metric	Result
Total	Total Followers	600,000+
	Total Views	4.6 million

During the Reporting Period, the Group did not record any cases of material non-compliance with laws and regulations regarding advertising, marketing and labelling matters.

Product Quality and Safety

Product Quality Management

The Group prioritises compliance with applicable laws, regulations and regulatory requirements relating to product quality and safety in the jurisdictions where it operates. These requirements cover key areas such as food safety, use of food additives, product recalls, food labelling, public health, product contamination control, and the safety of detergents and home care products. The Group remains committed to fulfilling relevant product quality, product safety and labelling requirements across its food and home care product businesses.

In addition, the Group benchmarks its practices against relevant internationally recognised standards to support the consistent management of product quality and safety. Through its quality management measures, the Group strives to maintain the safety, reliability and quality of its products. All the Group's business operations possess ISO 9001 Quality Management System certification. The home care plant is certified within the China Environmental Labelling Product Certification. The table below summarises the product quality and food safety certifications obtained across our operations.

Operation	ISO 22000	HACCP	FSSC 22000
Shekou flour mill	✓	✓	✓
Yixing flour mill	✓	–	✓
Jintan flour mill	✓	✓	✓
Qionglai flour mill	✓	✓	– ¹⁵
Qingzhou flour mill	✓	✓	–
Shekou edible oil plant	✓	✓	✓
Hong Kong edible oil plant	✓	✓	–
Specialty fats plant	✓	–	✓

¹⁵ The flour mill in Qionglai has been working towards FSSC 22000 certification, with ongoing audits scheduled in 2026.



FSSC 22000 Certificates of our flour mills

In addition to its management systems and certifications, the Group strictly follows its policies, manuals, guideline, and procedure on customer satisfaction management, complaint handling and product recall to ensure product consistency, strengthen food safety controls and enhance customer confidence in its products. The Group deploys standard procedures on sanitation of food plants, oil plants and associated equipment to maintain a high hygiene standard throughout the production process. For home care product plant, the Group is committed to being compliant with *Detergents for hand dishwashing (GB/T 9985-2022)* and *National Food Safety Standard – Detergent (GB 14930.1-2022)*. Tests are conducted by the quality assurance department against pre-defined specifications in product safety or quality standards. Qualified testing organisations are engaged to validate the test results and issue independent test reports. Any materials or products that fail to meet the required standards will be labelled, isolated and assessed by related departments.

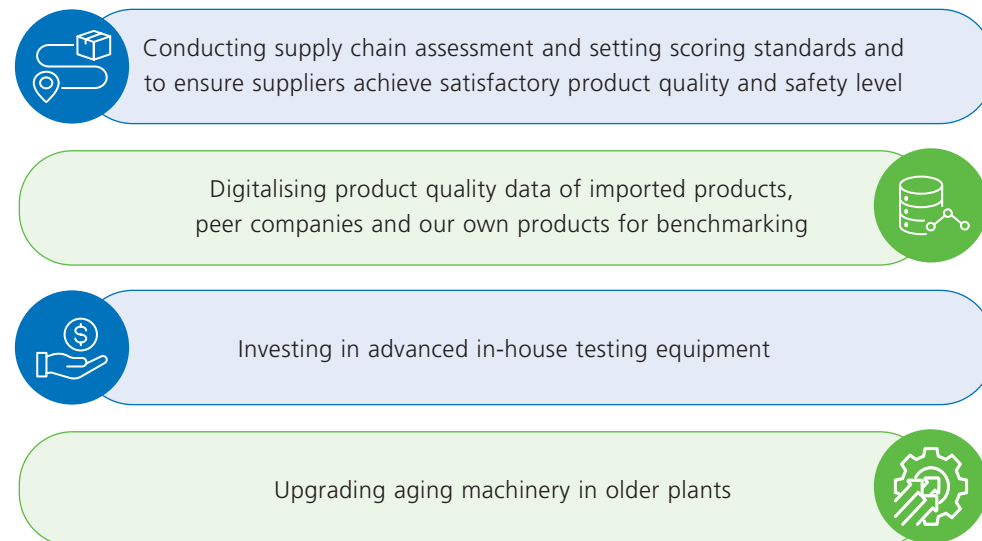
To support the target, the Group conducts annual ISO training for all employees in our factories to achieve standardised management, improve product quality and service, and maintain organisational competitiveness. During the Reporting Period, there were no significant products and service-related complaints received.

Product Quality and Safety Targets

The Group has set a target to ensure the highest standards in product health and safety, as outlined below.

Target Year	Target Detail	2025/26 Progress
2029/30	Maintain zero product safety-related incidents	Zero product safety-related incidents

To drive the target, Lam Soon has developed a comprehensive approach. Our key action plans include:



Upholding Athlete-Grade Product Quality Standards

Being selected as a supplier supporting the preparation of China's national team athletes is a strong testament to Lam Soon's commitment to product quality and food safety. The recognition of its Knife, Red Lantern, Soon and Fa brands as Assurance Products reflects the Group's ability to consistently meet high standards for safety, quality and reliability.

To deliver products trusted for elite athletes, Lam Soon implements rigorous quality assurance measures throughout the value chain, from responsible sourcing and raw material control to advanced production processes, stringent quality testing and continuous research and development. These efforts are supported by robust quality management systems that enhance product consistency, traceability and operational excellence.

The collaboration reinforces Lam Soon's dedication to safeguarding product quality and consumer well-being, while further strengthening confidence in its brands among customers and stakeholders alike.

