

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

This Environmental, Social and Governance Report (the “ESG Report”) summarises the environmental, social and governance (“ESG”) initiatives, plans and performances of the Group and demonstrates its commitment to sustainable development.

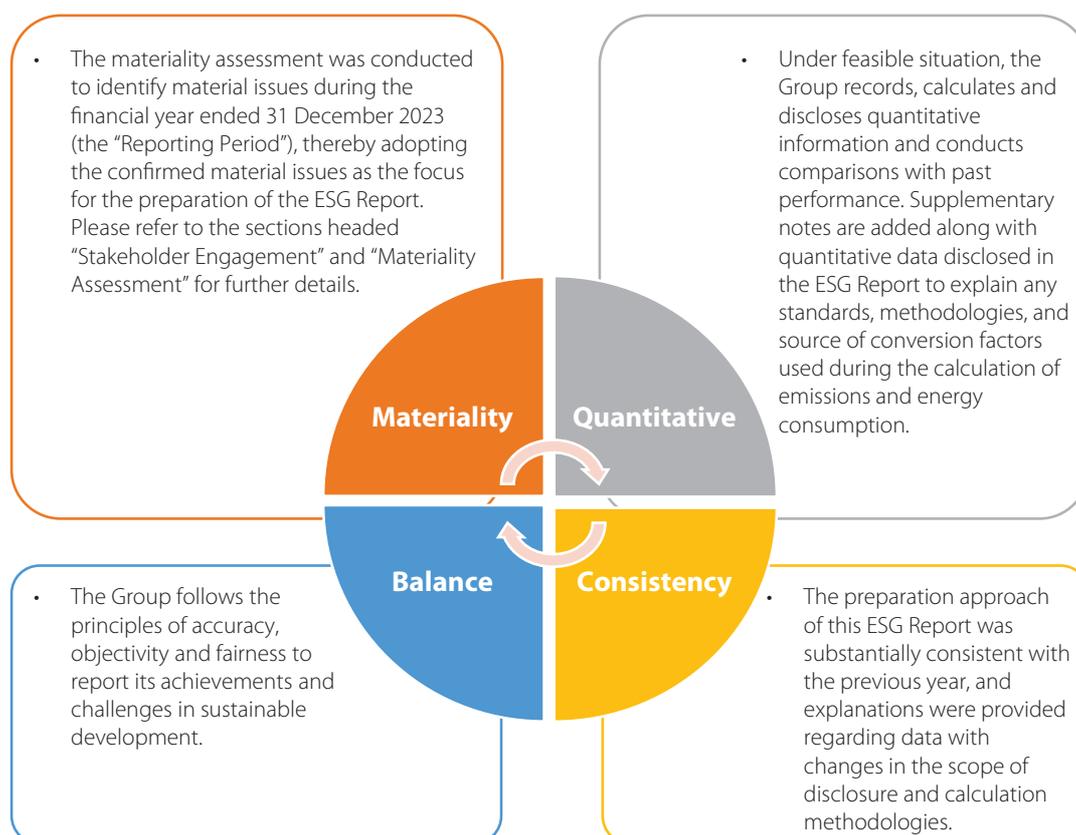
## SCOPE OF REPORTING

As CFSG (SEHK Stock Code: 510), a subsidiary of the Company listed on the Stock Exchange, is listed separately and issued its ESG report separately, this ESG Report mainly focuses on major measures and performance of the Group in its retail management business – Pricerite Group in respect of environmental and social aspect during the year. The ESG data and related ESG key performance indicator (“KPI”) of this ESG Report focuses on the head office in Kowloon Bay and 21 Pricerite retail stores in Hong Kong, of which 4 retail stores were closed during the Reporting Period, however, their ESG data are still included in this ESG Report.

## REPORTING FRAMEWORK

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) as set out in Appendix C2 (formerly known as Appendix 27) to the Rules Governing the Listing of Securities on Main Board of Stock Exchange.

During the preparation for this ESG Report, the Group has applied the reporting principles stipulated in the ESG Reporting Guide as the following:



Information relating to the Group’s corporate governance practices can be found in the Corporate Governance Report on pages 24 to 37 of this annual report.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## REPORTING PERIOD

The ESG Report specifies the ESG activities, challenges, measures taken, compliance and results of the Group during the financial year ended 31 December 2023.

## BOARD STATEMENT

### **Oversight of ESG Issues**

The board of directors (the "Board") holds the ultimate responsibility on monitoring the Group's ESG issues, including ESG management approach, strategy, and policies. In order to better manage the Group's ESG performance and identify potential risks, the Board conducts materiality assessment where necessary with the assistance of the ESG committee to evaluate and prioritise material ESG-related issues with reference to the opinions of our stakeholders.

### **The ESG Committee**

The ESG committee, composing of core members from different departments, is established to facilitate the Board's oversight of ESG matters. The ESG committee is responsible for collecting and analysing ESG data, monitoring and evaluating the Group's ESG performance, ensuring compliance with ESG-related laws and regulations, and preparing ESG reports. The ESG committee arranges meetings when required to evaluate the effectiveness of current policies and procedures and formulate appropriate solutions to improve the overall performance of ESG policies. At meetings, the ESG committee discussed the existing and upcoming plans to monitor and manage the Group's strategic goals in terms of sustainable development, mitigate potential risks, and minimise their negative impacts on our business operations. By setting ESG-related goals and targets to minimise the environmental impacts from the Group's operation, the Group affirmed its commitment in embedding sustainability into the business operation and fulfil its corporate responsibility. The ESG committee would report to the Board, assist in assessing and identifying the Group ESG risks and opportunities, evaluate the implementation and effectiveness of internal control mechanism, and review the progress of the set goals and targets.

## TOTAL CARING ORGANISATION

To become a Total Caring Organisation, the Group is dedicated to:

- Meeting the needs of our customers with quality products and innovative services;
- Creating an enjoyable work environment to highly engage our employees so as to maximise their potential;
- Minimising our operational impact on the natural environment; and
- Contributing to the betterment of the community, especially that of the next generation.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## STAKEHOLDER ENGAGEMENT

The Group values its stakeholders and their feedback regarding its businesses and ESG performance. To understand and address their key concerns, the Group has maintained close communication with its key stakeholders, including but not limited to employees, shareholders and investors, customers, suppliers and business partners, government and regulatory authorities, and the community.

