



FORWARD FASHION  
HOLDINGS

Forward Fashion (International) Holdings Company Limited  
尚晉(國際)控股有限公司

*(incorporated in the Cayman Islands with limited liability)*

Stock Code : 2528



**Environmental, Social and  
Governance Report 2025**

# CONTENTS

	Page
ABOUT THIS REPORT	2
Scope of the ESG Report	2
Reporting Standard	3
Contact & Feedback	3
SUSTAINABLE DEVELOPMENT	4
ESG Governance Structure	5
ESG Risk Management	6
STAKEHOLDER ENGAGEMENT	7
MATERIALITY ASSESSMENT	8
CUSTOMER SATISFACTION	10
Product and Service Excellence	10
Complaint Management	12
OPERATIONAL SUSTAINABILITY	13
Sustainable Procurement	13
Business Integrity	14
Privacy and Security	15
RESPONSIBLE EMPLOYMENT	16
Employment Practices	18
Diversity, Equity, and Inclusion	20
Healthy and Safe Workplace	20
Work-life Balance	22
Training and Career Development	23
ENVIRONMENTAL PROTECTION	24
Emission Management	25
Resources Consumption	26
Environmental Targets	28
Climate Change Resilience	29
COMMUNITY CONTRIBUTION	31
HKEX APPENDIX C2 ESG REPORTING CODE INDEX	32

## ABOUT THIS REPORT

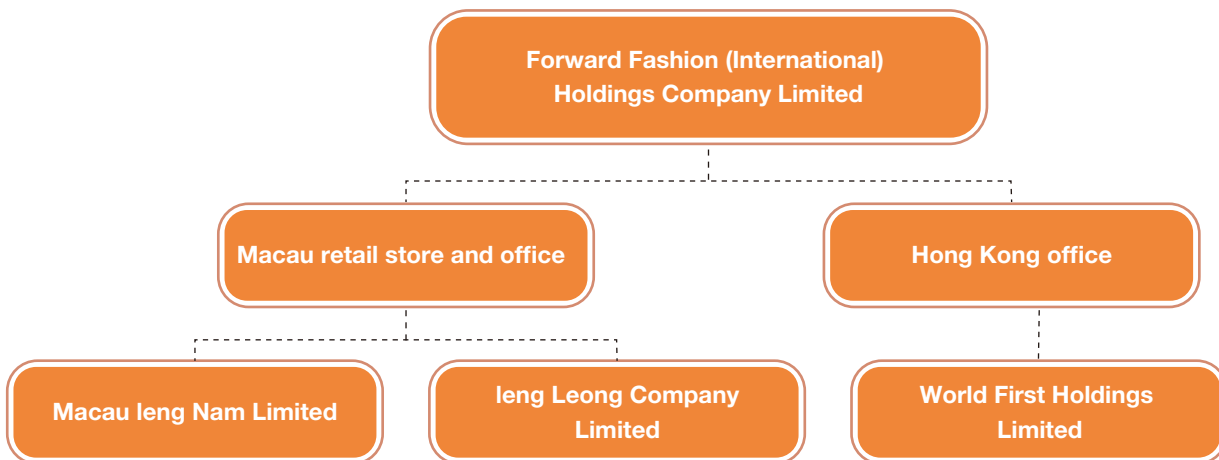
Over the past decade, Forward Fashion (International) Holdings Company Limited (referred to as the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**,” “**we**,” or “**our**”) have been actively engaged in the fashion apparel retailing sector. Our primary focus has been on offering a diverse selection of apparel products sourced from well-known international brands, encompassing established designer labels, popular global brands, and emerging names, to cater to our customer base. Leveraging our extensive sales network, we have effectively expanded our presence across Mainland China, Macau, Hong Kong, and Taiwan, managing a network of over 119 self-operated and managed retail stores.

In our quest for leadership within the fashion industry, we have not only emphasised the establishment of a solid reputation for our brands and the quality of our stores but have also dedicated ourselves to integrating sustainability principles into our strategic planning and day-to-day operations. Our aim is to embed transparent practices that uphold the values of sustainability, ensuring lasting value for our key stakeholders. By pursuing this path, we seek to implement sustainable and responsible practices that are in harmony with our long-term vision for the fashion sector.

With a strong commitment to nurturing enduring and trusted relationships with our community stakeholders, the Group is pleased to announce the publication of its fifth Environmental, Social, and Governance (“**ESG**”) report (referred to as the “**Report**”). This comprehensive document serves as a synopsis, offering valuable insights into our ESG journey, highlighting our ESG performance, and detailing the array of initiatives we have undertaken.

### *Scope of the ESG Report*

This Report examines only the ESG management approaches, environmental and social performance and material topics of the following core operations of the Group during the period from 1 January 2025 to 31 December 2025 (the “**Reporting Period**” or “**FY2025**”):



Unless stated otherwise, the reporting boundary and data scope align with those of the 2024 ESG report. The reporting boundary is established considering the material impact of the businesses on the Group. Recognising the significant role that our activities in Macau play in the Group’s total revenue and the diverse portfolio of brands offered, our focus revolves around operations primarily centred on fashion apparel retail in Macau. This encompasses retail establishments in Macau and administrative offices situated in Macau and Hong Kong.

### *Reporting Standard*

The ESG Report has been prepared in accordance with the “Comply or Explain” provisions of the ESG Reporting Code, under Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**HKEx**”). Should there be any discrepancy between the English and Chinese versions, the English version shall prevail. The ESG Report has been reviewed and approved by the board of directors (the “**Board**”) of the Company. Throughout the ESG Report, we adopt the reporting principles of Materiality, Quantitative, Balance and Consistency, as described below:

Materiality	The material topics were identified through internal deliberations and interactions with key stakeholders. The materiality matrix and specifics of stakeholder engagement are outlined in subsequent sections for reference.
Quantitative	The data presented, including environmental and social key performance indicators (“ <b>KPIs</b> ”), in this ESG Report are structured and computed following a set of standardised methodologies, which are described in the respective sections for clarity.
Balance	The Board has recognised its duty to supervise the Company’s sustainable progress and to assess the accuracy, truthfulness, and comprehensiveness of the Report. The Report offers an impartial depiction of the Group’s performance.
Consistency	The Report has been designed within the same reporting scope and methodologies utilised in previous years. A uniform approach to environmental and social data management has been embraced to facilitate a meaningful comparison of our performance across different periods.

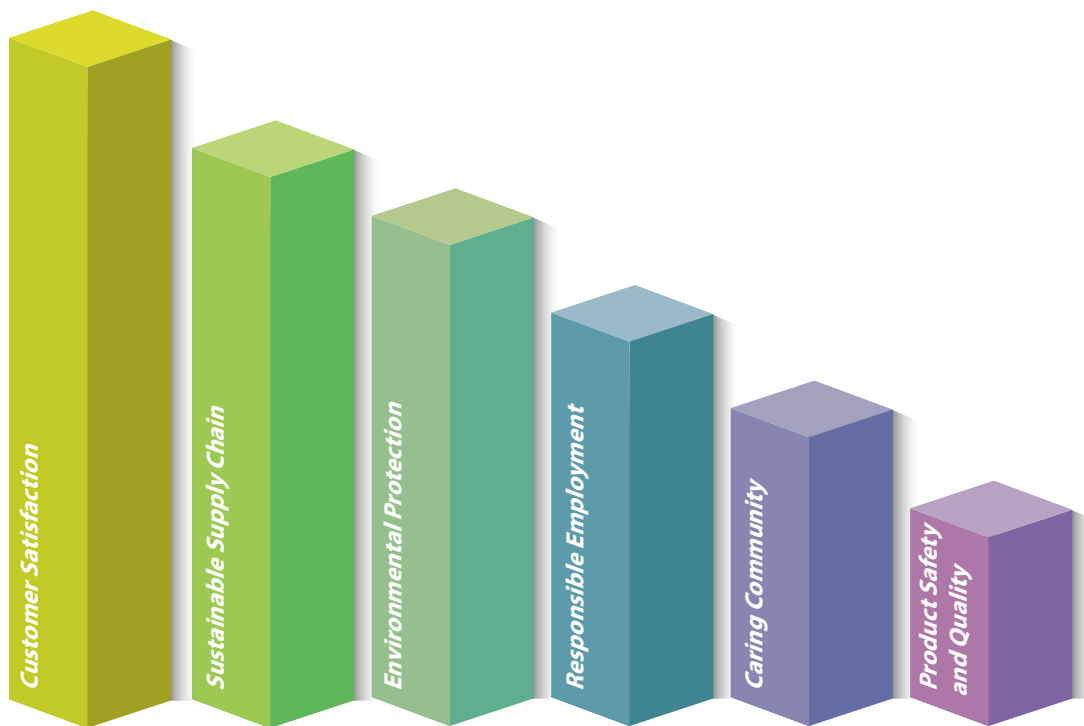
### *Contact & Feedback*

Our dedication lies in conducting our operations in a manner that prioritises the well-being of our esteemed stakeholders. Aligned with our focus on transparency and ongoing enhancement, we deeply appreciate your input on our ESG Report and sustainability efforts. Your perspectives and recommendations play a pivotal role in enhancing our comprehension of stakeholder needs and refining our sustainability initiatives. We warmly invite you to share your thoughts and feedback with us by reaching out via [ir@forward-fashion.com](mailto:ir@forward-fashion.com)

## **SUSTAINABLE DEVELOPMENT**

At the core of this commitment is our ESG Policy, which forms the foundation of our sustainability strategy, articulating our pledge to harmonise ESG considerations with the efficiency of our day-to-day functions. We have identified six key ESG approaches for our initiatives, with a focus on enhancing customer experiences, fostering sustainable practices throughout our supply chain, contributing to environmental conservation, prioritising responsible employment practices, engaging closely with our community, and ensuring product safety and quality. By following these focus areas, we aim to generate enduring value for our stakeholders while making a positive impact on the world.