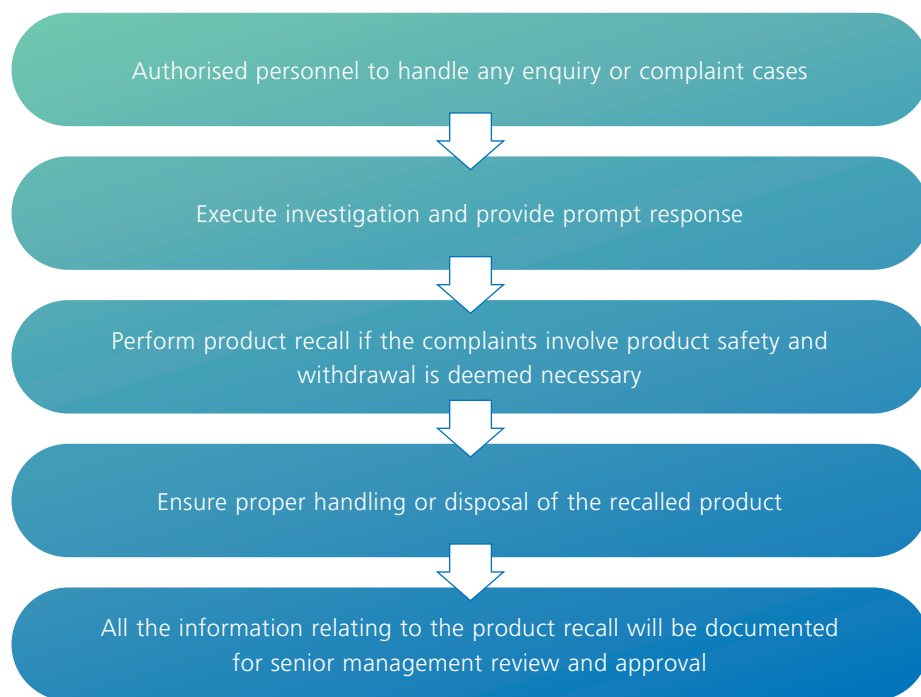


Lam Soon's collaboration with the Training Bureau of the General Administration of Sport of China

Customer Relations

To strengthen customers' confidence in our brand, the Group responds to complaints/enquiries promptly with authorised personnel assigned for handling. If there is any product quality issue raised by our customers, we will conduct investigation to identify the root cause of the incident, rectify the problem timely and take appropriate preventive actions. A customer complaint handling system is also in place at our specialty fats plant to streamline the investigation process for any product quality issues. If necessary, we will assign dedicated personnel to visit clients' factories to understand the actual situation. If the complaints involve product safety and withdrawal of the affected products from the market is deemed necessary, we will immediately activate our product recall procedures. The recalled products will be isolated to ensure proper handling or disposal. All the information related to the recall will be documented for senior management review and approval. During the Reporting Period, no products sold were subject to recalls for safety and health reasons.

Complaint handling and product recall procedures



Intellectual Property

In an era where brand equity innovations hold immense value for enterprises, the Group is expected to leverage their commercial value while safeguarding them from misuse or infringement by external parties. The Group strives to protect its Intellectual Property ("IP") rights and respects third-party IP rights according to applicable laws and regulations. To this end, the Group registers new IPs (including trademarks, designs and patents) in different parts of the world, renews existing IP rights, manages their usage, and monitors potential infringement by others. In case of alleged infringement, the Group reserves the right to pursue legal actions against to protect its interests.

The Group also requires its service providers, suppliers or business partners to undertake and warrant that all their deliverables or products are either their original creation or properly license for us and do not infringe any third-party IP rights. Infringers are liable to consequences in the event of a breach.

During the Reporting Period, the marketing department of the home care product plant along with the Group legal department continued to take issue with online and offline counterfeit products in Chinese Mainland. These efforts included taking legal action against alleged counterfeiters and securing compensation for losses incurred by Lam Soon. This campaign had safeguarded not only our sales market but also our brand image and defends the rights and interest of our consumers.

During the Reporting Period, the Group did not record any material IP infringement claims brought against any member of the Group.



Product Nutrition and Health

The Group develops products across its edible oil, flour and home care businesses to support consumers' evolving health and well-being needs.

In response to customers' growing demand and expectation for nutritional and healthy food, the Group is committed to developing quality food products that balance taste and nutrition, thereby supporting customers in making informed and balanced food choices. Our cooking oil products are made using quality ingredients. As a trusted brand, Knife takes pride in offering quality products that satisfy today's consumers' pursuit for great taste and health. Our flour portfolio supports diverse baking and cooking applications, including Royal Sakura Japanese Style Bread Flour, which uses selected imported wheat and Japanese milling technology to deliver strong gluten quality, high water absorption and flexibility. Our home care portfolio supports household cleaning and the hygiene needs of five-star hotels and major restaurant chains.

The Group also promotes healthy eating habits through public education and collaboration with external partners. Lam Soon regularly supports nutrition research and healthy diet promotion conducted by the Cooking Oil and Health Committee, which comprises professionals and academics with expertise in food nutrition and food science. The Committee conducts educational activities, including school seminars, videos and interactive games, to enhance students' understanding of the characteristics, nutritional value and appropriate uses of different types of cooking oil.

Lam Soon established the ESG Healthy Edible Oils Evaluation Method in 2026 to support the development and enhancement of healthier edible oil products. The methodology provides a structured assessment of product quality, raw materials and processing, nutritional functionality, safety risks and ESG sustainability, with nutritional indicators covering fatty acid composition, trans fat content, beneficial micronutrients and triglyceride structure. The assessment enables Lam Soon to compare products against applicable national standards and competing products and provides an objective basis for research and development, product upgrades and new product launches.



Enhancing Consumer Well-being with Nutritious and Healthy Product Offerings

Lam Soon launched a range of highland barley premixes to meet growing demand for nutritious baked products. Made with highland barley sourced from the 4,000-metre-high plateau of Shigatse, Tibet, the range contains dietary fibre, vitamins and beta-glucan. Through scientific formulation, Lam Soon's R&D team addressed technical challenges in applying highland barley to baking and developed convenient, production-compatible premixes with stable performance. The range supports diverse applications, including bread, pastries and festive products, enabling commercial customers to offer more varied health-oriented food products.