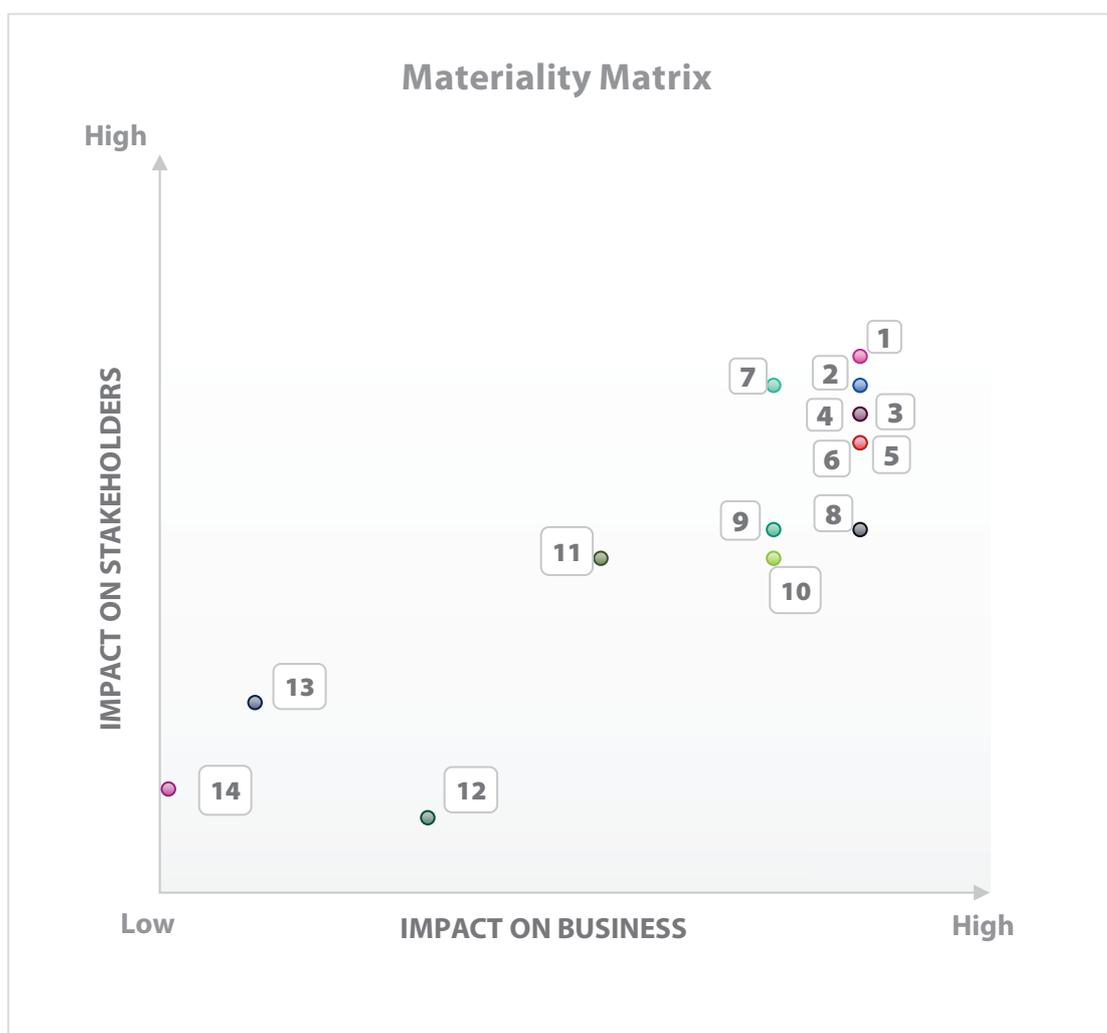
In formulating operational and ESG strategies, the Group considers stakeholders' expectations through a diverse range of engagement methods and communication channels, as shown below:

Stakeholders	Communication Channels	Expectations
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Regular performance appraisal</li> <li>• Training and workshops</li> <li>• Internal announcement</li> </ul>	<ul style="list-style-type: none"> <li>• Remuneration and benefits</li> <li>• Equal opportunities</li> <li>• Career development</li> <li>• Occupational health and safety</li> </ul>
<b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>• Annual general meeting</li> <li>• Financial reports</li> <li>• Announcements and circulars</li> </ul>	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Information transparency</li> <li>• Shareholder rights protection</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Customer service hotline and email</li> <li>• Company website</li> </ul>	<ul style="list-style-type: none"> <li>• Customer privacy protection</li> <li>• High quality customer services</li> <li>• Business ethic and integrity</li> </ul>
<b>Suppliers and business partners</b>	<ul style="list-style-type: none"> <li>• Supplier conferences and meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Supply chain management</li> <li>• Fair and open procurement</li> <li>• Mutual benefit</li> </ul>
<b>Government and regulatory authorities</b>	<ul style="list-style-type: none"> <li>• Regular performance supervision and evaluation</li> <li>• Written or electronic correspondences</li> <li>• Publications</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> <li>• Corporate governance</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>• Community events</li> <li>• ESG reports</li> </ul>	<ul style="list-style-type: none"> <li>• Community participation</li> <li>• Corporate social responsibility</li> <li>• Providing job opportunities</li> <li>• Environmental protection</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## MATERIALITY ASSESSMENT

A materiality assessment in the form of surveys was conducted during the Reporting Period, where the Group identified sustainability factors that were material to our business operations. The management and employees who are responsible for the key functions of the Group have participated in preparing the ESG Report, assisted the Group in reviewing its operations, identifying key ESG issues and assessing the importance of these issues to our businesses and stakeholders. The Group has compiled a questionnaire in reference to the identified material ESG aspects to collect the information from relevant departments and business units of the Group. The Group's material sustainability aspects will be covered in the ESG Report, and the materiality matrix is as follow:



### Major ESG Issues

- |  |   |
|--|---|
| 1. Customer services                           | 8. Development and training   |
| 2. Product and service quality assurance       | 9. Employee recruitment and promotion                                     |
| 3. Supply chain management                     | 10. Anti-corruption   |
| 4. Equal opportunities and anti-discrimination | 11. Corporate social responsibility                                       |
| 5. Employee remuneration and benefit           | 12. Anti-money laundering ("AML") and counter-terrorist financing ("CTF") |
| 6. Occupational health and safety              | 13. Environmental protection  |
| 7. Data and privacy protection                 | 14. Climate change  |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## CONTACT US

The Group welcomes stakeholders to provide their opinions and suggestions. You can provide your valuable advice with regard to the ESG Report or the Group's performances in sustainable development by visiting our website at [www.cash.com.hk](http://www.cash.com.hk).