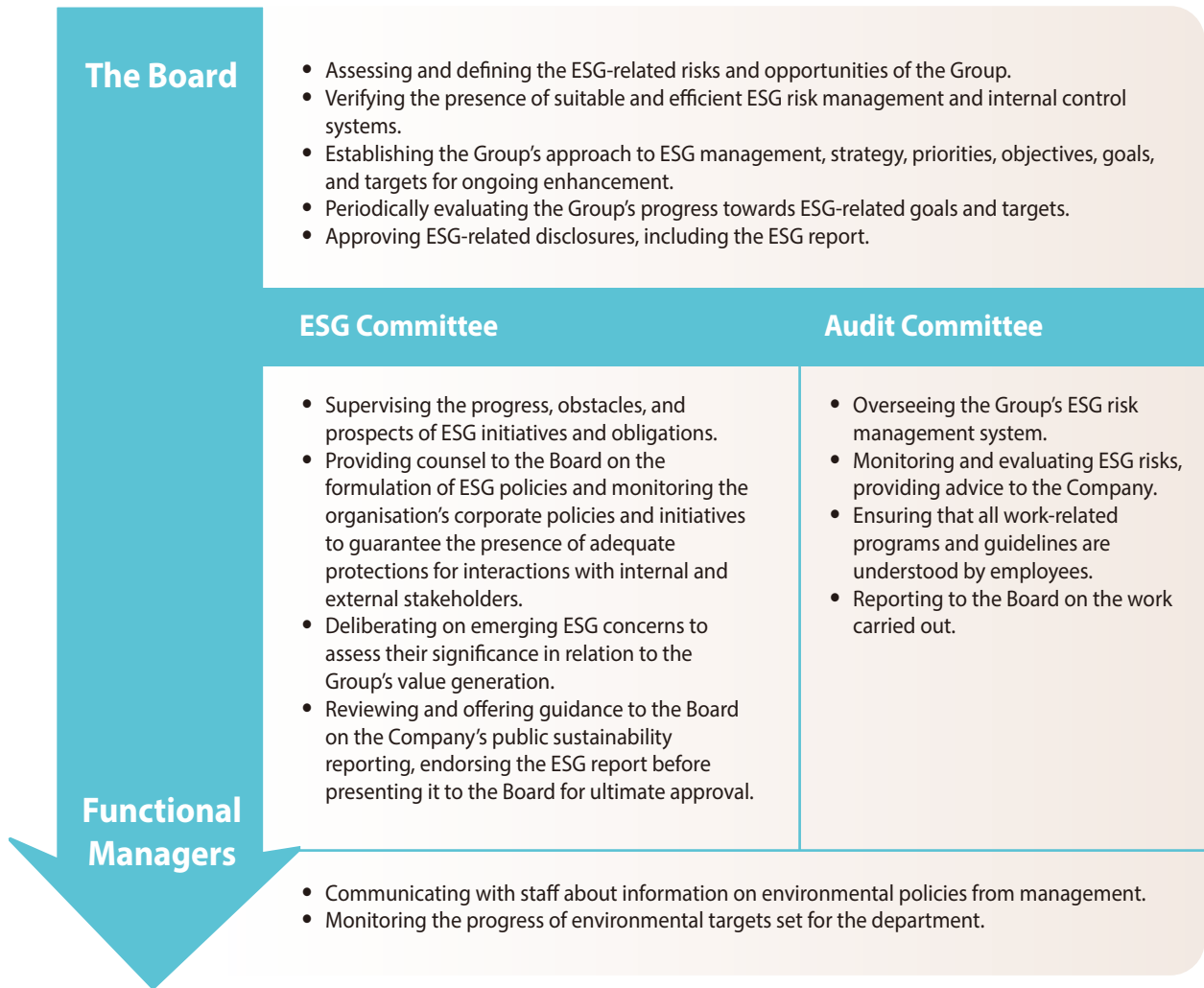
In FY2025, we reaffirm our dedication to the principle of “Meeting our own needs without compromising the ability of future generations to meet their own needs” and a heightened emphasis on environmental preservation.



*ESG Governance Structure*

Our ESG governance structure adopts a hierarchical management approach encompassing decision-making, organisational, and implementation levels. The Board bears the ultimate responsibility for supervising the Group’s ESG governance. To better monitor, improve and manage our day-to-day ESG issues effectively, the Group established the Environmental, Social, and Governance Committee (the “**ESG Committee**”). This ESG Committee convenes regularly and is entrusted with the pivotal role of overseeing and managing all ESG matters within the organisation, as well as monitoring the Group’s progress towards its ESG-related objectives. Simultaneously, the Audit Committee meticulously oversees our ESG risk management system, ensuring the presence of appropriate controls and mitigation measures in our daily operations. The breakdown of the ESG governance structure and its associated responsibilities is outlined as follows:

**Sustainability Governance Structure**



### ESG Risk Management

In response to the escalating focus on ESG considerations among investors and stakeholders, the establishment of a robust ESG risk management framework and the formulation of the ESG Risk Management Policy reflect our commitment to proactive risk mitigation and sustainable business practices. These strategic initiatives show our dedication to transparency, regulatory alignment, and the integration of ESG factors into our decision-making processes, positioning our organisation to effectively manage risks, seize opportunities, and enhance long-term value creation in alignment with our sustainability objectives.

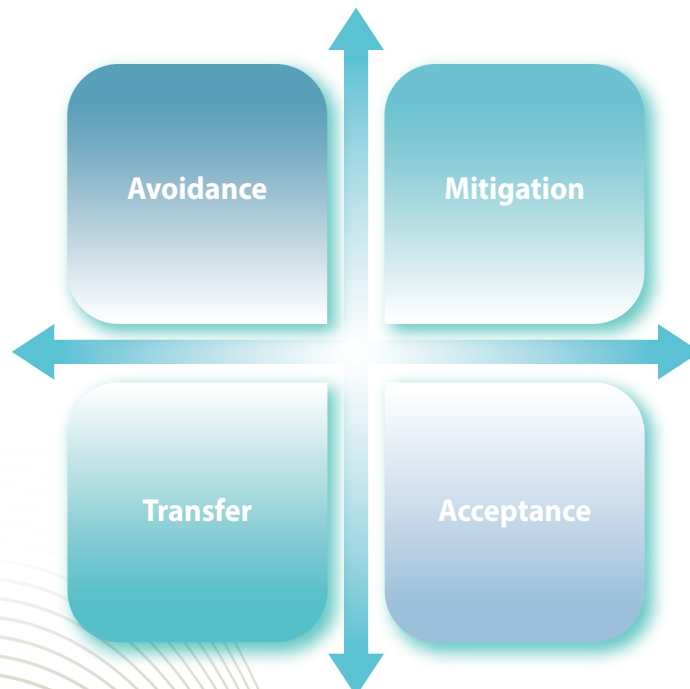
#### Our ESG Risk Management Process



In line with our dedication to proficiently handling ESG risks, we conduct an annual corporate risk assessment to scrutinise these risks by considering both their probability of occurrence and the extent of their impact on the Group's operations. Identified ESG risks are diligently documented and reviewed at least once a year to promptly address any necessary adjustments in response to new regulations, guidelines, or procedures, with updates provided to the Audit Committee.

This year, we have identified the top five ESG risks that our senior management and functional leaders believe may impact our stakeholders and operations. The top five ESG risks are: consumer demand change risk, raw material supply risk, service failure risk, ethical risk, and compliance risk. To address significant ESG risks, mitigation strategies are adopted across four strategic directions, aimed at enhancing the long-term sustainability and resilience of our business operations.

#### Our Mitigation Strategies



## STAKEHOLDER ENGAGEMENT

Understanding the critical role of key stakeholders in our sustainable development journey, which includes investors, shareholders, customers, employees, suppliers, business partners, government authorities, regulators, non-governmental organisations (“NGOs”), and communities, the Group places significant emphasis on maintaining robust connections with them. This engagement provides invaluable insights into their expectations and perceptions regarding the company’s ESG performance. To facilitate this ongoing dialogue and transparency, we have established a variety of communication channels that encourage active engagement and openness. These platforms enable us to attentively listen to and address stakeholder concerns and feedback. Through proactive stakeholder engagement, we are committed to continuously improving our ESG performance by adapting our strategies in response to stakeholder inputs, thereby ensuring alignment with their expectations.

Stakeholder	Expectation and Focus	Communication Channels
<b>Investors and shareholders</b>	<ul style="list-style-type: none"> <li>• Returns</li> <li>• Stable operation to prevent and control risks</li> <li>• Transparency in information and effective communication</li> </ul>	<ul style="list-style-type: none"> <li>• Company website</li> <li>• Company’s announcements and circulars</li> <li>• Annual and extraordinary general meetings</li> <li>• Annual and interim reports</li> <li>• Email</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Outstanding products</li> <li>• Customer privacy protection</li> <li>• Customer experience</li> </ul>	<ul style="list-style-type: none"> <li>• Company website</li> <li>• Customer direct communication</li> <li>• Customer feedback and complaints</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Remuneration and welfare</li> <li>• Diversity, Equity, and Inclusion</li> <li>• Career development</li> </ul>	<ul style="list-style-type: none"> <li>• Training and orientation</li> <li>• Email and opinion box</li> <li>• Regular meetings</li> <li>• Employee performance evaluation</li> <li>• Employee activities</li> </ul>
<b>Suppliers and business partners</b>	<ul style="list-style-type: none"> <li>• Business integrity</li> <li>• Win-win cooperation</li> </ul>	<ul style="list-style-type: none"> <li>• Selection assessment</li> <li>• Procurement process</li> <li>• Performance assessment</li> <li>• Regular communication with business partners (e.g. email, meetings, on-site visits, etc.)</li> </ul>
<b>Government authorities and regulators</b>	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> <li>• Pay taxes according to the law</li> </ul>	<ul style="list-style-type: none"> <li>• Documented information submission</li> <li>• Compliance inspections and checks</li> <li>• Forums, conferences and workshops</li> </ul>
<b>NGOs</b>	<ul style="list-style-type: none"> <li>• Environmental protection</li> <li>• Human rights protection</li> </ul>	<ul style="list-style-type: none"> <li>• Email</li> <li>• Phones</li> <li>• Charity donations</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>• Support local economic development</li> <li>• Participate in charity</li> </ul>	<ul style="list-style-type: none"> <li>• Company website</li> <li>• Community activities</li> </ul>

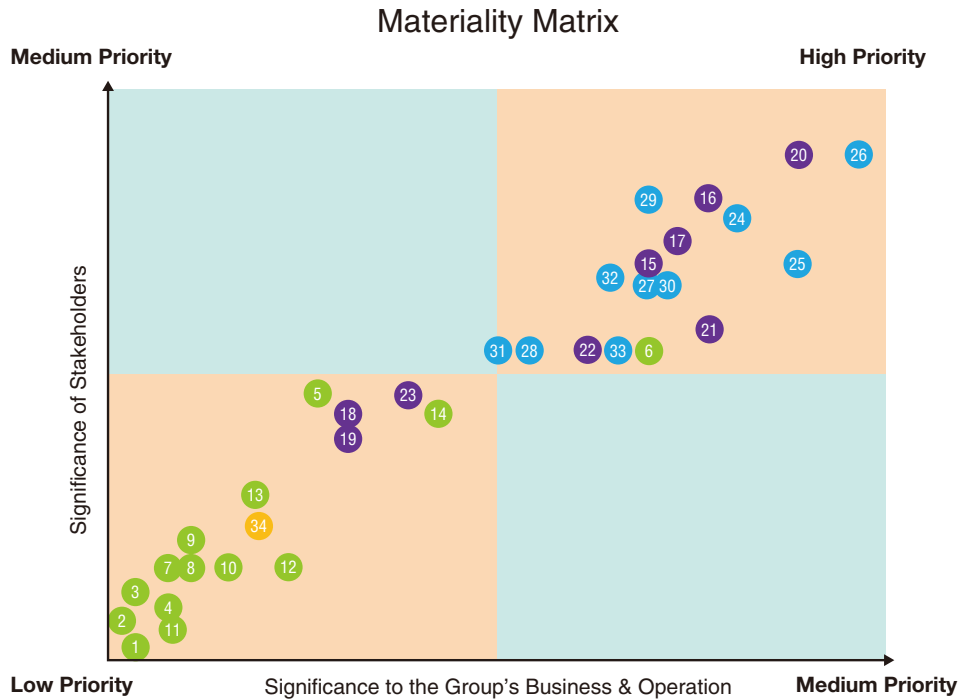
## MATERIALITY ASSESSMENT

Our Group engaged an external consultant to conduct a materiality assessment, gathering feedback through an online survey from customers, senior management, and employees to identify crucial ESG concerns. This assessment aimed to prioritise key ESG issues, addressing stakeholder worries and aligning stakeholder priorities with the Group's strategies.