Highland Barley Premixes

In April 2026, Lam Soon launched AXE Lime and Aloe Vera Dishwashing Liquid, featuring a skincare formula enriched with hyaluronic acid. Testing by the Guangdong Detection Centre of Microbiology showed that the product improved skin moisture by over 29.7% after dishwashing, helping to keep hands moisturised and comfortable. The product also complies with the Class A safety standard for food-use detergents, combining food-contact cleaning safety with skin care to promote a gentler and healthier approach to household cleaning.



AXE Lime and Aloe Vera Dishwashing Liquid

Pillar 4: Caring for our Community



The Group is committed to contributing to the betterment of society by supporting community initiatives, promoting inclusion and extending care to those in need through charitable activities. We aim to build harmonious relationships with the communities we serve, while encouraging our people to take part in meaningful initiatives that create collective advancement. Through these efforts, the Group seeks to grow alongside the community and contribute to a more inclusive, supportive and resilient society.

UNSDGs Involved in This Chapter



Material ESG Topics Involved in This Chapter

- Community investment

The Group believes that long-term business success is closely linked to the well-being of the communities in which it operates. Accordingly, our community investment approach focuses on leveraging its products, expertise, business networks and resources to create positive social impact.

Community Involvement

On top of the Group's Code of Conduct in encouraging employees to support community activities, we continued to maintain our strong tradition of supporting various charitable causes during the Reporting Period. The Group participated in various charitable activities to convey love and care, giving back to the society and fulfilling our social responsibility. We are committed to collaborating with a variety of non-governmental organisations to foster positive change in the community and make a meaningful impact.

Empowering Local Industries and Food Value Chains

In May 2026, Lam Soon participated in the China International Bakery Exhibition, where the Group showcased locally developed premium fermented butter and highland barley functional premixes. Through practical demonstrations and industry exchanges, the Group provided baking SMEs with access to innovative ingredients, technical knowledge and business connections, supporting collaboration and development across the local baking industry.

Lam Soon also expanded the application of highland barley sourced from Tibet in high-fibre, clean-label bakery products. This initiative created new commercial opportunities for local agricultural products, supported farming communities and promoted healthier baking solutions, contributing to the sustainable development of the agricultural and baking value chains.



Panel Discussion on Industrial Baking and Smart Manufacturing



Supporting Women Entrepreneurship in the Baking Industry



Award Recognition at the 26th National Baking Vocational Skills Competition



CEO Speaking at the 2026 Key Customer Appreciation Dinner

Promoting Inclusion

The Social Enterprise Division of Hong Chi Association has become the service provider of the Group's canteen in Hong Kong since 1 August, 2021, offering job training opportunities to individuals with intellectual disabilities. This enables them to explore career paths, build self-esteem and enhance competitiveness, contributing to a more inclusive society.



Supporting Regional Food Security and Emergency Preparedness

During the Reporting Period, Lam Soon continued to support local government food security initiatives in Qingzhou by maintaining designated strategic reserves of flour and wheat. These reserves form part of government-led emergency preparedness arrangements designed to safeguard the stability of local food supplies and ensure the availability of essential staple food products during periods of supply disruption, emergencies or unexpected market volatility.

As a major flour producer serving the region, Lam Soon worked closely with local authorities to support the implementation of these reserve requirements as part of its commitment to corporate social responsibility and community resilience. The reserved inventory is maintained within the Company's normal operational storage and inventory management processes, enabling Lam Soon to contribute to regional food security while ensuring operational efficiency.

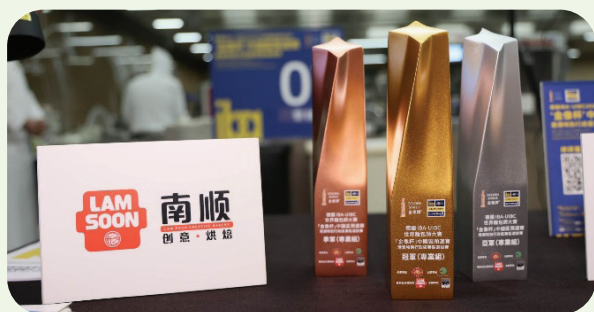
The Group has been awarded the "Caring Company Award" for 19 consecutive years by the Hong Kong Council of Social Service since 2007, which is a testament to our long-term commitment to the community.





Nurturing the Next Generation of Baking Talent

Lam Soon served as the exclusive title sponsor of the iba-UIBC Cup of Bakers 2027 – “Golden Statue Cup” Hong Kong and Macao SAR Selection Competition. The competition brought together professional bakers and industry practitioners, providing a regional platform for participants to demonstrate their craftsmanship, exchange knowledge and pursue professional growth. By supporting talent beyond its own workforce, Lam Soon contributed to capability building within the wider baking community and encouraged greater collaboration and innovation across the industry. The initiative reflects the Group’s commitment to leveraging its industry experience and resources to nurture baking talent, strengthen professional connections and support the continued development of the baking sector in Hong Kong and Macao.



Lam Soon was the exclusive title sponsor of the “Golden Statue Cup” China Selection

Charitable Activities

During the Reporting Period, the Group contributed a total of over HK\$2 million in monetary and in-kind donations to support community services and emergency relief. These contributions included household products donated to support the opening of the Prince Edward Community Living Room and a monetary donation to provide relief to those affected by the Tai Po Wang Fuk Court fire. The Group also continued to support the community through product sponsorships and donation-linked initiatives promoting social inclusion and animal welfare.



Supporting Communities Affected by the Tai Po Fire

In November 2025, Lam Soon donated HK\$2,000,000 to the Support Fund for Wang Fuk Court in Tai Po to provide immediate relief and assistance to those affected by the fire. Through this contribution, the Group sought to respond promptly to urgent community needs and support affected residents during a challenging period.



Promoting Animal Welfare through Responsible Brand Engagement

From November to December 2025, the marketing department of Home Care Division partnered with the animal welfare organisation, Ta Foundation, to launch the AXE “Keeping Them Warm This Winter” stray animal support programme. The initiative encouraged public awareness of the welfare and winter care needs of stray animals while reinforcing AXE’s commitment to pet-friendly household care and harmonious living between people and pets.