### A. ENVIRONMENTAL

#### A1. Emissions

Environmental protection and sustainable development rely on concerted and continuous efforts from all industries and society. We strive to promote the vision of "Green CASH", by being an environmentally responsible company. The Group proactively seeks opportunities to conserve energy, utilise resources more efficiently and reduce waste. Besides establishing environmental policies and communicating measurable environmental objectives to our employees, we also keep ourselves up-to-date with local environmental standards.

During the Reporting Period, the Group and its subsidiaries received several awards which recognised our effort in promoting environmental protection. The Group and its subsidiaries, collectively received the following environmental and social awards during the Reporting Period:

<b>Name of Award</b>	<b>Awarding Organisation</b>
Hong Kong Awards for Environment Excellence (HKAEE) – Wastewise Certificate (Excellence Level)	Environmental Campaign Committee
Hong Kong Green Organisation Certificate	Environmental Campaign Committee

The Group strives to continuously improve our performance on environmental management.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to air and greenhouse gas ("GHG") emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste that would have a significant impact on the Group. The said laws and regulations include but are not limited to the Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong) and the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong).

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Air Emissions*

Due to the Group's business nature, only an immaterial amount of air emissions was generated from the use of company vehicles. Description of mitigation measures of emissions are described in the following section headed "GHG Emissions".

Summary of air emissions performances:

<b>Types of air emissions</b>	<b>Unit</b>	<b>2023</b>	<b>2022</b>
Nitrogen Oxides (NOx)	kg	<b>1.26</b>	1.42 <sup>1</sup>
Sulphur Oxides (SOx)	kg	<b>0.03</b>	0.03
Particulate Matter (PM)	kg	<b>0.09</b>	0.10 <sup>1</sup>

Notes:

1. The Group has reviewed the methodology of data collection on use of vehicles for the corresponding period in 2022 and restated the data of air pollutant emissions accordingly.

## *GHG Emissions*

The principal GHG emissions of the Group were generated from purchased electricity consumed in offices and retail stores (Scope 2). To mitigate the biggest contributor of the GHG emissions, the Group has actively adopted energy conservation measures to achieve green office which are described in the section headed "Energy Management" under aspect A2.

In the retail management business, transportation and deliveries of products are provided by external transportation service providers. To reduce the carbon emissions from the mobile transportation activities of our business partners, we aim to optimise the number of deliveries, which includes:

- Working closely with logistic partners in developing a better fuel-efficient transportation practice;
- Packing and loading products more efficiently to reduce the number of delivery journeys; and
- Continuously improving our transportation management system to achieve more efficient journey planning.

On the other hand, video-conferencing systems have been installed in offices to reduce travel and as a result reduce other indirect GHG emissions.

The Group's total GHG emissions intensity during the Reporting Period increased by approximately 12%, mainly due to the significant decrease in revenue while daily operations materially remained as usual despite the closure of 4 retail stores during the Reporting Period. To ensure the effectiveness of the measures, the Group had set a target of reducing the total GHG emissions intensity (tCO<sub>2</sub>e/million revenue) by 2025 when compared to 2021, which is also the baseline year.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Summary of GHG emissions performances:

Scope of GHG emissions <sup>2</sup>	Unit <sup>3</sup>	2023	2022
Direct GHG emissions (Scope 1)	tCO <sub>2</sub> e	<b>4.69</b>	5.26
Energy indirect GHG emissions (Scope 2)	tCO <sub>2</sub> e	<b>1,622.30</b>	1,729.11
Total GHG emissions	tCO <sub>2</sub> e	<b>1,626.99</b>	1,734.37
Total GHG emissions intensity <sup>4</sup>	tCO <sub>2</sub> e/million revenue	<b>1.60</b>	1.43

Notes:

- GHG emissions data is presented in terms of carbon dioxide equivalent and is based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, the Global Warming Potential Values from the IPCC Fifth Assessment Report, 2014 (AR5), the Sustainability Report 2022 issued by Hong Kong Electric, and the Sustainability Report 2022 issued by CLP Holdings Limited.
- tCO<sub>2</sub>e is defined as tonnes of carbon dioxide equivalent.
- During the Reporting Period, the Group recorded a revenue of approximately HK\$1,016,423,000 (2022: HK\$1,210,887,000). The data is also used for calculating other intensity data.

## *Sewage Discharge*

Due to the Group's business nature, the sewage discharge into land is insignificant. Similarly, there was no significant and unreasonable amount of sewage water discharged; used water was discharged to the municipal sewage network to the regional water treatment plant.

## *Waste Management*

Due to the Group's business nature, no significant hazardous waste is generated during operation. The waste generated from the business activities in offices and retail stores of the Group is mostly paper. The Group pursues high standard in waste reduction and educates all staff on the importance of sustainability while providing them with the skills and support to implement it.

A series of programmes and activities have been launched in the office to encourage the participation of staff towards waste management, which include:

- Implementing a Green Information and Communication Technology (ICT) Platform, including systems such as E-workflow and CASHARE (intranet) to build a highly efficient "paperless, IT-driven and systematic" working environment;
- Setting pull printing features on copy machines which is an efficient way to reduce paper waste in the office by preventing uncollected printouts from piling up in the printer tray;
- Achieving waste reduction goals set under the Wastewiße Certificate recognition scheme;
- Posting a "Green message" reminder at all office equipment;
- Applying used envelopes for internal document circulation; and
- Recommending duplex or 2-on-1 page copying on recycled paper.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group hopes that our stakeholders will join us and pursue a sustainable operation. We encourage reduction of paper consumption by offering shareholders choices to consent to receiving corporate communications materials by electronic means. We also encourage customers to use e-statements on our online portal in order to save paper.