We collaborated with a third-party consultant to refresh our list of material ESG topics by engaging with internal and external stakeholders, consulting third-party sources, and considering relevant global frameworks, trends, and regulatory developments. This process allowed us to prioritise the topics based on their significance, referencing MSCI and Sustainability Accounting Standards Board ("SASB"). The framework for our Report and ESG management was developed in response to stakeholder feedback, addressing their concerns and ensuring alignment with their priorities. Our stakeholders provided valuable insights on the relevance of 34 ESG topics, leading to the creation of a materiality assessment matrix to evaluate the importance of these topics for both stakeholders and the Group. The graph below illustrates the process involved in creating our materiality assessment matrix.



Based on the scores assigned to each of the ESG issues identified by the stakeholders, the ESG topics are prioritised and displayed in the materiality matrix below. Topics located in the upper right corner of the matrix were identified as the most critical to the Group’s business operations, and those about which our stakeholders are most concerned.



Environment	Social	
	Employment	Operation
1. Air emission	15. Labour rights	24. Customer satisfaction
2. Greenhouse gas emission	16. Labour-management relations	25. Product and service quality and complaints handling
3. Decarbonisation	17. Employee retention	26. Customer health and safety
4. Conservation of ecosystem	18. Diversity and equal opportunity	27. Marketing and product and service labelling compliance
5. Nature-related risk and opportunity management	19. Non-discrimination	28. Intellectual property
6. Circular economy	20. Occupational health and safety	29. Customer privacy and data protection
7. Environmental data management	21. Employee training	30. Responsible supply chain management
8. Climate change mitigation	22. Employee development	31. Fair operating practices on supplier
9. Climate risk management	23. Prevention of child labour and forced labour	32. Business ethics
10. Energy efficiency		33. Socio-economic compliance
11. Water & effluents		<b>Community</b>
12. Use of materials		34. Community investment
13. Waste management		
14. Environmental compliance		

According to the results of the Materiality Matrix illustrated above, the top five material topics of the Group are customer health and safety, occupational health and safety, product and service quality and complaints handling, customer satisfaction, and labour-management relations. Looking forward, our Group will continue to review and develop appropriate ESG policies and targets, as well as optimising the ESG reporting disclosure to pursue continuous improvement in its ESG performance in the future.

## **CUSTOMER SATISFACTION**

In the ever-evolving landscape of the fashion industry, our Group, as a prominent player, recognises the pivotal role that customer satisfaction plays in our overarching ESG strategy. Our Group is committed to prioritising customer satisfaction beyond mere transactional relationships. It embodies understanding our customers' needs and wants and conducting ethical stakeholder engagement. By delivering products that instil trust and confidence, the Group ensures compliance with laws and regulations governing product quality and customer rights, aligning its operations with ethical standards and regulatory frameworks. This customer-centric ethos not only enhances the Group's reputation and brand equity but also reinforces its position as a responsible corporate citizen within the fashion ecosystem.

In the pursuit of sustainable growth and value creation, the Group's customer-centric approach stands as a testament to our unwavering commitment to ESG principles. By prioritising customer satisfaction, the Group not only drives business performance and innovation but also contributes to a more resilient and socially responsible fashion industry, where customer well-being and ethical considerations converge to shape a more sustainable future.

During the Reporting Period, the Group was not aware of any material non-compliance with the laws and regulations relating to product responsibility.

### *Product and Service Excellence*

As a prominent leader in the fashion retail sector, our Group has cultivated strategic partnerships with an extensive range of over 100 established and emerging brands, strategically tailored to meet the diverse preferences of our clients. This comprehensive guide outlines rigorous assessment protocols, scrutinising the alignment of each brand's management practices and business model with our overarching vision. Additionally, we meticulously evaluate factors such as market viability, customer base adequacy, and synergistic potential with existing brands to ensure seamless integration without fostering internal competition. These meticulous evaluations are integral in determining the optimal partnerships that resonate with the Group's ethos of exceptional quality and innovation.

Central to our operational philosophy is a steadfast commitment to ethical business conduct. Our Group upholds the highest standards of integrity by strictly adhering to the Anti-unfair Competition Law of the People's Republic of China and the Competition Ordinance of Hong Kong. We maintain a principled stance against affiliations with brands that may pose conflicts concerning anti-competitive practices, thereby fostering a transparent, equitable marketplace that benefits all stakeholders. By adhering to these ethical laws, the Group establishes a fair environment that supports healthy competition and sustainable growth, emphasising our commitment to nurturing lasting relationships founded on trust and mutual respect.

### Brand Introduction Process Assessment

In our pursuit of operational excellence, the Group has instituted a Brand Introduction Process to facilitate the integration of new brands and evaluate potential partners' compatibility. This crucial evaluation stage ensures that new brands harmonize seamlessly with our values and quality standards before being incorporated into our Group. Committed to enriching the shopping experience for our valued patrons, our Group has steadfastly embraced a multi-brand, multi-store business model across Greater China, with a vast network comprising over 180 retail outlets in regions such as China, Macau, Hong Kong, and Taiwan.

Our Brand Introduction Process Assessment serves as a pivotal gateway for thorough partner evaluations, resulting in a smooth integration within our operations. Led by our operational development assistant, this comprehensive assessment employs a variety of strategies and criteria, including macro-environmental assessment, consumer evaluation, brand image, product supply, standards and systems, management practices, profitability, operational methods, financial analysis, and marketing strategy assessment to identify potential synergies. This rigorous evaluation ensures that our collaborative brands seamlessly align with our values, quality standards, and steadfast commitment to excellence in products and services, upholding the integrity of our brand portfolio, ensuring consistency in quality, and delivering a superior level of service across all our operations.



### Operational Framework

We established a clear organisational structure that defines roles and responsibilities within our department teams. This ensures that everyone is aware of their duties when interacting with customers. At the core of our operational framework lies the important role of our Branding Department, entrusted with the critical responsibility of upholding product quality standards and ensuring exceptional customer experiences. To guarantee consistency and excellence across all touchpoints, our retail stores undergo regular assessments covering a spectrum of vital aspects, including display management, product curation, team dynamics, service quality, staff training, and operational efficiency. Any identified deficiencies are swiftly addressed and remedied within specified timelines, reflecting our commitment to delivering top-tier products and customer service throughout our retail network.

### Retail Store Inspection Checklist

Moreover, to fortify our quality assurance initiatives, our Group has introduced a standardised checklist for retail establishments, designed to uphold unparalleled service levels and product excellence for our customers. Complementing this initiative are comprehensive training programs tailored to equip our employees with the requisite skills to identify and address any subpar products effectively. To ensure rigorous quality control, Store Managers conduct meticulous visual inspections of all merchandise prior to its availability for sale, with any discrepancies promptly documented and escalated to the Branding Department for resolution. Through these stringent measures and proactive interventions, we remain dedicated to upholding the highest standards of product quality and service excellence, with customer satisfaction standing as the cornerstone of our operational ethos.



### *Complaint Management*

At the core of our values lies a profound dedication to customer satisfaction, driving us to address any concerns or issues raised by our patrons promptly and professionally. To streamline the resolution process, the Group has implemented a standardised protocol for managing product refunds and replacements. Whenever customers communicate dissatisfaction with a product, our Store Manager conducts a thorough assessment or escalates the matter to the Branding Department for a comprehensive evaluation against pertinent quality benchmarks. If discrepancies are identified that deviate from our stringent standards, we promptly notify the customer and facilitate either a replacement or refund, as deemed appropriate.

Throughout the specified reporting period, the Group has not received any complaints pertaining to safety and health matters concerning our products and services. Additionally, no products distributed or sold by the Group have been subject to recalls due to safety or health-related issues. This underscores our unwavering commitment to delivering products that adhere to the highest safety protocols, ensuring our customers enjoy a seamless and worry-free experience.

## OPERATIONAL SUSTAINABILITY

### *Sustainable Procurement*

As a responsible fashion retailer, the Group understands the importance of nurturing enduring and close relationships with our suppliers and business partners as a fundamental driver of our sustainable development, with a specific focus on safeguarding our reputation. Recognising the association of product responsibility with suppliers in the apparel retail sector, we are committed to minimising environmental and social impacts across our supply chain by maintaining stringent standards in supplier selection and management.

Our commitment to social responsibility is evident in the comprehensive criteria we have established for our suppliers. These standards encompass strict prohibitions on child labour and forced labour, a pledge to prevent significant environmental harm, and the assurance of employee well-being and safety. Additionally, our suppliers must adhere to transparent working hour policies and offer work-related injury insurance to all their personnel. We are resolute in our commitment to collaborating only with suppliers who meet these rigorous criteria, refusing to engage with those who do not comply. Moreover, we prioritise suppliers who hold relevant certifications such as ISO and WRAP certifications, demonstrating their dedication to effective environmental stewardship. By emphasising social responsibility in our procurement practices, we aim to cultivate a more sustainable and ethical supply chain that aligns with our values.