During the campaign period, AXE donated a total of RMB100,000 to the Ta Foundation to support the rescue and care of stray animals. Through product support and targeted charitable donations, the initiative aimed to improve the living conditions of stray animals and promote more science-based animal rescue practices. Campaign activities and animal rescue stories were communicated through offline events, donation updates, content creator collaborations and a photography exhibition, encouraging consumers to engage with and support animal welfare initiatives.



“Keeping Them Warm This Winter” stray animal support programme

Awards and Accreditations

Beyond its community programmes and charitable activities, the Group seeks to create broader value for the communities it serves through quality products, responsible business practices and active participation in industry development. During the Reporting Period, the continued efforts across the Group's food and home care businesses received recognition from industry bodies and other organisations, as summarised below.

Oil



2025/26 PARKnSHOP
Super Brands Award
- Star Supermarket
Brand (Edible Oil)



Shenzhen Time-Honored
Brand



Sports Training Bureau
Supplier



Assurance Products for
Competition Preparation
of the National Team
Athletes at the Sports
Training Bureau



Clean Label Product Certificate issued by
the China Quality Certification Centre (CQC)

Home Care



2025/26 PARKnSHOP
Super Brands Award
- Star Supermarket
Brand (Detergent)



The Top Popularity Award
of Hong Kong Pharmacies
2025-2026

Flour



Exclusive Product of the 26th National
Baking Vocational Skills Competition by
the China Association of Bakery &
Confectionery Industry



Clean Label Product Certificate
issued by CQC



Innovative Product Award of the 28th
China International Bakery Exhibition



National (Shenzhen) Excellent
Enterprises with Foreign Investment
Excellent Tax-Payment and Turnover
(Year 2024)



Outstanding Contributing Enterprise for
30 Years of Development of China's
Baking Industry

Appendix

ESG

ESG Performance Table

Environmental Performance Table

Indicator	Unit	2025/26	2024/25	2023/24
Air Pollutant Emissions¹⁶				
Nitrogen oxides ("NOx")	kg	2,645.64	2,198.13	2,213.36
Sulphur oxides ("SOx")	kg	2.97 ¹⁷	1.84	2.27
Respiratory suspended particles ("RSP")	kg	143.66	112.25	123.43
Greenhouse Gas Emissions¹⁶				
Scope 1 Direct emissions	tCO₂e	1,292.13	1,050.30	1,282.06
Natural gas	tCO ₂ e	701.34	695.35	522.21
Liquefied Petroleum Gas ("LPG")	tCO ₂ e	4.22	3.62	4.83
Diesel	tCO ₂ e	453.82 ¹⁸	265.40	292.35
Petrol	tCO ₂ e	36.92	40.68	90.11
Refrigerants	tCO ₂ e	95.81	45.25	372.57
Scope 2 Energy indirect emissions	tCO₂e	30,498.46	30,318.55 ¹⁹	35,226.69
Purchased electricity	tCO ₂ e	30,498.46	30,318.55 ¹⁹	35,226.69
Scope 3 Other indirect emissions	tCO₂e	616.82 ²⁰	232.40	302.07
Paper waste disposed of at landfills	tCO ₂ e	25.35	—	—
Freshwater processing	tCO ₂ e	84.67	76.83	78.92
Sewage processing	tCO ₂ e	16.15	15.08	14.33
Business travel	tCO ₂ e	490.66 ²¹	140.49	208.83
Total GHG emissions (Scope 1 + 2 + 3)	tCO₂e	32,407.19	31,601.25 ¹⁹	36,810.83
GHG emission intensity (Scope 1 + 2)	tCO₂e/tonne of production volume	0.04	0.04 ¹⁹	0.05

¹⁶ Emission factors were revised to make reference to Appendix C2 to the Listing Rules and their referred documentation as set out by the HKEX, unless stated otherwise.

¹⁷ Significant increase in SOx emissions was due to higher diesel consumption by the logistics fleet.

¹⁸ Significant increase in diesel consumption was due to higher fuel consumption by the logistics fleet.

¹⁹ The data has been restated.

²⁰ The significant increase in Scope 3 was due to significant increase in Business Travel. Please see footnote 21 for details.

²¹ The significant increase in Business Travel emissions was primarily driven by methodological enhancements, including alignment with third-party calculation methodology and expanded data coverage.

Indicator	Unit	2025/26	2024/25	2023/24
Hazardous Waste Produced				
Other waste listed on the Directory of National Hazardous Wastes	kg	44,574.95	37,448.70	31,850.14
Pesticide wastes ²²	kg	3,968.40	3,434.30	3,298.06
Waste with organic solvent	kg	1,782.90 ²³	899.00	2,267.00
Waste with mineral oil	kg	1,949.00 ²⁴	720.50	1,189.50
Mercury-containing waste (from waste lighting products)	kg	53.80 ²⁵	30.60	70.32
Waste with dye and coating	kg	453.65 ²⁶	52.82	95.20
Selenium-containing waste	kg	57.77 ²⁷	22.13	50.24
Total hazardous waste produced	kg	52,840.47 ²⁸	42,608.05	38,820.46
Hazardous waste intensity	kg/tonne of production volume	0.07	0.06	0.05
Non-hazardous Waste Produced				
Commercial waste	kg	159,809.87	142,110.07	144,426.14
Scrap metal	kg	260,130.80	289,708.00	182,816.90
Sludge	kg	267,580.00	254,310.00	125,880.00
Waste plastic	kg	245,833.88	264,166.26	246,539.88
Waste paper	kg	106,971.26 ²⁹	69,136.00	77,065.58
Food waste	kg	38,747.13	52,110.15	50,691.25
Waste oil	kg	92,780.00	94,580.00 ³⁰	76,040.00 ³⁰
Total non-hazardous waste produced	kg	1,171,852.94	1,166,120.47 ³⁰	903,459.74 ³⁰
Non-hazardous waste intensity	kg/tonne of production volume	1.60	1.52 ³⁰	1.18 ³⁰

²² Following the recommendation of the Ecology and Environment Bureau of Shenzhen Municipality, the Shekou flour mill reclassified one category of hazardous waste from “other waste” to “pesticide waste”.