The Group's paper disposal intensity during the Reporting Period decreased by approximately 20%. This is mainly attributable to the reduction of retail stores and the total paper usage of office paper as a result during the Reporting Period. To ensure the effectiveness of the measures, the Group had set a target of reducing the total non-hazardous wastes intensity (kg/million revenue) by 2025 when compared to 2021, which is also the baseline year. Summary of major non-hazardous waste discharge performance is as below:

<b>Types of waste</b>	<b>Unit</b>	<b>2023</b>	<b>2022</b>
Office paper	kg	<b>7,589.65</b>	11,230.03
Total non-hazardous wastes	kg	<b>7,589.65</b>	11,230.03
Total non-hazardous wastes intensity	kg/million revenue	<b>7.47</b>	9.27

In our offices, waste separation facilities have been implemented. We provide recycling bins for collecting scrap paper, plastic bottles, aluminum cans, and recyclable toner cartridges, which are then delivered to the recycling agents for further processing. In Pricerite retail stores, recycling bins are implemented to facilitate recycling for customers, and we have engaged qualified service providers for the collection and recycling on a regular basis.

The amount of recycled items at our collection points during the Reporting Period is summarised as follows:

<b>Types of waste collected for recycling</b>	<b>Unit</b>	<b>2023</b>	<b>2022</b>
Paper	kg	<b>4,469</b>	5,430
Aluminum cans	Pieces	<b>38</b>	227
Plastic bottles	Pieces	<b>175</b>	479
Toner cartridges	Pieces	<b>40</b>	48
Battery	kg	<b>98</b>	100
Lighting tube	Pieces	<b>499</b>	150
Light bulb	Pieces	<b>499</b>	1,347

## *Target Achievement Progress*

For each target established, the details of corresponding measures to achieve such target will be disclosed in the sections of "Emissions" and "Use of Resources". To ensure the effectiveness of the measures, the Group has set target to reduce the total GHG emissions intensity and the total non-hazardous wastes intensity by 2025 when compared to 2021, which is also the baseline year.

During the Reporting Period, the total GHG emissions intensity of the Group increased by approximately 12% compared to each of 2022 and 2021, of which 2021 is the baseline year for setting the target. This is mainly due to the significant decrease in revenue while daily operations materially remained as usual despite the closure of 4 retail stores during the Reporting Period. During the Reporting Period, the non-hazardous wastes intensity of the Group decreased by 20% compared with that in 2022, and by 38% compared with that in 2021 which is the baseline year for setting the target. This is mainly attributable to the reduction of retail stores and the total paper usage of office paper as a result during the Reporting Period.

In the future, we will develop more specific quantitative environmental goals to nurture the environment and cherish natural resources. The Group will strive to achieve the targets by implementing appropriate measures in its operation.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## A2. Use of Resources

The Group recognises its responsibility to take the initiative in efficiently utilising finite resources and carries out its corporate social responsibility to introduce additional eco-friendly approaches to enhance the Group's sustainability performance. Therefore, the Group has established the Green Office Policy to achieve energy conservation.

### Energy Management

In daily operation, the Group's major energy consumption is electricity consumed in office and retail stores. In order to reduce our energy consumption, the Group has launched a wide variety of green measures for awareness building towards energy conservation:

- 1) Lighting
  - T5 energy-efficient lighting tubes have been installed at offices;
  - Staff is encouraged to switch off lighting while they are duty-off;
  - Partial lighting should be switched off provided that sufficient sunlight is available indoors; and
  - "Light-off" during lunch hour is highly recommended.
- 2) Office equipment
  - Computers and other electronic equipment should be powered off while they are not in use for energy conservation; and
  - Security guards patrol the offices at night to ensure all non-use equipment is switched off.

Apart from the measures adopted at office, the Group participated in the "Earth Hour" campaign by turning off the offices' lighting for one hour with an aim to encourage the participation of staff and arise their concern.

The Group's energy consumption intensity during the Reporting Period increased by approximately 7%, mainly due to the decrease in revenue while daily operations materially remained as usual despite the closure of 4 retail stores during the Reporting Period. To ensure the effectiveness of the measures, the Group had set a target of reducing the total energy consumption intensity (kWh/million revenue) by 2025 when compared to 2021, which is also the baseline year.

Summary of energy consumption performance:

Types of energy	Unit	2023	2022
Direct energy consumption			
– Petrol	kWh	<b>17,090.63</b>	19,167.96
Indirect energy consumption			
– Electricity	kWh	<b>3,603,695.00</b>	3,996,178.00
Total energy consumption	kWh	<b>3,620,785.63</b>	4,015,345.96
Total energy consumption intensity	kWh/million revenue	<b>3,562.29</b>	3,316.04

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Water Management*

The Group does not consume significant amounts of water through our business activities. Water usage in the office in Kowloon Bay and Pricerite retail stores is included in the management fee as water supply facilities are provided and managed by property managers on our rental premises, no meter reading is therefore available.

Although the water consumption is considered minimal, we also encourage saving by driving behavioural changes in the workplace. Green messages are posted in pantries and washrooms as reminders for using water efficiently. During the Reporting Period, the Group targets to promote water conservation in our offices and retail stores in the coming year.

## *Use of Packaging Material*

In the retail management business, Pricerite, packaging material is used for delivery of goods. The major packaging material used in the business is plastic bag, which is offered to customers upon request.

We strictly implement the Plastic Shopping Bag Charging enforced by the Government. Customers are required to pay a levy in requesting a plastic bag, hence restricting the consumption of plastic bags. Promotion material of BYOB – Bring Your Own Bag is displayed in our retail stores to raise customer awareness in order to reduce plastic bag usage. In addition, we had closed down four retail stores during the Reporting Period, as a result, the number of plastic bags being used during the Reporting Period reduced significantly.

Summary of packaging material consumption performance:

<b>Types of packaging material</b>	<b>Unit</b>	<b>2023</b>	<b>2022</b>
Plastic bags	pieces	<b>103,000</b>	219,500

## *Target achievement progress*

The Group has set target to reduce the energy consumption intensity by 2025 when compared to 2021, which is also the baseline year.

During the Reporting Period, the energy consumption intensity of the Group increased by approximately 7% compared to 2022, and by approximately 6% compared to 2021, which is the baseline year for setting the target. This is mainly due to the significant decrease in revenue while daily operations materially remained as usual despite the closure of 4 retail stores during the Reporting Period.

In the future, we will develop more specific quantitative environmental goals to nurture the environment and cherish natural resources. The Group will strive to achieve the targets by implementing appropriate measures in its operation.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## **A3. The Environment and Natural Resources**

The Group is committed to minimising negative environmental impacts occasioned by the Group's business operations. Despite that the business activities of the Group do not significantly impact the environment and natural resources, we continue to be vigilant to the potential environmental impacts arising from its business operations.