During the Reporting Period, our Group maintained relationships with a total of 165 suppliers worldwide, all operating under the supplier management policies. The geographical distribution of suppliers is shown below:

Number of Suppliers by Geographical Region		2025	2024
Asia	Hong Kong	58	13
	Japan	7	7
	South Korea	7	3
	Macao	8	0
	Mainland China	12	4
	Singapore	1	1
	The Republic of Armenia	0	1
	Australia	3	2
	New Zealand	1	0
	Thailand	1	0
Europe	Belgium	2	1
	Denmark	1	2
	France	19	6
	Germany	1	1
	Italy	26	24
	Norway	1	1
	Switzerland	5	4
	The United Kingdom	8	2
	Netherlands	1	0
North America	The United States	3	2
	Canada	0	1
Total		165	75

### Supplier Selection and Evaluation

At the core of our dedication to maintaining top-tier performance and accountability within our supplier network is the annual evaluation assessment we conduct. This comprehensive evaluation covers a broad spectrum of criteria, including supply and manufacturing capabilities, product quality and delivery, intellectual property management, service quality, environmental and safety standards, as well as social responsibility. If suppliers fall short of expectations, they are required to promptly rectify any substandard products or services within a specified timeframe. Supplier suitability is appraised on a 100-point scale, with those scoring 90 or above recognised as excellent suppliers, those scoring 70 to 89 considered general suppliers. Suppliers scoring below 60 face the risk of disqualification from our supplier list and potential contract termination.

In our commitment to environmental conservation, we prioritise the use of eco-friendly and socially responsible products by giving preference to suppliers who adhere to the Group's standards and possess international accreditations such as ISO9001, ISO14001, and ISO18001. Additionally, we mandate that our suppliers establish enduring sustainability objectives, adhere to robust environmental protection practices, implement workplace safety protocols and emergency procedures, and uphold a comprehensive code of conduct. Failure to meet any of these criteria will lead to the cessation of procurement from the respective supplier.

By favouring these accredited suppliers and establishing rigorous expectations, we strive to encourage sustainable practices, responsible sourcing, and foster a collaborative environment where suppliers align with our sustainability commitments.

### *Business Integrity*

The Group rigorously upholds ethical standards across all business operations to maintain integrity and foster transparent relationships with stakeholders. We strictly adhere to relevant laws and regulations, including the Prevention of Bribery Ordinance of Hong Kong, the Anti-money Laundering Law of the PRC, and the Criminal Law of the PRC. Throughout the reporting period, the Group was not aware of any significant non-compliance with laws and regulations concerning bribery, extortion, fraud, or money laundering. No legal cases related to corrupt practices were filed against the Group or our employees.

To govern employee conduct, we have implemented the Employee Handbook and Internal Control Policy, prohibiting all forms of fraud, bribery, and misconduct. Employees are prohibited from soliciting or accepting any form of advantage, such as gifts, entertainment, rewards, or commissions. We place particular emphasis on addressing conflicts of interest; employees must disclose any potential conflicts that may impact the Company's best interests to their direct Store Managers, the Human Resources Department, and the Administration Department. Violations of these policies will result in disciplinary actions, ranging from warnings and suspensions to immediate dismissal. Severe offenders will be reported to local authorities for thorough investigations and legal proceedings.

During the Reporting Period, we conducted training sessions on insider dealing for our senior management. The latest policies and relevant materials have been updated to the Board and all staff members to strengthen and update their understanding of our business ethics and standards. By consistently reinforcing these principles, we ensure that our employees are well-informed and committed to upholding the highest ethical standards in our daily operations.

### Whistleblowing system

The Group has implemented a Whistleblowing Policy to foster a culture of transparency and accountability. This policy encourages employees and other stakeholders, such as contractors, suppliers, creditors, and borrowers, to report any instances of misconduct or malpractice, ensuring that violations are promptly addressed and identified. Employees have various reporting channels available, including a hotline, email, or written letter. We encourage whistleblowers to disclose their identities, but in the respect of privacy, anonymous reports are also welcomed.

Upon receipt of a complaint, the Audit Committee initiates an immediate and thorough investigation. If necessary, the case will be reported to local authorities for further scrutiny. The Group maintains strict confidentiality regarding the identity of whistleblowers and any case-related information to safeguard their privacy and well-being. All whistleblowers are treated fairly, and in the event of any retaliation against them, relevant departments will be notified for appropriate follow-up actions. Conversely, any false accusations will be subject to disciplinary actions in accordance with company policies to uphold the integrity of the whistleblowing process.

### *Privacy and Security*

Establishing robust privacy information management is important for nurturing long-term and trusted relationships with our customers and business partners. As a fashion retailer, it is inevitable that we handle and store sensitive data, including customer and supplier information, identities, company data, and intellectual properties on our servers. Therefore, protecting this sensitive information is a top priority, and we implement comprehensive precautions when managing the data, ensuring strict compliance with relevant privacy laws and regulations such as the Personal Data Protection Act of Macau and the Personal Data (Privacy) Ordinance of Hong Kong.

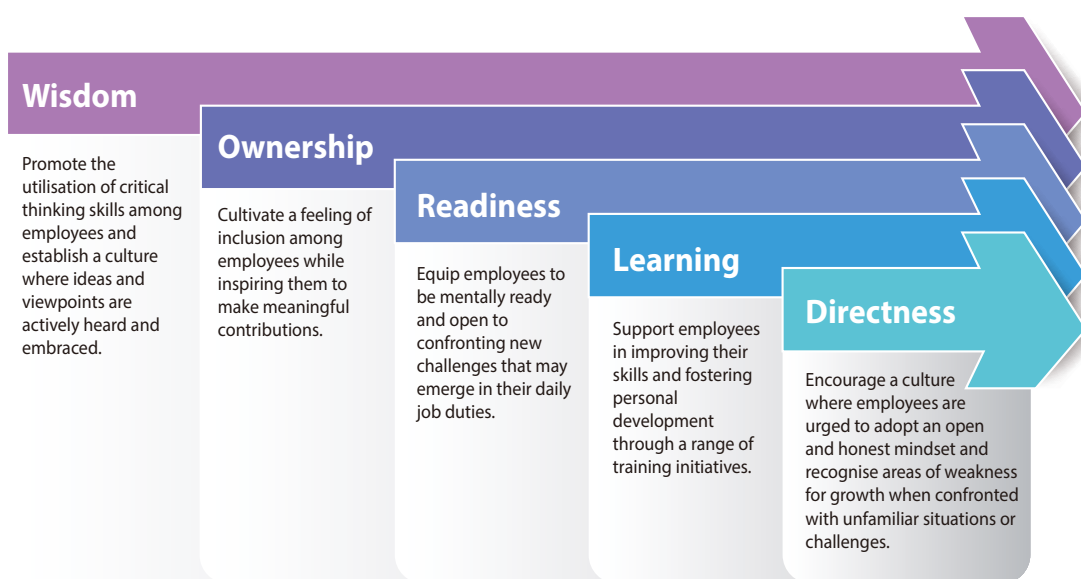
To uphold privacy protection, the Group clearly delineates guidelines for protecting confidential information in our Employee Handbook and Employment Contracts. Employees are expressly prohibited from disclosing or sharing confidential information with unauthorised individuals without prior consent from the Group. Breaches of data protection guidelines result in disciplinary actions, ranging from warnings to immediate dismissal or potential legal repercussions. Furthermore, we mandate that customers providing personal data sign a Personal Information Collection Statement, ensuring they are fully informed about the appropriate use of their personal data and retaining the right to reject any undesired uses.

On the other hand, the Group requires our suppliers to adhere to data protection guidelines and confidentiality standards. During our annual supplier evaluation process, we assess whether suppliers have implemented adequate protective measures, especially concerning intellectual properties. Suppliers demonstrating robust data protection systems and providing relevant employee training earn additional credits in the evaluation. Throughout the Reporting Period, the Group remained unaware of any breaches of privacy laws and regulations or confidentiality breaches.

## RESPONSIBLE EMPLOYMENT

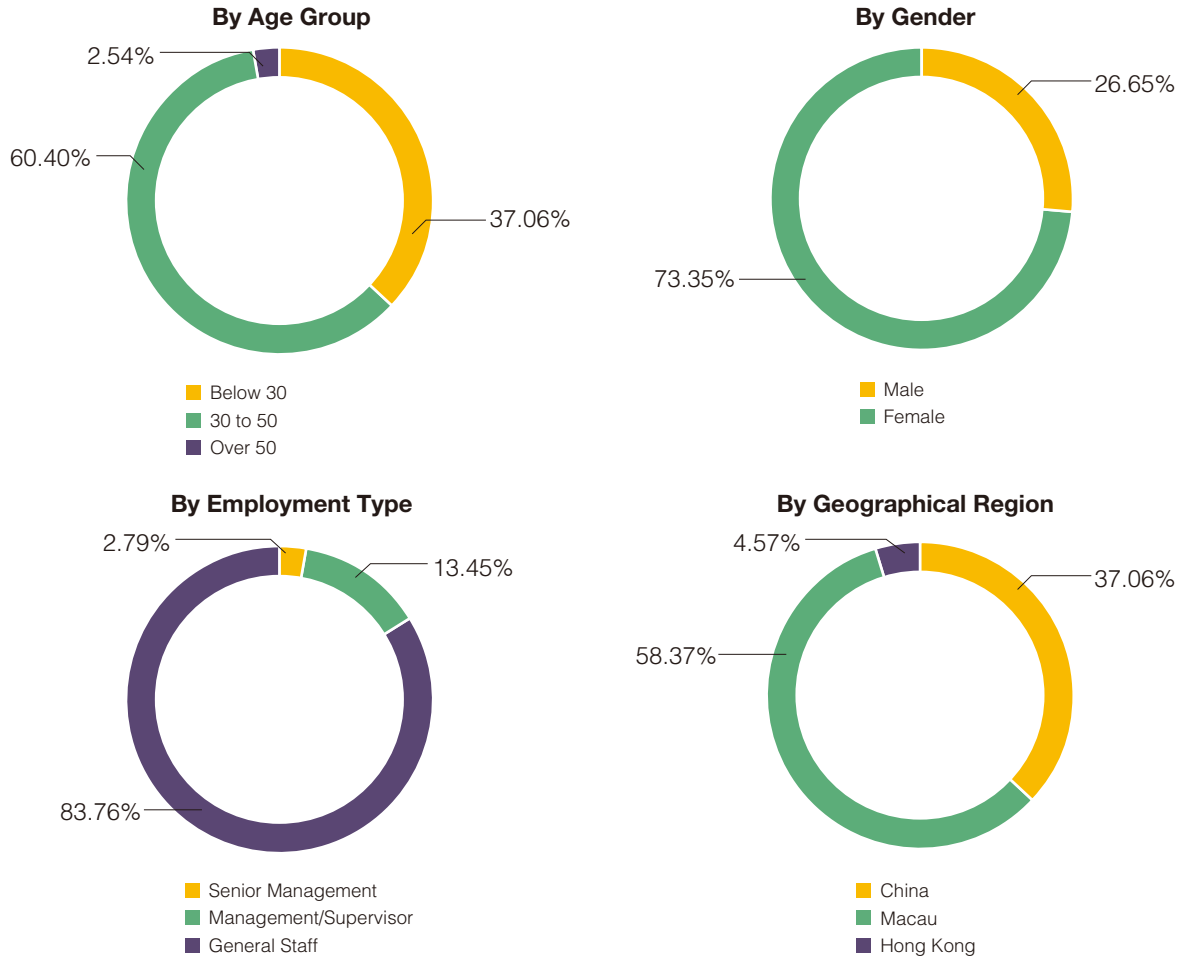
We recognise the immense value of our employees in contributing to the Group’s success. To this end, we have designed a robust framework aimed at attracting and retaining talent through the provision of a competitive remuneration package and the assurance of a safe working environment. As outlined in the Employee Handbook, we actively foster our “WORLD First” corporate culture, which embodies the following five key elements: Wisdom, Ownership, Readiness, Learning, and Directness, exemplified below:

### World First Approach



During the Reporting Period, the Group did not experience any significant non-compliance with applicable laws concerning compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare, and child and forced labour in Hong Kong and Macau, including but not limited to the Labour Relations Law of Macau and the Employment Ordinance of Hong Kong.