²³ Significant increase in waste with organic solvent was due to an increase in production volume.

²⁴ Significant increase in waste with mineral oil was due to an increase in production volume.

²⁵ Significant increase in mercury-containing waste was due to an increase in production volume.

²⁶ Significant increase in waste with dye and coating was due to an increase in production volume.

²⁷ Significant increase in selenium-containing waste was due to an increase in production volume.

²⁸ Significant increase in hazardous waste was due to an increase in production volume.

²⁹ The significant increase in waste paper was mainly due to the disposal of accumulated historical records and a shift towards cardboard-based packaging materials to reduce reliance on plastic packaging.

³⁰ The data has been restated.

Indicator	Unit	2025/26	2024/25	2023/24
Energy Consumption				
Electricity	kWh	58,020,803.49	56,994,178.93	58,562,115.80
Natural gas	m ³	342,885.48	339,955.73	255,305.41
LPG	kWh	3,391,568.72	3,362,589.80	2,525,291.66
	kg	1,400.00	1,200.00	1,600.00
	kWh	19,512.32	16,724.85	22,299.80
Diesel	L	172,088.95 ³¹	100,639.03	110,863.22
	kWh	1,720,596.62 ³¹	1,006,219.00	1,108,443.50
Petrol	L	13,868.02	15,252.33	33,773.83
	kWh	123,440.53	135,762.40	300,623.98
Total energy consumption	kWh	63,275,921.68	61,515,474.98	62,518,774.73
Energy consumption intensity	kWh/tonne of production volume	86.59	80.00	81.74
Water Consumption				
Water consumption	m ³	193,841.90	175,895.00	180,670.00
Water consumption intensity	m ³ /tonne of production volume	0.27	0.23	0.24
Packaging Materials Consumption				
Plastic	tonnes	8,467.45	7,800.24	7,931.84
Paper	tonnes	7,339.66	6,723.58	6,118.85
Metal	tonnes	756.81	774.12	743.86
Cotton	tonnes	376.80	401.60	433.47
Fibre and cotton	tonnes	21.90	22.06	19.22
Glass bottle	tonnes	3.78	4.07	16.58
Aluminium film	tonnes	1.87	1.88	1.86
Total packaging material consumption	tonnes	16,968.27	15,727.55	15,265.67

³¹ Significant increase in diesel consumption was due to higher fuel consumption by the logistics fleet.

Social Performance Table

Indicator	Unit	2025/26	2024/25	2023/24
Employment				
Total workforce	Number	1,482	1,478	1,631
By gender				
Male	Number	907	903	960
Female	Number	575	575	671
By employment type				
Full-time	Number	1,482	1,478	1,631
Part-time	Number	0	0	0
By age group				
18-25	Number	13	23	27
26-35	Number	263	306	355
36-45	Number	686	672	767
46-55	Number	421	406	412
56 and above	Number	99	71	70
By geographical region				
Hong Kong	Number	114	127	158
Macau	Number	8	11	12
Chinese Mainland	Number	1,356	1,340	1,461
Other countries and regions	Number	4	0	0
Turnover	%	18.29	6.50	4.72
By gender				
Male	%	18.63	7.42	5.00
Female	%	17.74	5.04	4.32
By employment type				
Full-time	%	18.29	6.50	4.72
Part-time	%	0	0	0
By age group				
18-25	%	30.77	21.74	11.11
26-35	%	19.77	10.13	9.01
36-45	%	17.64	6.85	4.04
46-55	%	18.76	2.46	1.94
56 and above	%	15.15	5.63	4.29
By geographical region				
Hong Kong	%	42.11	23.62	15.82
Macau	%	12.50	9.09	8.33
Chinese Mainland	%	16.30	4.85	3.49
Other countries and regions	%	25.00	0	0

Indicator	Unit	2025/26	2024/25	2023/24
Health and Safety				
Work-related fatalities	Number	0	0	0
Lost days due to work injury	Days	304	222	333
Lost Time Injury Rate (LTIR)	case/200,000 hours worked	0.92 ³²	0.45 ³³	0.34 ³³
Development and Training				
Employees trained	%	100.00	96.68	99.26
By gender				
Male	%	100.00	95.46	100
Female	%	100.00	98.61	98.21
By employee category				
Senior management	%	100.00	100.00	92.86
Middle management	%	100.00	97.53	98.21
Frontline and other staff	%	100.00	96.37	99.61
Average training hours³⁴				
By gender				
Male	Hours	24.06	12.04	7.43
Female	Hours	15.80	8.40	7.90
By employee category				
Senior management	Hours	8.87	4.78	4.60
Middle management	Hours	22.52	13.52	11.02
Frontline and other staff	Hours	20.27	9.69	6.77
Number of suppliers by geographical region				
Hong Kong	Number	29	16	15
Chinese Mainland	Number	369	357	343
Others (including Canada, US, Australia, Europe and Asia)	Number	14	13	16

³² The LTIR increased in 2025/26 compared with the base year, primarily due to an isolated company shuttle bus accident that resulted in work-related injuries. The Group continues to strengthen safety controls, enhance employee safety awareness and implement preventive measures to support ongoing progress to achieve the 2029/30 target.

³³ The data has been restated.

³⁴ The increase in average training hours in 2025/26 was driven by the expansion of training from online to offline courses.