### *Working Environment*

The Group is committed to providing employees with a comfortable and green working environment to increase work efficiency. We strive to maintain a hygienic and neat environment in the workplace. The Group signed the Hong Kong General Chamber of Commerce's Clean Air Charter to reduce emissions and create cleaner air. We acted on the Chamber's 7-7-7 Care-for-Air Guidelines for the public and called on our staff to take practical steps to contribute to improving air quality at home, at work, and while travelling. Besides, the Group engaged in many different governmental environmental protection campaigns, including Green Office Education, Green Day, Biz Green Dress Day, Reuse and Recycle Program and Action Blue Sky.

### *Light Pollution*

Due to the high building density in Hong Kong, external lighting at night may disturb nearby residents. To reduce the impact of light pollution, Pricerite strictly follows the "Charter on External Lighting" which has been in effect since April 2016. Certain Pricerite stores are committed to switching off decorative, promotional or advertising lighting, which affects the outdoor environment during the preset time (i.e. midnight to 7 am). This measure also helps reduce energy wastage.

## **A4. Climate Change**

The Group recognises the importance of the identification and mitigation of significant climate-related issues, therefore closely monitors the potential impact of climate change on our business and operations. In accordance with the reporting framework developed by the Task Force on Climate-related Financial Disclosures, there are two major categories of climate-related risks, physical and transition risks.

### *Physical Risks*

The increased frequency and severity of extreme weather events such as typhoons, storms, heavy rains, and extreme cold or heat pose acute and chronic physical risks to the Group's business. The Group's assets may be damaged and store operations disrupted, resulting in reduced revenue from lower sales and higher maintenance costs. Climate change may also adversely impact our employees in terms of health and commuting and cause displacements in communities where we operate.

To minimise the potential risks and hazards of extreme weather events, such as typhoon and black rainstorm, which might cause interruptions on our business, the Group has established mitigation plans including flexible working arrangements, and precautionary measures such as regular inspection of office premises. Moreover, we maintain comprehensive insurance coverage for assets that are prone to damage by extreme weather conditions, minimising the potential maintenance and repair costs required.

### *Transition Risks*

To achieve the global vision on carbon neutrality, the Group expects evolution of the regulatory, technological and market landscape due to climate change, including the tightening of national policies and listing rules and the emergence of environmentally related taxes. Stricter environmental laws and regulations may expose enterprises to higher risks of claims and lawsuits, which might incur additional compliance costs and affect the reputation of the Group.

In response to the policy and legal risks as well as the reputation risks, the Group constantly monitors any changes in laws or regulations and global trends on climate change to avoid cost increments, non-compliance fines or reputational risks due to delayed response. In addition, the Group has been taking comprehensive environmental protection measures, including GHG reduction measures, and has set targets to gradually reduce the Group's energy consumption and GHG emissions in the future.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## B. SOCIAL

### B1. Employment

Respect for the rights of everyone who works for us is fundamental to the sustainability of the Group and the communities in which we operate. Our commitment to operate with respect for individuals is reflected in all aspects of the Group's business operations and is integrated in our policies and relevant procedures. We are committed to providing a happy and family-friendly workplace.

During the Reporting Period, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group, including but not limited to the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong), the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong), the Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong), and the Disability Discrimination Ordinance (Chapter 487 of the Laws of Hong Kong).

As at 31 December 2023, the Group had a total of 514 employees (2022: total 624 employees). The headcount change is mainly due to the optimisation and digitisation of frontline business, and the reduction of part-time employees during the reporting period. Total workforce by gender, age group, geographical region and employment type is as follows:

	2023	2022
Total number of employees	514	624
<b>Gender</b>		
Male	220	262
Female	294	362
<b>Age Group</b>		
Below 30 years old	51	80
30-50 years old	308	386
Over 50 years old	155	158
<b>Geographical region</b>		
Hong Kong	514	624
<b>Employment Type</b>		
Full-time	467	536
Part-time	46	88
Temporary contract	1	–

#### *Recruitment, Promotion and Dismissal*

The Group has set out the Staff Recruitment Policy for our Human Resources Department to ensure that appropriate and standardised recruitment process is maintained. The policy will be reviewed regularly, and modified as required, to reflect changes in the Group's development, best practice in recruitment process and compliance with the relevant legislation.

The Group devised an effective performance management system where regular performance appraisal is carried out to provide a two-way communication platform for improved employee relationships with the support of timely coaching and counseling and to give feedback on employees' performance and help identify individual training needs so as to enhance performance and to develop the potential of the employee for further advancement. Procedures are set out in the Employee Handbook. Through the performance appraisal, the Group reviews and adjusts salary based on our transparent incentive structure.

The termination of employment contract is set out in the Employee Handbook and governed by internal policies to ensure all dismissal comply with relevant laws and regulations in Hong Kong. The Group strictly prohibits any kinds of unfair or illegitimate dismissals.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, the Group recorded a turnover rate of approximately 33.57% (2022: 29.07%). The table below shows the employee turnover rate by gender, age group and geographical region:

	<b>2023</b>	2022
	<b>Turnover rate (%)</b>	Turnover rate <sup>6</sup> (%)
<b>Gender<sup>5</sup></b>		
Male	<b>31.54</b>	29.16
Female	<b>35.06</b>	29.00
<b>Age Group<sup>5</sup></b>		
Below 30 years old	<b>58.02</b>	47.71
30-50 years old	<b>33.14</b>	27.31
Over 50 years old	<b>24.28</b>	21.05
<b>Geographical region<sup>5</sup></b>		
Hong Kong	<b>33.57</b>	29.07

Notes:

- Calculation methodology of turnover rate: employees in the specified category leaving employment divided by the average of total number of employees in the specified category of the Group at the beginning and the end of the Reporting Period.
- The Group has reviewed the methodology of data calculation on turnover rate for the corresponding period in 2022 and restated the data of turnover rate accordingly.

## *Remuneration and Benefits*

As a multi-faceted service conglomerate, the Group fully understands that our success lies in the quality of service we provide to our customers and therefore our ability to attract, retain and motivate quality employees. The Employee Handbook is formulated to stipulate general practices and policies related to employment, compensation and benefits. To stay competitive, our base salaries are within industry norms, contributing to our ability to attract and retain highly skilled and motivated staff.