As of December 31, 2025, the Group had employed a total of 394 employees\*. The details regarding our total workforce and turnover rate across various categories are provided below:



\* The scope of total number covers the Company, World First Holdings Limited, Macau Leng Nam Limited and Leng Leong Company Limited of the Group as at 31 December 2025. The total number of employees cover the full time and part time staff of 4 core businesses as per the section headed "Scope of the ESG Report".

		2025	2024
Employee turnover rate <sup>1</sup>		26.90%	36.11%
By age group	Below 30	32.19%	76.22%
	30 to 50	24.37%	16.61%
	Over 50	20.00%	6.25%
By gender	Male	33.33%	43.40%
	Female	24.91%	32.63%
By geographical region	China	47.26%	0.00%
	Macau	15.22%	54.98%
	Hong Kong	16.67%	36.84%

### *Employment Practices*

In accordance with our “WORLD First” corporate values, the Group has formulated an Employee Handbook that provides guidance and information on our mission, values, policies, procedures, and employee benefits.

### Recruitment and Labour Standards

The Employee Handbook clearly delineates that candidate selection adheres to an impartial and integrity-centric procedure. Our recruitment process revolves around factors directly pertinent to the roles, such as academic and professional qualifications, skills, knowledge, and experience. These objective criteria serve as the exclusive metrics, ensuring fairness and uniformity in our recruitment practices.

In our commitment to upholding ethical standards in the workplace, we prioritise the promotion of ethical hiring practices and the protection of labour rights for both job applicants and employees. Our Group vehemently prohibits any instances of child or forced labour within our business operations, as outlined in our comprehensive policy. As part of the recruitment process, job applicants are required to furnish valid identification, educational, and qualification documents for a thorough background check to ascertain compliance with legal age requirements. Upon selection of qualified candidates, they are mandated to sign an employment contract that aligns with pertinent laws and regulations before commencing their duties. We actively monitor, investigate, and address any suspected occurrences of child labour or forced labour, underscoring our steadfast dedication to fostering an ethical work environment.

<sup>1</sup> The turnover rate is calculated by using the formula below:

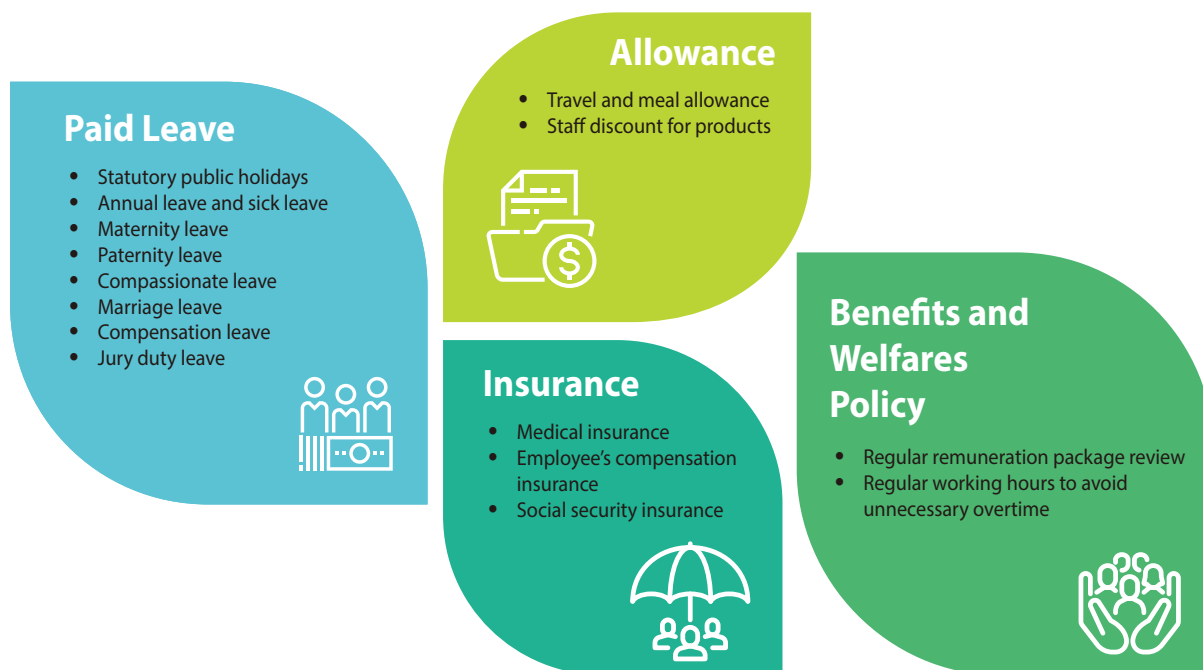
$$\text{Turnover rate} = \frac{\text{The total number of employees who left during the Financial Year}}{\text{The total number of employees as of the Financial Year End}} \times 100\%$$

## Remuneration and Welfare

The Group is committed to fostering a strong sense of belonging among employees while simultaneously inspiring them to make meaningful contributions. We recognise that competitive employee compensation is crucial for talent retention and enhancing staff productivity. Therefore, the Group offers attractive and competitive salary packages based on employees' experience, qualifications, and job responsibilities. Annual compensation reviews and year-end bonuses are awarded to employees who have demonstrated competence in their roles or made significant contributions to the Group. This not only fosters healthy competition among employees but also reinforces loyalty and motivates underperforming employees to improve.

Moreover, we provide a range of benefits to meet the diverse needs of our employees. All eligible employees receive paid leave, insurance coverage, and allowances as outlined in the diagram below. To protect employee rights, the Group regularly assesses compensation packages by benchmarking them against market rates, the Group's profitability, and prevailing economic conditions. We adhere to relevant laws and regulations concerning working hours, with compensation leave granted for overtime work. Nonetheless, we encourage employees to maintain a healthy work-life balance by establishing regular working hours.

## Benefits and Welfares



### *Diversity, Equity, and Inclusion*

Our commitment is to establish an inclusive, diverse, and equitable workplace where every individual is treated with dignity. This dedication is evident in our Nomination Policy, Remuneration Policy, and Employee Handbook, all designed to eliminate any form of discrimination or harassment. We ensure that all employees and job applicants receive fair and equal treatment, irrespective of race, gender, age, culture, disability, marital status, or other non-work-related factors, fostering an adaptable and sustainable work environment. Our recruitment, compensation, and performance assessment procedures are based solely on academic and professional qualifications, skills, knowledge, and experience. Furthermore, we promote board diversity to encompass a broad spectrum of management styles and viewpoints, acknowledging the enrichment brought by diverse perspectives.

Moreover, we strive to nurture effective communication among employees and customers while upholding a harmonious workplace. Our Employee Handbook offers guidelines on respectful interactions with colleagues and clients. It outlines specific behaviours deemed as violations, such as the use of abusive language, theft, fraud, corruption, or any arrests or convictions related to legal offenses. Instances of misconduct are addressed through disciplinary measures, ranging from verbal warnings to immediate termination.

### Grievance system

The Employee Handbook provides a clearly defined grievance procedure to ensure that our employees have a means to address any instances of injustice or misconduct effectively. Employees are encouraged to report their complaints to their immediate supervisor and department head, and if the issue remains unresolved, they can escalate it to the head of the Human Resources Department and the Administration Manager. We maintain an open-door policy that promotes resolving work-related issues through informal, transparent, and direct communication. It is mandatory for all grievances or complaints to be reported to senior management within 7 days of the occurrence, as part of our commitment to continuous improvement as an employer. Any cases of misconduct will be subject to appropriate disciplinary actions.

### *Healthy and Safe Workplace*

As the Group operates in the apparel retailing industry and we do not operate any manufacturing facilities, the occupational health and safety risks are relatively minimal compared to other businesses. Nonetheless, we remain committed to providing our employees with a healthy and safe workplace, aiming to reduce the possibility of workplace injuries and fatalities. To achieve this, we place a strong emphasis on maintaining a safe work environment and fostering a culture of safety. We strictly adhere to the applicable laws and regulations related to occupational health and safety in the relevant regions. This includes, but is not limited to, the General Regulations on Work Health and Safety for Commercial, Office, and Labor Service of Macau, as well as the Occupational Safety and Health Ordinance of Hong Kong.

Through observation on daily operations, slips, trips and falls are the most common types of accidents. To address and minimise the risk of occurrence, regular inspections of retail stores are conducted to evaluate performance, including cleanliness and tidiness of the stores and inventory. Our Employee Handbook highlights the importance of responsible behaviour, discouraging practices that will put our employee's safety under disregard, for example, alcohol consumption at work that can lead to recklessness.

Workplace Safety & Emergency Procedures

To ensure the safety and well-being of our staff in emergencies, we have implemented thorough Workplace Safety & Emergency Procedures. These procedures detail the appropriate actions to take in a range of emergency scenarios. Precautionary measures, such as clearly marked exit signs and evacuation plans, help guide employees to the safest and most efficient escape routes. Firefighting equipment, compliant with local regulations, is easily accessible throughout our premises. Moreover, our smoke-free policy not only reduces fire risks but also safeguards non-smokers from the harmful effects of second-hand smoke. In the event of an emergency, key contacts include the regional general manager and the regional Human Resources and Administration personnel, who are responsible for coordinating emergency responses.



During the Reporting Period, the Group maintained a safety record with zero work-related fatalities. Although a total of 3 cases of work-related injuries occurred, resulting in zero lost workdays due to injuries, our Group quickly addressed this situation and regularly monitors the conditions of our employees to ensure their safety and well-being. We will continue to prevent potential injury cases in the future. Our Group ensures full compliance with laws and regulations concerning the provision of a safe working environment and safeguarding employees from occupational hazards, with no instances of material non-compliance that significantly impacted the Group. Below shows the occupational safety and health data for the past three years (i.e., from January 1, 2023, to December 31, 2025).