HKEX ESG Reporting Code Content Index

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Chapter(s) or Other References/Explanation
A. ENVIRONMENT		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Pillar 1: Towards a Greener Future; Carbon Emissions and Energy Efficiency; Water and Effluent Management; Waste Management ; List of Laws, Regulations and Standards
KPI A1.1	The types of emissions and respective emissions data.	Waste Management; ESG Performance Table
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).	Waste Management; ESG Performance Table
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management; ESG Performance Table
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Carbon Emissions and Energy Efficiency
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Carbon Emissions and Energy Efficiency; Water and Effluent Management; Sustainable Packaging; List of Laws, Regulations and Standards
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Carbon Emissions and Energy Efficiency; ESG Performance Table

Subject Areas, Aspects, General Disclosures and KPIs**Relevant Chapter(s) or Other References/Explanation**

KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water and Effluent Management; ESG Performance Table
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Carbon Emissions and Energy Efficiency; Climate Change Mitigation and Adaptation
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water and Effluent Management All water used by the Group was obtained with respective permits. There were no issues related to sourcing water that was fit for purpose.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Sustainable Packaging ; ESG Performance Table

Aspect A3: The Environment and Natural Resources

General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Pillar 1: Towards a Greener Future
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Pillar 1: Towards a Greener Future; Carbon Emissions and Energy Efficiency; List of Laws, Regulations and Standards

Aspect A4: Climate Change

General Disclosure	[Repealed 1 January 2025]	—
KPI A4.1	[Repealed 1 January 2025]	—

Subject Areas, Aspects, General Disclosures and KPIs

Relevant Chapter(s) or Other References/Explanation

B. SOCIAL**Employment and Labour Practices****Aspect B1: Employment**

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Pillar 2: Empowering our People; Equal Opportunities; Employee Health and Safety; Employee Welfare and Engagement; List of Laws, Regulations and Standards
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Pillar 2: Empowering our People; ESG Performance Table
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Pillar 2: Empowering our People; ESG Performance Table

Aspect B2: Health and Safety

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Pillar 2: Empowering our People; Employee Health and Safety; List of Laws, Regulations and Standards
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Employee Health and Safety; ESG Performance Table
KPI B2.2	Lost days due to work injury.	Employee Health and Safety; ESG Performance Table
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Employee Health and Safety

Aspect B3: Development and Training

General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Pillar 2: Empowering our People; Employee Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Employee Development; ESG Performance Table
KPI B3.2	The average training hours completed per employee by gender and employee category.	Employee Development; ESG Performance Table

Subject Areas, Aspects, General Disclosures and KPIs

Relevant Chapter(s) or Other References/Explanation

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

Subject Areas, Aspects, General Disclosures and KPIs

Relevant Chapter(s) or Other References/Explanation

Aspect B7: Anti-corruption

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business Ethics and Compliance; List of Laws, Regulations and Standards
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.	Business Ethics and Compliance
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Business Ethics and Compliance
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics and Compliance

Community

Aspect B8: Community Investment

General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Involvement
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Involvement
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Involvement

Part D: Climate-related Disclosures

Relevant Chapter(s) or Other References/Explanation

(I) Governance	19. An issuer shall disclose information about:	
	(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	
	(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Sustainability Management, Climate Change Mitigation and Adaptation During the Reporting Period, the Group has not included climate-related performance metrics into remuneration policies, and we will explore the feasibility in the future.
	(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	
	(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	
	(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and	
(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:		
(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	Sustainability Management, Climate Change Mitigation and Adaptation	
(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.		

Part D: Climate-related Disclosures

Relevant Chapter(s) or Other References/Explanation

(II) Strategy	Climate-related risks and opportunities	
	20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer’s cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
	(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;	Climate Change Mitigation and Adaptation
	(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	
	(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	
	(d) explain how the issuer defines ‘short term’, ‘medium term’ and ‘long term’ and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	
Business model and value chain		
21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer’s business model and value chain. Specifically, the issuer shall disclose:		
(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	Climate Change Mitigation and Adaptation	
(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).		

Part D: Climate-related Disclosures

Relevant Chapter(s) or Other References/Explanation

Strategy and decision-making

22. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:

(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);

Climate Change Mitigation and Adaptation

- (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

The Group has set climate-related targets and actively seeks to improve its greenhouse gas emission intensity across its operations. A detailed climate-related transition plan has not yet been developed. The Group conducted climate scenario analysis and will continue with the comprehensive assessment of the potential financial impacts of climate-related risks and opportunities. These assessments will serve as the basis for the future development of an appropriate climate transition plan.

- (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and

Climate Change Mitigation and Adaptation, Carbon Emissions and Energy Efficiency

(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).

The Group has set climate-related targets and actively seeks to improve its greenhouse gas emission intensity across its operations. A detailed climate-related transition plan has not yet been developed. The Group conducted climate scenario analysis and will continue with the comprehensive assessment of the potential financial impacts of climate-related risks and opportunities. These assessments will serve as the basis for the future development of an appropriate climate transition plan.

23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).

Part D: Climate-related Disclosures

Relevant Chapter(s) or Other References/Explanation

Financial position, financial performance and cash flows

Current financial effect

24. 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 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.

Climate Change Mitigation and Adaptation

We have disclosed the preliminary findings of the qualitative climate financial impacts. In the future, we will assess the quantitative financial impacts of the identified climate-related risks and opportunities and continue to review the feasibility of the relevant disclosures. Currently, there are no significant risks that could materially adjust the carrying amounts of the Group's assets or liabilities during the next reporting period.

Anticipated financial effect

25. 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 Change Mitigation and Adaptation

We have disclosed the preliminary findings of the qualitative climate financial impacts. In the future, we will assess the quantitative financial impacts of the identified climate-related risks and opportunities and continue to review the feasibility of the relevant disclosures.

Part D: Climate-related Disclosures

Relevant Chapter(s) or Other References/Explanation

Climate resilience

26. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:

(a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:

- (i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;
- (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and
- (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;

Climate Change Mitigation and Adaptation

(b) how and when the climate-related scenario analysis was carried out, including:

- (i) information about the inputs used, including:
 - (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;
 - (2) whether the analysis included a diverse range of climate-related scenarios;
 - (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;
 - (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;
 - (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;
 - (6) time horizons the issuer used in the analysis; and
 - (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);

Climate Change Mitigation and Adaptation

(ii) the key assumptions the issuer made in the analysis; and

(iii) the reporting period in which the climate-related scenario analysis was carried out.