To attract talented people, the Group provides fair and competitive remuneration and benefits to our employees. We benchmark our remuneration system with the market to ensure our ability to motivate our talent pool. The Group adopts a comprehensive and people-oriented leave system, where comprehensive benefits are provided to all staff, including annual leave, birthday leave, marriage leave, maternity leave, compassionate leave, and paternity leave. We have pioneered the introduction of the following benefits for employees, including marriage gift coupon, red packet for new-born babies, purchase discount and financial trade discount for our employees. In addition, to express our appreciation to staff who have contributed to the Group for many years, we regularly show our gratitude with long service awards.

Pricerite has set up the "Best Staff" and "Best Manager" award schemes, held yearly, to recognise top-performing employees and teams and to raise morale. Competition is also held on a monthly basis to present awards to recognise outstanding frontline employees and boost their confidence from time to time. The Group believes that our employees' dedication deserves recognition.

## *Diversity and Equal Opportunities*

The Group is committed to developing, maintaining and supporting a culture of equality and diversity in employment, on the basis of age, race, colour, nationality, religious belief, disability, sexual orientation, political opinion and any other status protected by applicable legislations and ordinances. We believe that the diversity can enrich all employees by providing a more rewarding and less stressful environment. No one shall be discriminated at recruitment, selection, employment, compensation, transfers, promotion, training or development. Qualified individuals are employed to carry out our fiduciary duties based on their education, experience, and ability without discrimination.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Work-life Balance*

The Group strives to help employees maintain a good work-life balance, which we believe helps them to sustain their performance at work and our business. To assist employees to balance their lives, we arrange activities under three different themes: wellness, happiness and vivacity. The Group introduces family-friendly employment practices, including offering family leave benefits and employee support schemes. To promote well-being and enhance their relationships, the Group also organised after-work activities for employees.

## **B2. Health and Safety**

Ensuring the health and safety of our employees is an integral part of our business activities. Therefore, we are dedicated to maintaining a safe, hygienic, and productive workplace by minimising the potential risk of accidents, injuries and exposure in relation to health risks. We ensure all employees are competent at work and are given adequate training to comply with all local legislations and ordinances with regard to health and safety.

The Group attaches prime importance to ensure a safe working environment, with measures in place to deal with natural disasters, fire, disease and accidents. We encourage our employees to treat health and safety as parts of their individual responsibility. The Group's health and safety procedures are revised from time to time to ensure that they are risk-focused and that responsibilities are clearly defined.

During the Reporting Period, the Group was not aware of any material non-compliance with health and safety-related laws and regulations that would have a significant impact on the Group including but not limited to the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) and the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong). The Group has achieved zero work-related fatalities in the past three years, including the Reporting Period. During the Reporting Period, there were 30 (2022: 36) lost days due to 4 (2022: 5) work-related injuries, mainly occurred on our frontline staff during products and inventories transportation. Immediate investigation was carried out and the effectiveness of occupational health and safety measures was evaluated with the aim of improving the safety of workers. To avoid similar accidents in the future, the Group provided frontline staff with training regarding personal safety during operation, equipment handling, and report procedures for accidents.

## *Occupational Health and Safety*

Occupational health and safety record is maintained to ensure that a healthy and safe workplace is provided for our employees at all times. Preventive measures were undertaken with the use of appropriate office equipment as well as performing periodic office risk assessment to enhance workplace safety. We offer comprehensive medical insurance plans covering clinical, hospital and dental benefits to protect the health of our employees and their families, as well as regular vaccination programs to reduce their risk of getting infectious diseases.

## **B3. Development and Training**

We are committed to ensuring that the talents, skills and abilities of our employees are recognised and are utilised to their full capacity. The Group has implemented various training policies and organised a number of training programmes aiming specifically at improving the skills and developing the talents of our employees and generally increasing the competitiveness, productivity and efficiency of the Group.

Our training programmes are developed based on business needs and capabilities of employees. We provide tailor-made management training workshops for management-level employees and high-calibre talent to enhance their professional knowledge and competency, the mindset to take on leadership roles, the ability to face adversity and team spirit. During the reporting period, we organized tailor-made internal training and learning activities to let employees understand the latest business trends, industry needs, and the Group's business direction and strategy for this year. In order to improve frontline performance, we regularly provide training programmes to strengthen employee's communication and cooperation, cultivate the spirit of competition and stimulate team spirit. Furthermore, we leveraged our digital platforms to promote online courses and e-learning to accommodate the post-pandemic "new normal".

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group conducts an initial staff orientation for new employees in order to familiarise them with the Group's history and strategy, corporate culture, quality management measures and rules and regulations. This orientation aims to prepare the new employees for the positions by establishing a sense of belongingness and cooperation; by supplying necessary information that resolves an employee's concerns; and by removing any potential barriers for job effectiveness and continuous learning.

During the Reporting Period, the Group has achieved a total training hour of 3,408 (2022: 3,114) hours. The table below shows the employee training data by gender and employee category:

	Percentage of employees trained <sup>7</sup> (%)		Average training hours per employee (hours) <sup>8</sup>	
	2023	2022	2023	2022
<b>Gender</b>				
Male	<b>41.82</b>	57.63	<b>7.40</b>	9.31
Female	<b>46.26</b>	55.52	<b>6.05</b>	8.50
<b>Employee Category</b>				
Senior Management	<b>75.00</b>	78.95	<b>17.50</b>	21.40
Middle Management	<b>77.78</b>	53.57	<b>11.33</b>	13.60
General	<b>42.08</b>	55.81	<b>6.09</b>	8.04

Notes:

7. Calculation methodology of percentage of employees trained: number of employees in the specified category who took part in training divided by number of employees in the specified category at the end of the Reporting Period.
8. Calculation methodology of average training hours per employee: total training hours of employees in the specified category divided by total number of employees in the specified category at the end of the Reporting Period.

## B4. Labour Standards

### *Prevention of Child and Forced Labour*

The Group prohibits the recruitment of child and forced labour as prescribed by laws and regulations. The Group strictly complies with local laws and shall not provide job opportunities to those who are under the legal working age of respective jurisdictions.

To avoid illegal employment of child labour and underage workers, the Human Resources and Administration Department of the Group is responsible for verifying personal data such as the identification card during the recruitment process. If violation is involved, it will be dealt with according to circumstances. No employee shall be compelled to work against his or her will through force or intimidation of any form or subjected to corporal punishment or coercion of any type related to work. Overtime compensation procedures are set out in the Employee Handbook where overtime compensation leave will be provided to eligible employees when they are required to work overtime.