	2025	2024	2023
Number of work-related fatalities	0	0	0
Work-related accidents	3	2	2
Number of lost days due to work injury	0	6	19

### *Work-life Balance*

Our Group recognizes that a sustainable and productive workforce is built upon a foundation of work-life balance and a strong sense of internal community. During FY2025, we reinforced this commitment through strategic initiatives designed to enhance the professional environment and foster deeper organizational cohesion. A primary highlight was the relocation of our Hong Kong office, an investment aimed at providing a modern, collaborative workspace that prioritizes employee comfort and operational efficiency. Furthermore, we celebrated our collective milestones with an annual dinner in Macau, alongside various festive gatherings and team lunches throughout the year. These initiatives provided vital opportunities for cross-departmental engagement and relationship-building, ensuring that our corporate culture remains inclusive, supportive, and focused on the holistic well-being of our employees beyond their immediate professional contributions.



### *Training and Career Development*

Central to our corporate values is the priority we place on our employees and their development. We strongly advocate for empowering our staff to learn and grow. Hence, we have instituted the Employee Training & Development Policy to underscore our commitment to supporting employees in refreshing their knowledge, acquiring new skills to enhance efficiency and productivity, and exploring avenues for personal growth and success. Employees, managers, and the Human Resources Department collectively play a crucial role in cultivating a culture of ongoing development.

One of our key initiatives in nurturing our employees' growth is providing comprehensive induction training to new hires. This training equips them with the necessary knowledge and skills to effectively carry out their duties. During these sessions, we cover essential aspects such as workplace culture, internal regulations, labour rights, and employee benefits. New employees can experiment with job rotation, other types of on-the-job training to help employees to prepare them for new responsibilities, transfers or promotions. An Employee Coaching and Mentoring Scheme is also established to support new employees to quickly adapt to the new working environment. This program enables new employees to acclimate to the work environment by seeking guidance and advice from seasoned colleagues.

Furthermore, formal training sessions are conducted regularly, considering individual and business needs, and may include lectures, workshops, and digital materials. Internal line trainers typically deliver these trainings, with occasional involvement of external experts. Mandated trainings are incorporated within working hours to keep employees updated on industry standards and statutory requirements, ensuring their preparedness for daily tasks. Regular formal training sessions are conducted. We also provide subsidies for employees to attend external training opportunities such as industry conferences and seminars, allowing them to learn from industry experts.

During the Reporting Period, our trainings cover a diverse range of topics are targeted for our sale staffs', aiming to improve their sales techniques, capabilities, and familiarity with our latest products and industry trends. These include operational techniques for Little Red Book (Xiaohongshu), new product training across our various brands, as well as knowledge of art-related products. Moreover, we offer new employees an onboarding training program covering group and brand introductions, fundamental operational guidelines, and intellectual property and product knowledge. This serves to deepen their grasp of our Group's values and brands. All employees receive training on upcoming exhibitions like MARNI MARKET+KR SHOW, BASQUIAT, and ARAKI to enhance their understanding of artists and product details. This equips them to engage customers by sharing the compelling narratives behind our brands and products. By offering comprehensive training, guidance, and access to external learning, we prioritise the growth and readiness of our employees, fostering a culture of continuous learning and professional development within the Group.

In FY2025, a total of 394 employees received training, with an average training duration of 1.11 hours per employee. The training profile is categorised by gender and employee category as of December 31, 2025, and is illustrated in the table below.

<b>Training Profile</b>	<b>FY2025</b>	<b>FY2024</b>
Annual average hours of training per employee and percentage (%) of employees who received training <sup>2</sup>	1.11 (68.78%)	1.53 (95.53%)
By Gender		
Male	1.10 (63.81%)	1.52 (94.97%)
Female	1.11 (70.59%)	1.57 (95.81%)
By Employee Category		
Senior Management	3.14 (72.73%)	3.75 (72.73%)
Middle Management/Supervisor	1.15 (75.47%)	7.39 (90.20%)
General Staff	1.03 (67.58%)	0.86 (96.75%)

## ENVIRONMENTAL PROTECTION

The Group recognises the vital role of environmental protection in achieving sustainable development. We are dedicated to minimising the environmental impacts of our daily business operations. Adhering to all relevant environmental laws and regulations, we have established the Environmental Policy to establish a framework for environmental management, aimed at lessening the impact on various environmental aspects during our daily business activities. Additionally, we have defined a set of environmental criteria for supplier selection and evaluation, acknowledging their substantial contribution to our environmental footprint. For further details, please consult the “Sustainable Procurement” section of the ESG Report.

Throughout the Reporting Period, the Group maintained full compliance with laws and regulations concerning air and greenhouse gas (“GHG”) emissions, water and land discharges, hazardous and non-hazardous waste generation, and resource utilisation in Macau and Hong Kong, all of which significantly affect the Group.

<sup>2</sup> Percentage of employees who received training is calculated by dividing the number of trained employees of each category by total employees of that category.

### *Emission Management*

To evaluate our environmental impact, we actively measure and monitor our GHG emissions, ensuring alignment with international standards and best practices in this field. The majority of our GHG emissions originate from fuel consumption in our vehicles, purchased electricity, paper disposal, and business travel. In FY2025, our total GHG emissions totalled 2,773.50 tonnes of carbon dioxide equivalent (“tCO<sub>2</sub>e”). Additionally, air emissions resulted from the consumption of mobile fuels.

	Unit	FY2025	FY2024
<b>GHG Emissions</b>			
Scope 1 <sup>3</sup>	tCO <sub>2</sub> e	26.64	15.72
Scope 2 <sup>4</sup>	tCO <sub>2</sub> e	2,727.68 <sup>5</sup>	1,862.73
Scope 3 <sup>6</sup>	tCO <sub>2</sub> e	19.18	14.12
Total GHG emission	tCO <sub>2</sub> e	2,773.50	1,892.56
GHG emission intensity	tCO <sub>2</sub> e per full-time employee (“FTE”)	8.69	3.84
<b>Air Emissions</b>			
Nitrogen oxides (“NO <sub>x</sub> ”)	Kg	37.71 <sup>7</sup>	129.80
Sulphur oxides (“SO <sub>x</sub> ”)	Kg	1.86	0.57
Particulate Matter (“PM”)	Kg	3.29 <sup>8</sup>	9.56

Electricity consumption stands as the primary emission source for the Group, representing over 98% of our total GHG emissions during the Reporting Period. To reduce these emissions, we are committed to fostering energy efficiency and conservation throughout the value chain by enhancing productivity with the adoption of more energy-efficient equipment. Additionally, we will prioritise the use of low-carbon and low air pollutant-emitting mobile fuel.

<sup>3</sup> Scope 1 represents direct GHG emissions generated by the use of fuels for mobile sources. The fuel consumption is attributed to the vehicles of Macau subsidiaries and is calculation based on the Methodology of GHG Emissions Calculation from Combustion issued by the IPCC. During the Reporting Period, the number of vehicles in Macau has increased, resulting in higher emissions.

<sup>4</sup> Scope 2 represents energy indirect GHG emissions generated by the use of purchased electricity from local power companies. Due to insignificant electricity usage in the Hong Kong offices, only data of the subsidiaries in Macau are disclosed. The calculation is based on the published emission factors of the 2020 Sustainability Report of CEM (Companhia de Electricidade de Macau), a public utility company in Macau.

<sup>5</sup> The increase in scope 2 emission in the Macau office from 2024 to 2025 factors. First, warmer temperatures during the spring-summer transition (March to May) and the peak summer months (August to October) led to more frequent air conditioning use. Second, the installation of several air purifiers to help prevent the common flu among employees added to the electricity load. Third, heightened activity in the Finance, Branding, and Marketing departments during busy periods resulted in more regular use of office equipment, including computers and printers. Finally, employee overtime in support of various pop-up store operations, such as K-pop pop-ups in Singapore and Malaysia, and a Bearbrick pop-up store in Taiwan, increased the use of electrical and cooling appliances like microwaves and coffee machines.

<sup>6</sup> Scope 3 covers energy indirect GHG emissions generated by paper disposal and business trips. The calculation is based on the 2010 Guidelines to Account for and Report on Greenhouse Gas emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) of Environmental Protection Department in Hong Kong and the GHG Conversion Factors for Company from the UK government. During the Reporting Period, the number of business travel has increased, resulting in higher emissions.

<sup>7</sup> NO<sub>x</sub> emissions generated solely from our mobile fuel are calculated using the distance travelled, as outlined in “Appendix 2: How to Calculate and KPI” published by the HKEx. During the Reporting Period, there was an decrease in NO<sub>x</sub> emissions due to the exclusion of additional distance data for mobile fuel usage, which was not available this year.

<sup>8</sup> PM emissions generated solely from our mobile fuel are calculated using the distance traveled, as outlined in “Appendix 2: How to Calculate and KPI” published by the HKEx. During the Reporting Period, there was an decrease in PM emissions due to the exclusion of additional distance data for mobile fuel usage, which was not available this year.

Our non-hazardous waste comprises wastepaper and domestic waste, overseen by the building management. Hazardous waste mainly consists of ink cartridges, which will be collected by service providers for proper disposal. Throughout the Reporting Period, the Group produced a total of 108 kg of non-hazardous waste and 83 kg of hazardous waste.

### *Resources Consumption*

By uniting individual efforts in reducing emission, the Group is committed to fostering an environmentally conscious workplace. Alongside previously outlined energy-saving strategies, the introduction of the Green Office Policy serves to enhance staff awareness and encourage a collective commitment to environmental conservation. The Group understands the importance of environmental sustainability and is committed to implementing green office practices. The Policy aims to raise staff awareness and promote a shared responsibility for environmental protection. Through various eco-friendly initiatives seamlessly integrated into our daily operations, our objective is to reduce energy consumption and waste generation. These initiatives are focused on minimising our ecological impact and advocating for sustainable practices across all operational aspects.

#### **Recycling and Waste Management**

- Promote recycling of paper, equipment, and supplies whenever feasible, especially during the transition between outgoing and incoming employees.
- Advocate for the recycling of shop fixtures when opening new locations.
- Implement a print quota to limit the number of hard copies printed.
- Optimise printing and copying by encouraging double-sided printing and reusing one-sided paper for notepads.

#### **Energy Conservation**

- Encourage staffs to implement simple practices for energy conservation by utilising natural light in meeting rooms.
- Turn off lights in rooms and hallways when they are not in use.
- Power down computers before leaving the workplace.
- Activate energy-saving modes on copiers, printers, and other electronic devices after extended periods of inactivity.