Part D: Climate-related Disclosures

Relevant Chapter(s) or Other References/Explanation

(III) Risk Management	27. An issuer shall disclose information about:	
	(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	
	(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	Climate Change Mitigation and Adaptation
	(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	Climate Change Mitigation and Adaptation
	(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.	Climate Change Mitigation and Adaptation

Part D: Climate-related Disclosures

Relevant Chapter(s) or Other References/Explanation

(IV) Metrics and Targets	Greenhouse gas emissions	
	28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO ₂ equivalent, classified as:	
	(a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	ESG Performance Table
	29. An issuer shall:	
	(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	Carbon Emissions and Energy Efficiency
	(b) disclose the approach it uses to measure its greenhouse gas emissions including:	Carbon Emissions and Energy Efficiency; ESG Performance Table The Group has commenced a pilot Scope 3 GHG emissions data collection and consolidation exercise in accordance with the GHG Protocol during the Reporting Period. We will continue to enhance the comprehensiveness, quality and coverage of Scope 3 data collection and enhance related disclosures in future reporting periods.
	(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	
	(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	
	(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	

Part D: Climate-related Disclosures

Part D: Climate-related Disclosures		Relevant Chapter(s) or Other References/Explanation
	Climate-related transition risks 30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Climate Change Mitigation and Adaptation We have disclosed the preliminary findings of the qualitative climate financial impacts. In the future, we will assess the quantitative financial impacts of the identified climate-related risks and opportunities and continue to review the feasibility of the relevant disclosures.
	Climate-related physical risks 31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	
	Climate-related opportunities 32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	
	Capital deployment 33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	The Group's existing climate-related initiatives primarily focus on operational measures, with capital expenditure and financing deployed, where appropriate, to support its climate change mitigation and adaptation initiatives. The related disclosures remain predominantly qualitative during the Reporting Period. Looking ahead, the Group plans to establish a more systematic climate-related capital budgeting approach to support the implementation of its climate strategy and related investments.
	Internal carbon prices 34. An issuer shall disclose:	
	(a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	

Part D: Climate-related Disclosures

Relevant Chapter(s) or Other References/Explanation

	Remuneration 35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	During the Reporting Period, the Group has not included climate related performance metrics into remuneration policies, and we will explore the feasibility in the future.
	Industry-based metrics 36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	We will consider the feasibility of disclosing industry-based metrics in the future.
	Climate-related targets 37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	
	(a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	Carbon Emissions and Energy Efficiency
	(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	We will consider the feasibility of updating climate-related targets based on the Paris Agreement and other international frameworks in the future.

Part D: Climate-related Disclosures

Relevant Chapter(s) or Other References/Explanation

	38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
	(a) whether the target and the methodology for setting the target has been validated by a third party;	Our climate targets have not yet been validated by a third party.
	(b) the issuer's processes for reviewing the target;	Environmental Management; Carbon Emissions and Energy Efficiency
	(c) the metrics used to monitor progress towards reaching the target; and	
	(d) any revisions to the target and an explanation for those revisions.	
	39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Carbon Emissions and Energy Efficiency
	40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
	(a) which greenhouse gases are covered by the target;	The Group's current greenhouse gas emission targets cover the following types of greenhouse gases: CO ₂ , CH ₄ , N ₂ O.
	(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	Carbon Emissions and Energy Efficiency
	(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;	The current greenhouse gas emissions target of the Group is a gross greenhouse gas emissions target.
	(d) whether the target was derived using a sectoral decarbonisation approach; and	The current greenhouse gas emissions target of the Group has not yet been derived using a sectoral decarbonisation approach.

Part D: Climate-related Disclosures

Relevant Chapter(s) or Other References/Explanation

	(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	
	(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	We currently do not utilise carbon credits, but we will consider the feasibility of procuring carbon credits to offset greenhouse gas emissions in the future.
	Applicability of cross-industry metrics and industry-based metrics 41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of (i) cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	We will consider the feasibility of disclosing industry-based metrics in the future.

List of Laws, Regulations and Standards

Category	Title	Corresponding HKEX ESG Code Provisions	Relevant Chapter(s)
Laws and Regulations	Environmental Protection Law of the PRC	A1 Emissions, A2 Use of Resources, A3 The Environment and Natural Resources	Pillar 1: Towards a Greener Future
	Atmospheric Pollution Prevention and Control Law of the PRC	A1 Emissions	Pillar 1: Towards a Greener Future
	Law of the PRC on Prevention and Control of Water Pollution	A2 Use of Resources	Pillar 1: Towards a Greener Future
	Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste	A1 Emissions	Pillar 1: Towards a Greener Future
	Soil Pollution Prevention and Control Law of the PRC	A1 Emissions	Pillar 1: Towards a Greener Future
	Directory of National Hazardous Wastes	A1 Emissions	Pillar 1: Towards a Greener Future
	The Administrative Measures for Hazardous Waste Transfer Manifests	A1 Emissions	Pillar 1: Towards a Greener Future
	Regulations on Environmental Protection in Guangdong Province	A1 Emissions, A2 Use of Resources, A3 The Environment and Natural Resources	Pillar 1: Towards a Greener Future
	Regulations on Prevention and Control of Environmental Pollution by Solid Waste in Guangdong Province	A1 Emissions	Pillar 1: Towards a Greener Future
	Measures for the Management of Hazardous Waste Transfer in Shenzhen	A1 Emissions	Pillar 1: Towards a Greener Future
	Environmental Protection Regulations of Shenzhen Special Economic Zone	A1 Emissions, A2 Use of Resources, A3 The Environment and Natural Resources	Pillar 1: Towards a Greener Future
	Measures for the Management of Municipal Domestic Waste (Decree No. 157 of the Ministry of Construction of the PRC)	A1 Emissions	Pillar 1: Towards a Greener Future
	Employment Ordinance of Hong Kong	B1 Employment, B4 Labour Standards	Pillar 2: Empowering our People
	Minimum Wage Ordinance of Hong Kong	B1 Employment	Pillar 2: Empowering our People
	Employees' Compensation Ordinance of Hong Kong	B1 Employment	Pillar 2: Empowering our People
	Labour Law of the PRC	B1 Employment, B4 Labour Standards	Pillar 2: Empowering our People
	Social Insurance Law of the PRC	B1 Employment	Pillar 2: Empowering our People