During the Reporting Period, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations, that would have a significant impact on the Group including but not limited to the Employment of Children Regulations (Chapter 57B of the Laws of Hong Kong) and the Employment Ordinance (Chapter 57 of the Laws of Hong Kong).

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## B5. Supply Chain Management

The Group is committed to creating a sustainable relationship with our suppliers and consultants through operating in an open and fair manner. Our major suppliers are mainly engaged by Pricerite Marketing Limited, Pricerite Food Limited, and Pricerite Pet Necessities Limited. During the Reporting Period, the Group has engaged 386 suppliers (2022: 422 suppliers), which breakdown by geographical regions as below:

	2023	2022
<b>Geographical Regions</b>		
Hong Kong	<b>345</b>	379
China (excluding Hong Kong, Macau and Taiwan)	<b>33</b>	34
South Korea	<b>2</b>	2
Japan	<b>3</b>	2
Taiwan	<b>1</b>	1
India	<b>1</b>	1
Thailand	–	1
United Kingdom	–	1
Vietnam	<b>1</b>	1
<b>Total number of suppliers</b>	<b>386</b>	422

To ensure that the suppliers meet our requirements in regard to quality, environmental and social standards, we carry out assessment for review, approval and disapproval of suppliers and subcontractors. Prior to making any procurement decisions, we will conduct assessments on suppliers and consultants to avoid environmental and social risks. We maintain a list of approved suppliers and consultants; they may be suspended or removed from the approved list if they fail to fulfil the agreed standards.

### *Green Procurement*

To support sustainability, our Green Supply Chain initiative applies strict environmental, social and ethical criteria to the suppliers of our business. We place high demands on suppliers and the Group shall select suppliers with similar standards set by the Group as our prefer suppliers. We have incorporated sustainability considerations into our sourcing and outsourcing practices, requiring suppliers to meet the basic standards. For example, all suppliers are expected to adhere to these basic principles:

- Operating as an equal opportunity employer and recognising the right to collective bargaining as well as minimum and prevailing wages and benefits;
- Maintaining probity and accountability standards;
- Minimising discrimination against small and medium-sized enterprises or local vendors;
- Providing a healthy and safe working environment, not using any forced or child labour, and refraining from harassment or abuse of employees; and
- Supporting sustainable development, acting responsibly with regard to the environment, observing environmental criteria to conserve resources, minimising the negative environmental effects of the production, application and disposal of products, and reducing the use of hazardous products as much as possible.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## **B6. Product Responsibility**

As a total caring organisation, it is our mission to provide our customers with a meaningful experience when utilising our services, therefore the Group understands the importance of expertise for ensuring service quality. Satisfying our clients is our central focus. This principle guides all our activities and applies to all business divisions. The key elements are transparency and high-quality advice, which enable us to improve client satisfaction and achieve customer loyalty in the long term.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations that would have a significant impact on the Group, including but not limited to the Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong) and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), concerning health and safety, advertising, labelling and privacy matters relating to products and services and methods of redress.

### *Quality Assurance*

In the sales of furniture and household items, the Group strives to achieve the highest standard in terms of quality, safety, and consistency. We have implemented the Product Approval & Pre-Shipment Inspection Policy to regulate the quality assurance procedure regarding our products, covering the New Product Quality Assurance Approval for our electrical appliances, household products, and pet products. Pricerite has received Q-Mark Service Certification from Hong Kong Q-Mark Council since 2006, and TMF has received the certification since 2018. The certification recognises our competency on providing high standards of service to customers.

To safeguard our baseline, we involve an independent Quality Assurance Team in assuring product quality and safety. The team assures the satisfaction of customer expectations by the following means:

- Product development – review of new designs, examination of product specifications, analysis of customer expectation conformance;
- Supplier assessment – inspection of suppliers' capability in satisfying quality requirements, solving supply problem by establishing communication channels with suppliers;
- Pre-shipment inspection – inspection of functionality and safety of finished goods to ensure conformance to required specifications; and
- Complaint handling – review of product defects and mismatches against customer expectation, provision of improvement plans on product quality.

As part of the standard operating procedure, the Group also has in place the Product Recall Procedure to mitigate the distribution and sale of the affected product, so as to protect customer health and safety. With the procedure, we ensure that the removal of affected product from the marketplace as well as the stores is carried out efficiently. After the recall procedure, Improvement Note will be completed by the quality assurance department to analyse the root cause and determine the nature of the problem while corrective action plan is implemented to prevent another recall. During the Reporting Period, the Group did not recall any products for safety and health reasons.

During the Reporting Period, the Group received approximately 212 (2022: 380) complaints regarding product issues, such as product defect and missing parts, and approximately 209 (2022: 480) complaints regarding delivery and installation services. To conduct immediate investigation, we collected information, including sales transaction, detailed complaints content with photo and video, and acknowledge the customer's case within 3 working days to provide solution that meet customer's need. All follow up action were ensured to be strictly complied with our standard operating procedures and tickets in Customer Relationship Management ("CRM") System were created for record.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group considers the customers' feedback as an opportunity to improve our product quality and business operation. After the follow-up actions were taken, the root causes of complaints are analysed and review meetings with stakeholders are conducted. We implement remedy plans such as continuous quality improvement plan ("CQI") and scorecard marking scheme. To ensure the effectiveness of our procedures, the Group sets relevant KPIs and reviews standard operating procedure periodically through monthly performance tracking reports, so that prompt adjustment can be made and action plan can be fine-tuned where necessary.

## *Customer Services*

The Group maintains an open and welcoming attitude to feedback and complaints from the Group's customers and guests, as the Group views it as an opportunity to improve its service. Procedures for handling complaints are detailed in the Complaint and Suggestion Handling Policy for the reference of relevant employees. Should the Group receive any complaints, the Group will strive to act immediately to resolve the issue with effective corrective actions.

During the Reporting Period, the Group received approximately 63 (2022: 90) complaints regarding customer services. With immediate response to the customers, investigation and interview were conducted by store operation management with the staff concerned. To ensure similar issues will be avoided, relevant staff are provided with intensive training course, while case study and field sharing are conducted by staff training department with frontline staff. The improvement plan regarding the complaints is closely monitored and reviewed by staff training department and operation management team.

## *Handling of Personal Data*

The Group strictly adheres to regulatory requirements on data privacy, through fulfilling high security and confidentiality of personal data privacy protection. We are committed to maintaining and protecting personal data.