Since the building management oversees the control of water supply and discharge, and there is no individual sub-metering, specific data on water consumption is not available. There were no issues with water sourcing during the Reporting Period. For an overview of resource consumption in FY2025, please see the table below:

<b>Resource Consumption</b>	<b>Unit</b>	<b>FY2025</b>	<b>FY2024</b>
Purchased electricity <sup>9</sup>	MWh	4,490.60 <sup>10</sup>	3,008.83
	GJ <sup>11</sup>	16,166.17	10,831.78
Intensity	MWh per Full-time employee ("FTE")	14.08	6.10
Mobile fuel	L	11,574.97	6,059.33
Unleaded petrol	L	3,600.00	3,600.00
Diesel	L	3,999.38	1,313.91
Gasoline	L	3,975.59	1,145.42
Intensity	L per FTE	36.29	12.29
Paper	Tonne	0.28	1.00

<sup>9</sup> Due to insignificant electricity usage in the Hong Kong offices, it only covers the electricity consumption of the office and most of the retail stores of the Macau subsidiaries, as electricity consumption of some of the retail stores is controlled by the casino management and no sub-metering for individual occupants.

<sup>10</sup> The increase in purchased electricity consumption in the Macau office from 2024 to 2025 can be attributed to several operational and environmental factors. First, warmer temperatures during the spring-summer transition (March to May) and the peak summer months (August to October) led to more frequent air conditioning use. Second, the installation of several air purifiers to help prevent the common flu among employees added to the electricity load. Third, heightened activity in the Finance, Branding, and Marketing departments during busy periods resulted in more regular use of office equipment, including computers and printers. Finally, employee overtime in support of various pop-up store operations, such as K-pop pop-ups in Singapore and Malaysia, and a Bearbrick pop-up store in Taiwan, increased the use of electrical and cooling appliances like microwaves and coffee machines.

<sup>11</sup> The conversion factors from volumetric units of unleaded petrol and diesel oil consumption to energy units are in reference to CDP Technical note: Conversion of fuel data to MWh.

*Environmental Targets*

Additionally, we established medium- to long-term targets for GHG emissions and energy consumption, with the goal of reducing GHG emission intensity by 25% and energy consumption intensity by 15%. Both targets are based on FY2020 as the starting point and aim for completion by FY2030.

Environmental Targets <i>(Base year FY2020)</i>	Intensity	
	FY2020	FY2025 <sup>12</sup>
<b>GHG Emission</b> Reduce GHG emission intensity by 15% by FY2025	3.59 tCO <sub>2</sub> e per FTE	8.69 tCO <sub>2</sub> e per FTE
	<b>Electricity</b>	
<b>Energy Consumption</b> Reduce energy consumption intensity by 8% by FY2025	4.39 MWh per FTE	14.08 MWh per FTE
	<b>Mobile Fuel</b>	
	3.94 L per FTE	36.29 L per FTE

<sup>12</sup> The significant increase in FY2025 GHG emission and energy consumption intensities compared to the FY2020 baseline is primarily attributable to a material expansion of the reporting boundary. This expansion includes the full consolidation of newly acquired subsidiaries whose operations were not previously covered in the baseline year. On a constant scope basis (excluding newly acquired subsidiaries), the original entities within the scope have demonstrated improved efficiency. However, the broader organizational boundary results in higher absolute and intensity-based figures, causing the FY2025 interim targets not to be met as originally framed.

### *Climate Change Resilience*

Climate change presents a significant and multifaceted challenge, affecting not only the global community but also our business operations. Acknowledging the urgency of this issue, the Group is committed to aligning with the Chinese government's "Dual carbon goals". These objectives aim for carbon peaking by 2030 and carbon neutrality by 2060, and they are central to our efforts in enhancing resilience to climate change. The Board is responsible for overseeing and integrating climate-related issues into the Group's overall strategy, while the Audit Committee regularly monitors our progress toward reduction targets.

To thoroughly understand and proactively tackle the risks associated with climate change, the Group has assessed both physical and transition risks in 2025. This evaluation helps us identify potential impacts and develop suitable mitigation strategies. Further details outlining the specific risks are provided below.



#### **Physical Risk**

- Extreme weather events such as typhoons and floods may damage the Group's assets and disrupt the supply chain.
- Frequent extreme heat and severe weather may result in a higher cost for human resources.
- Increased insurance premiums and potential for reduced availability of insurance on assets in locations with high exposure to natural disasters.



#### **Transition Risk**

- Tightened environmental laws and regulations may increase the cost of compliance.
- Changes in precipitation patterns and frequent extreme weather may change our customer's preference for fashion apparel.
- Failing to fulfil the expectation of customers may damage the reputation of the Group and result in a lower demand for the Group's products.

Climate Related Risks and Opportunities

In assessing our strategic positioning, the Group has determined that certain climate-related risks and opportunities are likely to have an impact on our cash flow, access to finance, or cost of capital. These effects may materialise over the short (0–2 years), medium (3–5 years), or long (5+ years) term that mirror our strategic planning and retail asset cycles.

Risk Category	Specific Climate Risk	Time Horizon	Financial/Business Impact
<b>Climate Physical Risk</b>			
<b>Acute</b>	Typhoons, storms, and flooding disrupting retail store operations, damaging store fixtures and inventory, and preventing employee commuting in Macau, Hong Kong, and coastal Chinese cities.	Short to Medium	Medium: Store closures and reduced foot traffic during extreme weather events cause direct revenue loss, damaged inventory and fixtures increase repair and replacement costs, supply chain delays for imported fashion goods led to stockouts of seasonal collections, reducing sales and customer satisfaction.
<b>Chronic</b>	Gradual temperature rises and increased frequency of heatwaves, leading to higher cooling demand in retail stores and offices across Macau and Hong Kong.	Medium to Long	Low to Medium: Sustained increase in electricity consumption for air conditioning raises operating expenses, compressing gross margins; long-term heat stress may require capital investment in more energy-efficient HVAC systems or store retrofits, impacting cash flow.

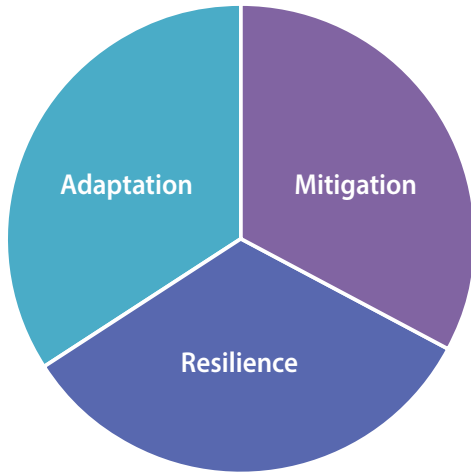
Risk Category	Specific Climate Risk	Time Horizon	Financial/Business Impact
<b>Climate Transition Risk</b>			
<b>Policy &amp; Legal</b>	Stricter energy efficiency mandates, carbon reporting requirements, or potential carbon taxes in Macau, Hong Kong, or Mainland China (aligned with national carbon peaking by 2030 and neutrality by 2060).	Medium	Low: Compliance costs for monitoring, reporting, and verification are expected to be modest for a retail operation; however, failure to comply could result in fines or reputational damage, and future carbon taxes on electricity consumption would increase operating costs.
<b>Technology</b>	Need to adopt energy-efficient retail technologies (LED lighting, smart energy management systems, digital inventory tracking) and low-carbon logistics solutions to remain competitive and meet customer expectations.	Medium	Low to Medium: Upfront capital expenditure for store retrofits and technology upgrades may strain short-term cash flow, but long-term operational savings from reduced energy and logistics costs can offset initial investments; failure to adopt may result in higher operating costs than competitors.
<b>Market &amp; Reputation</b>	Growing consumer and investor demand for sustainable fashion, including transparent supply chains, reduced carbon footprints, and ethical sourcing; increasing ESG scrutiny from brand partners and lenders.	Medium to Long	Medium: Loss of customer loyalty and market share if the Group cannot demonstrate sustainable sourcing or carbon reduction commitments; weaker ESG ratings may increase cost of capital and reduce access to sustainability-linked financing; brand partners may terminate contracts if sustainability criteria are not met.

Opportunity	Description	Time Horizon	Potential/Financial Impact
<p><b>Sustainable Brand Differentiation</b></p>	<p>Leveraging climate commitment and eco-friendly store operations as a marketing advantage to attract environmentally conscious consumers and build brand loyalty.</p>	<p>Short to Medium</p>	<p>Medium: Enhanced brand image can drive increased foot traffic and repeat purchases, supporting revenue growth, ability to command premium pricing for products associated with sustainable retail practices improves gross margins; positive ESG perception may attract sustainability focused investors, lowering cost of capital.</p>
<p><b>Sustainable Sourcing</b></p>	<p>Prioritising partnerships with fashion brands and suppliers that use eco friendly materials (e.g., organic cotton, recycled fibres), hold recognised environmental certifications (e.g., GOTS, OEKO TEX, ISO 14001), and demonstrate transparent carbon reduction targets.</p>	<p>Medium</p>	<p>Medium: Reduced risk of supply chain disruptions from climate regulations or reputational scandals associated with unsustainable practices; enhanced brand credibility and customer trust can drive sales growth and premium pricing; stronger ESG credentials improve access to green financing and investor confidence, lowering cost of capital.</p>

Opportunity	Description	Time Horizon	Potential/Financial Impact
<b>Circular Fashion Initiatives</b>	Introducing clothing rental, resale, or recycling programs in select stores, partnering with brands that offer take back schemes or use recycled materials.	Medium to Long	Low to Medium: New revenue streams from rental and resale services diversify income; reduced exposure to fashion waste regulations and potential tax incentives for circular economy activities; strengthened customer relationships through extended product life cycles, enhancing long-term loyalty and repeat business.
<b>Supply Chain Resilience and Decarbonisation</b>	Collaborating with logistics providers and brand suppliers to diversify sourcing regions, consolidate shipments, and adopt lower-carbon transport modes (e.g., sea freight optimisation, electric delivery vehicles for last-mile logistics in Macau and Hong Kong).	Medium to Long	Medium: Diversified sourcing reduces the risk of climate related disruptions (e.g., floods, storms) affecting specific regions, protecting revenue stability; consolidated shipments and efficient routing lower freight costs, improving cash flow, early adoption of low carbon logistics strengthens relationships with brand partners seeking to reduce their Scope 3 emissions, potentially securing preferential terms or longer contracts.

Although the Group does not currently have a formal, standalone climate related transition plan, climate risk assessment is integrated into ESG risk management, and mitigation measures include green office practices, energy efficiency initiatives, sustainable procurement, and extreme weather procedures. A formal transition plan will be developed when appropriate.

The Group has implemented a Climate Change Policy that includes a comprehensive climate management framework. This framework consists of three main approaches: mitigation, adaptation, and resilience, all of which are integrated into our daily operations. The primary goal is to create a strong framework that reduces our environmental impact and mitigates potential climate-related risks to the Group.



Mitigation focuses on reducing or preventing GHG emissions, and the Group has set a target to decrease GHG emission intensity by 25% before FY2030. We will maintain ongoing communication with both internal and external stakeholders to encourage low-carbon practices in their daily activities.

Adaptation involves adjusting to life in a changing climate through regular climate risk assessments. The Group recognises the risks and opportunities posed by climate change and develops strategies to mitigate these risks.

Resilience pertains to the Group's ability to quickly recover from the impacts of climate change. We have integrated climate risk identification into our ESG risk management process. Our Employee Handbook includes

a clear Procedure for Working During Extreme Weather, offering guidelines for employees to navigate adverse weather conditions through established safety measures and contingency plans. To enhance our employees' awareness and understanding of climate change, we provide informative materials and resources.

## **COMMUNITY CONTRIBUTION**

The Group recognises the significance of building strong and sustainable relationships with the local communities in which we operate. We are committed to supporting diverse community groups by actively listening to their concerns and allocating appropriate resources to contribute positively to society in areas such as health and wellness, the environment, and education. To guide our community engagement efforts, we have established a comprehensive Community Engagement Policy. This policy outlines the principles and guidelines that govern our interactions with local communities. We are dedicated to engaging all stakeholders and supporting programs that empower these communities.

Furthermore, we have incorporated a specific charity budget into our business plan to ensure a structured and impactful approach. This budget is designated for charities and initiatives that align with our mission and values, maximising our positive impact on the community.

**HKEx APPENDIX C2 ESG REPORTING CODE INDEX**

<b>General Disclosures and KPIs</b>		<b>Explanation/Reference Section</b>
<b>Aspect A: Environment</b>		
<b>A1 Emissions</b>	<p>Information on:</p> <p>(a) the policies; and</p> <p>(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.</p> <p>Note: Air emissions include NO<sub>x</sub>, SO<sub>x</sub>, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.</p>	ENVIRONMENTAL PROTECTION
KPI A1.1	The types of emissions and respective emissions data.	ENVIRONMENTAL PROTECTION – Emission Management
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	The Group's operation does not involve disposal of hazardous waste due to its business nature.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	Information not available since disposal of waste is controlled by the buildings management.
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	ENVIRONMENTAL PROTECTION – Environmental Targets
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.	ENVIRONMENTAL PROTECTION – Emission Management Reduction targets have not been set due to insufficient data for target setting.

<b>General Disclosures and KPIs</b>		<b>Explanation/Reference Section</b>
<b>A2 Use of Resources</b>	Policies on efficient use of resources including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	ENVIRONMENTAL PROTECTION – Resources Consumption
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).	ENVIRONMENTAL PROTECTION – Resources Consumption
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	ENVIRONMENTAL PROTECTION – Resources Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	ENVIRONMENTAL PROTECTION – Resources Consumption
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.	ENVIRONMENTAL PROTECTION – Resources Consumption Reduction targets have not been set due to insufficient data for target setting.
KPI A2.5	Total packaging material used for finished products (in tonnes), and, if applicable, with reference to per unit produced.	The Group's operation does not directly involved the use of packaging materials.
<b>A3 The Environment and Natural Resources</b>	Policies on minimising the issuer's significant impact on the environment and natural resources.	ENVIRONMENTAL PROTECTION
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	ENVIRONMENTAL PROTECTION

General Disclosures and KPIs		Explanation/Reference Section
<b>Aspect B: Social</b>		
<b>B1 Employment</b>	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.	RESPONSIBLE EMPLOYMENT
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	RESPONSIBLE EMPLOYMENT
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	RESPONSIBLE EMPLOYMENT
<b>B2 Health and Safety</b>	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.	RESPONSIBLE EMPLOYMENT – Healthy and Safe Workplace
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	RESPONSIBLE EMPLOYMENT – Healthy and Safe Workplace
KPI B2.2	Lost days due to work injury.	RESPONSIBLE EMPLOYMENT – Healthy and Safe Workplace
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	RESPONSIBLE EMPLOYMENT – Healthy and Safe Workplace

General Disclosures and KPIs		Explanation/Reference Section
<b>B3 Development and Training</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	RESPONSIBLE EMPLOYMENT – Training and Career Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	RESPONSIBLE EMPLOYMENT – Healthy and Safe Workplace
KPI B3.2	The average training hours completed per employee by gender and employee category.	RESPONSIBLE EMPLOYMENT – Healthy and Safe Workplace
<b>B4 Labour Standards</b>	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.	RESPONSIBLE EMPLOYMENT – Employment Practices
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	RESPONSIBLE EMPLOYMENT – Employment Practices
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	RESPONSIBLE EMPLOYMENT – Employment Practices
<b>B5 Supply Chain Management</b>	Policies on managing environmental and social risks of the supply chain.	OPERATIONAL SUSTAINABILITY – Sustainable Procurement
KPI B5.1	Number of suppliers by geographical region.	OPERATIONAL SUSTAINABILITY – Sustainable Procurement
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.	OPERATIONAL SUSTAINABILITY – Sustainable Procurement
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	OPERATIONAL SUSTAINABILITY – Sustainable Procurement
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	OPERATIONAL SUSTAINABILITY – Sustainable Procurement

<b>General Disclosures and KPIs</b>		<b>Explanation/Reference Section</b>
<b>B6 Product Responsibility</b>	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.	CUSTOMER SATISFACTION
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	CUSTOMER SATISFACTION – Complaint Management
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	CUSTOMER SATISFACTION – Complaint Management
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	OPERATIONAL SUSTAINABILITY – Privacy and Security
KPI B6.4	Description of quality assurance process and recall procedures.	CUSTOMER SATISFACTION – Product and Service Excellence
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	OPERATIONAL SUSTAINABILITY – Privacy and Security
<b>B7 Anti-corruption</b>	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.	OPERATIONAL SUSTAINABILITY – Business Integrity
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.	OPERATIONAL SUSTAINABILITY – Business Integrity
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	OPERATIONAL SUSTAINABILITY – Business Integrity
KPI B7.3	Description of anti-corruption training provided to directors and staff.	OPERATIONAL SUSTAINABILITY – Business Integrity

<b>General Disclosures and KPIs</b>		<b>Explanation/Reference Section</b>
<b>B8 Community Investment</b>	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 CONTRIBUTION
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	COMMUNITY CONTRIBUTION
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	COMMUNITY CONTRIBUTION

Climate-related Disclosures	Explanation/Reference Section
<b>Governance</b>	
19. An issuer shall disclose information about:	SUSTAINABLE DEVELOPMENT – ESG Governance Structure
(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;	
(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	
(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	

Climate-related Disclosures	Explanation/Reference Section
<b>Strategy</b>	
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:	Climate Change Resilience
(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	
(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	
(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	
(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	
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:	Climate Change Resilience
(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	
(b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	

<b>Climate-related Disclosures</b>	<b>Explanation/Reference Section</b>
<p>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:</p>	<p>Climate Change Resilience</p>
<p>(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:</p>	
<p>(i) current and anticipated changes to the issuer’s business model, including its resource allocation, to address climate-related risks and opportunities;</p>	
<p>(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);</p>	
<p>(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</p>	
<p>(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</p>	
<p>(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).</p>	
<p>23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).</p>	<p>We are currently establishing relevant production and data collection mechanisms, and will declare them when permitted to be carried.</p>
<p>24. An issuer shall disclose qualitative and quantitative information about:</p>	<p>We are currently establishing relevant production and data collection mechanisms, and will declare them when permitted to be carried.</p>
<p>(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and</p>	
<p>(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.</p>	

Climate-related Disclosures	Explanation/Reference Section
<p>25. The issuer shall provide qualitative and quantitative disclosures about:</p> <p>(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:</p> <p>(i) its investment and disposal plans; and</p> <p>(ii) its planned sources of funding to implement its strategy; and</p> <p>(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.</p>	<p>We are currently establishing relevant production and data collection mechanisms, and will declare them when permitted to be carried.</p>
<p>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:</p> <p>(a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:</p> <p>(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;</p> <p>(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and</p> <p>(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;</p> <p>(b) how and when the climate-related scenario analysis was carried out, including:</p> <p>(i) information about the inputs used, including:</p> <p>(ii) the key assumptions the issuer made in the analysis; and</p> <p>(iii) the reporting period in which the climate-related scenario analysis was carried out.</p>	<p>We are currently establishing relevant production and data collection mechanisms, and will declare them when permitted to be carried.</p>

Climate-related Disclosures	Explanation/Reference Section
<b>Risk Management</b>	
27. An issuer shall disclose information about:	ESG Risk Management
(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	
(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	
(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	
(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	
(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;	
(v) how the issuer monitors climate-related risks; and	
(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	
(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	
(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer’s overall risk management process.	
<b>Metrics and Targets</b>	
28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO <sub>2</sub> equivalent, classified as:	Emission Management
(a) Scope 1 greenhouse gas emissions;	
(b) Scope 2 greenhouse gas emissions; and	
(c) Scope 3 greenhouse gas emissions.	

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

<b>Climate-related Disclosures</b>	<b>Explanation/Reference Section</b>
30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	We do not implement internal carbon pricing, this indicator is therefore not applicable.
31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	We do not implement internal carbon pricing, this indicator is therefore not applicable.
32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	We do not implement internal carbon pricing, this indicator is therefore not applicable.
33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	We do not implement internal carbon pricing, this indicator is therefore not applicable.
34. An issuer shall disclose:	We do not implement internal carbon pricing, this indicator is therefore not applicable.
(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.	
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).	We are currently establishing relevant production and data collection mechanisms, and will declare them when permitted to be carried.
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 are currently establishing relevant production and data collection mechanisms, and will declare them when permitted to be carried.

Climate-related Disclosures	Explanation/Reference Section
<p>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:</p> <p>(a) the metric used to set the target;</p> <p>(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);</p> <p>(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);</p> <p>(d) the period over which the target applies;</p> <p>(e) the base period from which progress is measured;</p> <p>(f) milestones or interim targets (if any);</p> <p>(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and</p> <p>(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.</p>	Environmental Targets
<p>38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:</p> <p>(a) whether the target and the methodology for setting the target has been validated by a third party;</p> <p>(b) the issuer's processes for reviewing the target;</p> <p>(c) the metrics used to monitor progress towards reaching the target; and</p> <p>(d) any revisions to the target and an explanation for those revisions.</p>	Environmental Targets
<p>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.</p>	Environmental Targets

<b>Climate-related Disclosures</b>	<b>Explanation/Reference Section</b>
40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	Environmental Targets
(a) which greenhouse gases are covered by the target;	
(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	
(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	
(d) whether the target was derived using a sectoral decarbonisation approach; and	
(e) the issuer’s planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	
(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	
(ii) which third-party scheme(s) will verify or certify the carbon credits;	
(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	
(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	