Category	Title	Corresponding HKEX ESG Code Provisions	Relevant Chapter(s)
	Provisions on the Prohibition of Using Child Labour of the PRC	B4 Labour Standards	Pillar 2: Empowering our People
	Law of the PRC on the Prevention and Control of Occupational Diseases	B2 Health and Safety	Pillar 2: Empowering our People
	Hong Kong Occupational Safety and Health Ordinance of Hong Kong	B2 Health and Safety	Pillar 2: Empowering our People
	Hong Kong Employees' Compensation Ordinance of Hong Kong	B1 Employment, B2 Health and Safety	Pillar 2: Empowering our People
	Food Safety Law of the PRC	B6 Product Responsibility	Pillar 3: Conducting Business with Honour
	National Food Safety Standard for the Use of Food Additives	B6 Product Responsibility	Pillar 3: Conducting Business with Honour
	Administrative Measures for Food Recalls	B6 Product Responsibility	Pillar 3: Conducting Business with Honour
	Public Health and Municipal Services Ordinance of Hong Kong	B6 Product Responsibility	Pillar 3: Conducting Business with Honour
	Food Adulteration (Metallic Contamination) Regulations	B6 Product Responsibility	Pillar 3: Conducting Business with Honour
	Food Recall Guidelines in Hong Kong	B6 Product Responsibility	Pillar 3: Conducting Business with Honour
	National Food Safety Standard – Detergent	B6 Product Responsibility	Pillar 3: Conducting Business with Honour
	Technical Specification for Safety of Soaps and Detergents	B6 Product Responsibility	Pillar 3: Conducting Business with Honour
	Advertisement Law of the PRC	B6 Product Responsibility	Pillar 3: Conducting Business with Honour
	Personal Data Protection Ordinance of Hong Kong	B6 Product Responsibility	Pillar 3: Conducting Business with Honour
	Personal Information Protection Law of the PRC	B6 Product Responsibility	Pillar 3: Conducting Business with Honour
	Criminal Law of the PRC	B7 Anti-corruption	Pillar 3: Conducting Business with Honour
	Anti-Unfair Competition Law of the PRC	B7 Anti-corruption	Pillar 3: Conducting Business with Honour
	Prevention of Bribery Ordinance of Hong Kong	B7 Anti-corruption	Pillar 3: Conducting Business with Honour
	Theft Ordinance of Hong Kong	B7 Anti-corruption	Pillar 3: Conducting Business with Honour
	Organised and Serious Crimes Ordinance of Hong Kong	B7 Anti-corruption	Pillar 3: Conducting Business with Honour

Category	Title	Corresponding HKEX ESG Code Provisions	Relevant Chapter(s)
National and Industry Standards	Emission Standard of Air Pollutants for Boilers (DB44/765-2019 and GB 13271-2014)	A1 Emissions	Pillar 1: Towards a Greener Future
	Emission Limits of Air Pollutants (DB44/27-2001) in Guangdong Province	A1 Emissions	Pillar 1: Towards a Greener Future
	Integrated Emission Standard for Air Pollutants (GB 16297-1996)	A1 Emissions	Pillar 1: Towards a Greener Future
	Regional and Integrated Emission Standard of Air Pollutants (DB37/2376-2019) in Shandong Province	A1 Emissions	Pillar 1: Towards a Greener Future
	Discharge Limits of Water Pollutants (DB44/26-2001) in Guangdong Province	A1 Emissions	Pillar 1: Towards a Greener Future
	National Integrated Wastewater Discharge Standard (GB 8978-1996)	A1 Emissions	Pillar 1: Towards a Greener Future
	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T 31962-2015)	A1 Emissions	Pillar 1: Towards a Greener Future
	Emission Standard for Industrial Enterprises Noise at Boundary (GB 12348-2008)	-	Pillar 1: Towards a Greener Future
	Determination of Toxic Substances in Workplace Air – Chloride (GBZ/T 160.37-2004)	A1 Emissions	Pillar 1: Towards a Greener Future
	Determination of Toxic Substances in Workplace Air Part 73: Methyl Chloride, Dichloromethane, Chloroform and Carbon Tetrachloride (GBZ/T 300.73-2017)	A1 Emissions	Pillar 1: Towards a Greener Future
	Discharge Limits of Water Pollutants (DB44/26-2001)	A1 Emissions	Pillar 1: Towards a Greener Future
	Wastewater Quality Standards for Discharge to Municipal Sewers (CJ343-2010)	A1 Emissions	Pillar 1: Towards a Greener Future
	Safety Regulations for Dust Explosion Prevention and Protection (GB 15577-2018)	B2 Health and Safety	Pillar 2: Empowering our People
	Safety Regulations for the Protection of Dust Explosion for Grain Processing (GB 17440-2008)	B2 Health and Safety	Pillar 2: Empowering our People
	Guide for Pressure Venting of Dust Explosions (GB/T 15605-2008)	B2 Health and Safety	Pillar 2: Empowering our People
	Safety Specifications for Dedusting System Used in Dust Explosion Hazardous Area (AQ 4273-2016)	B2 Health and Safety	Pillar 2: Empowering our People
	Detergents for hand dishwashing (GB/T 9985-2022)	B6 Product Responsibility	Pillar 3: Conducting Business with Honour
	National Food Safety Standard – Detergent (GB 14930.1-2022)	B6 Product Responsibility	Pillar 3: Conducting Business with Honour