Internal policy has been established to govern the collection and handling of personal data received from a data subject. Under our data protection principles, a Privacy Policy Statement ("PPS") is acknowledged to enable the public to ascertain the data user's general policies and practices in relation to the collection, holding and use of individual personal data.

Furthermore, in accordance with our data protection principles, a Personal Information Collection Statement ("PICS") is acknowledged whenever there is collection of personally identifiable information from individuals to notify data subjects of certain matters in relation to specific collections of personal information from them. The Group will not use or provide personal data to any person for use in direct marketing unless we have obtained the data subject's consent in writing. Meanwhile, the Group maintains sound safety system and measures to prevent unauthorised use of personal data.

## *Protection of Intellectual Property Rights*

Policies and measures regarding the protection of intellectual property rights are in place. For any infringement of the Group's intellectual property rights, the Group will urge infringers to cease such action. The Group shall take further action should infringement continue.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## **B7. Anti-corruption**

The Group strives to promote and maintain the highest standards of honesty, integrity and fairness. All of our staff must ensure that the Group's reputation is not tarnished by dishonesty, disloyalty or corruption. Policies on the aforementioned matters are clearly stated within the Employee Handbook.

During the Reporting Period, the Group was not aware of any material non-compliance with the relevant laws and regulations of bribery, extortion, fraud and money laundering, including but not limited to the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) that would have a significant impact on the Group. During the Reporting Period, there were no concluded legal cases regarding any forms of fraud brought against the Group or its employees.

### *Whistle-blowing Channels*

The Group maintains a Whistle-blowing policy to encourage employees to report any suspected misconduct contrary to our ethical belief in confidence without the fear of recrimination. Procedures are established for employees to raise complaints directly to the Compliance Department, which will evaluate the complaint and determine whether an investigation is appropriate. Compliance Department coordinates with relevant departments for investigation where necessary and recommendations on improvements are communicated to the respective management for implementation. Audit procedures, investigation results and subsequent follow-up actions taken are reported to the Audit Committee on an annual basis.

### *Anti-corruption Training*

Training related to anti-corruption are rendered to our management and employees to boost their awareness on the prevention of any kind of unethical behaviour such as bribery, extortion, fraud and money laundering. During the Reporting Period, Directors and senior management have attended anti-corruption training held by the Company.

## **B8. Community Investment**

Adhering to our core value of "Total Caring", the Group has been caring for different sectors and groups in society for many years. We and our employees are dedicated to working hand-in-hand with local communities in a variety of initiatives ranging from job creation to youth education and disaster relief.

### *Community Engagement*

The Group believes that contributing to society is the due responsibility of every local organisation – and we contribute to a variety of causes in Hong Kong every year. Apart from taking care of the needy during the pandemic, the Group also contributed to the community, engaging in various big and small activities.

- In support of the social service funding of Pok Oi Hospital, and promoting cycling in Hong Kong and the awareness of environmental living, the Group sponsored and recruited corporate teams to participate in the Pok Oi Cycle for Millions 2023 event and donated approximately HK\$32,000 in this event.
- Putting into practice our core value of "Total Caring", the Group invited Gingko Store, a service project to promote employment for the elderly, to offer organic vegetables and organic products at discounted prices to our Group. Through the purchase of hand-made packaged food from Hong Kong kitchens and organic crops from the organic farm, we provided diverse employment opportunities for the elderly and promoted a low-carbon and environmentally friendly lifestyle.
- Embracing diversity and respecting individual needs, Pricerite Home and CFSG supported UNICEF's campaign Say Yes to Breastfeeding by establishing private breastfeeding-friendly zones in our stores and offices. Our effort was recognised by UNICEF and the Department of Health with a Gold Label certificate presented to Pricerite Home. CFSG also received a Certificate of Appreciation for their contribution to supporting breastfeeding.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- Pricerite Group has teamed up with a number of enterprises to create “smart community” in the transitional housing project, which alleviates housing problems faced by low-income citizens. Promoting sustainable development and supporting smart communities, Pricerite Group set up an innovative smart shopping wall with self-service points for home product purchases, offering a variety of household goods, appliances, furniture, food, and beverages to meet the residents’ daily needs. Residents are eligible to enjoy discounted prices and free shipping on Pricerite online store.
- In support of the development of local football, Pricerite Group sponsored the Kwai Tsing District Football Association to support aspiring football players, especially young football players, in their training and matches.
- As part of our commitment to assisting grassroots families, our staff volunteered at the “Food Angel” Kitchen in May 2023, where they prepared surplus food to create nutritious meals for redistribution to the underprivileged communities.

On behalf of the Board

**Dr Bankee P. Kwan, BBS, JP**

*Chairman & CEO*

Hong Kong, 27 March 2024

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

### Subject Areas, Aspects, General Disclosures and KPIs

### Description

### Section/Declaration

#### A. Environmental

##### Aspect A1: Emissions

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity.	Emissions (Not applicable – Explained)
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	Emissions
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions
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.	Emissions

##### Aspect A2: Use of Resources

General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources
KPI A2.2	Water consumption in total and intensity.	Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources
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.	Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Use of Resources

##### Aspect A3: The Environment and Natural Resources

General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources

##### Aspect A4: Climate Change

General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

**Subject Areas,  
Aspects, General  
Disclosures and  
KPIs**

**Description**

**Section/Declaration**

**B. Social**

**Aspect B1: Employment**

General Disclosure Information on: Employment

- (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.

KPI B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region Employment

KPI B1.2 Employee turnover rate by gender, age group and geographical region. Employment

**Aspect B2: Health and Safety**

General Disclosure Information on: Health and Safety

- (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

KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. Health and Safety

KPI B2.2 Lost days due to work injury. Health and Safety

KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored. Health and Safety

**Aspect B3: Development and Training**

General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Development and Training

KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management). Development and Training

KPI B3.2 The average training hours completed per employee by gender and employee category. Development and Training

**Aspect B4: Labour Standards**

General Disclosure Information on: Labour Standards

- (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.

KPI B4.1 Description of measures to review employment practices to avoid child and forced labour. Labour Standards

KPI B4.2 Description of steps taken to eliminate such practices when discovered. Labour Standards

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

**Subject Areas,  
Aspects, General  
Disclosures and  
KPIs**

	<b>Description</b>	<b>Section/Declaration</b>
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
<b>Aspect B6: Product Responsibility</b>		
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, labeling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility
<b>Aspect B7: Anti-corruption</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-Corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-Corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Corruption
<b>Aspect B8: Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment