



Convenience Retail Asia Limited 利亞零售有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 00831

Environmental, Social and Governance Report 2023

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A Fung Retailing Company



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About CRA

As a proud member of the Fung Group, Convenience Retail Asia Limited (the “Company”) and its subsidiaries (referred to as “CRA” or the “Group”) owns Saint Honore Holdings Limited and its renowned bakery chain, Saint Honore Cake Shop. This establishment has become a household name for high-quality bakery products, solidifying its presence in Hong Kong, Macau, and Guangzhou. Additionally, the Group has secured the exclusive license for Mon cher, a premium pâtisserie from Japan, Hong Kong and Macau. Expanding its portfolio beyond bakeries, CRA manages the licensing rights for Zoff, a leading fast-fashion eyewear brand, covering Hong Kong, Macau, Southern China and Singapore.

Listed on The Stock Exchange of Hong Kong Limited (“SEHK”) (Stock code: 00831), CRA is committed to addressing stakeholder concerns by embracing transparency in sustainability disclosures. To fulfil this commitment, the Group publishes its comprehensive Environmental, Social, and Governance report (“ESG Report” or the “Report”) on an annual basis.

Business Overview

The Group posted solid results for the year ended 31 December 2023 (the “reporting year”), with stable revenue growth and strong underlying operating profit.



More details of CRA’s financial performance and related information can be found on pages 69 to 128 of its 2023 Annual Report, which is available on CRA’s and SEHK’s websites.

Board Statement on Sustainability Performance

Dear Stakeholders,

At CRA, we believe building relationships with our stakeholders is crucial to our success and we strive to create value for each of our stakeholders. While we continue to make progress against our strategic priorities, we also ensure we live up to our purpose and aim to factor local communities and the planet into every decision we make.

Our governance framework contributes to the development and delivery of our sustainability strategy. The Board of Directors (the “Board”) carries overall responsibilities for overseeing sustainability issues and their integration into the Group’s strategies. An effective governance framework ensures that we, as the Board, have the right information, with appropriate detail and at appropriate intervals to oversee progress and challenge management. At the same time, it allows our Corporate Social Responsibility Steering Committee (the “CSR Steering Committee”) to explore matters in depth. In support of enhancing the oversight of sustainability matters, a full review of our stakeholder relations was undertaken during the reporting year to strengthen our sustainability governance and ensure that all material matters are reviewed by the Board.

The Board also provides oversight of our risk management, including our management of climate-related issues. Empowered by the Board, the Audit Committee reviews risk management and internal control systems and reports to the Board. In 2023, the Audit Committee conducted an annual review on the risk management and internal control systems, and considered the systems and procedures effective and adequate with no significant weakness being identified.

The Hong Kong retail industry is recovering slowly and we are confident that we will go above and beyond to support our customers and create sustainable long-term value. Against the backdrop of cost-of-living pressures, we understand that our commitment to serving our customers and communities a little better every day is more important than ever. Our priorities throughout the reporting year have been clear — to provide consumers with differentiated customer experiences, to continue investing in our colleagues and to make positive contributions to the communities we serve.

We are excited about the momentum we are building — In this report, you will see what we have done during the reporting year to engage with our customers, colleagues, business partners and the wider community. Looking ahead, we will continue to focus relentlessly on creating value for our stakeholders and the wider community.

Board of Directors

21 March 2024

Create Value for Stakeholders

At CRA, we value the insight gained from stakeholders and strive to create value for each of our stakeholders. Throughout its discussions in this reporting year, the Board has considered the important role we play for our three key stakeholder groups — customers, colleagues and business partners (including suppliers and sub-contractors).

Stakeholders	Why they are important	What matters to them	Ways we are responding
 Customers	We serve thousands of customers every day	<ul style="list-style-type: none"> • Product and service quality and safety • Attractive pricing • Convenience locations 	<ul style="list-style-type: none"> • Product TFP (Tastiness, Freshness and Presentation) • Operation EFSS (Easy, Fast, Simple and Safe) • Focus CX (Customer Experience) • Effective promotional campaigns and launch new products
 Colleagues	We cannot deliver our purpose without our colleagues' dedication	<ul style="list-style-type: none"> • Career advancement opportunities • Work-life balance 	<ul style="list-style-type: none"> • Embracing our HEARTS culture (Happy, Energised, Achievements, Respect, Training and Success) • Strong employee engagement • Competitive remuneration schemes • Job-related skill enhancement programmes
 Business Partners	We deliver great quality products for our customers together	<ul style="list-style-type: none"> • Price fluctuation on commodities • Supply chain disruption 	<ul style="list-style-type: none"> • Established long-term relationship • Regular price review • Quality assurance on raw materials • Supplier's Code of Conduct

Materiality Assessment

We have undertaken a 'double materiality assessment' to identify which sustainability matters are most material to the Group and our stakeholders. The assessment does not only determine the scope of our future sustainability reporting, but also enables an efficient allocation of the resources needed to provide indispensable insights for shaping our business strategy.

The process is summarised in the diagram below, with further details outlined in the following sections.

Step 1 Identify and engage stakeholders

Stakeholders are central to a double materiality assessment. We worked with our sustainability consultant to carry out a stakeholder mapping exercise to determine which groups to directly involve in the materiality assessment. It aims to understand how stakeholders may be impacted by the Group and to get feedback on material sustainability matters to be considered in the materiality assessment.

We invited three key stakeholder groups — customers, colleagues and business partners (including suppliers and sub-contractors) to take part in the materiality assessment.

Step 2 Draw up a list of potentially relevant sustainability matters

We worked closely with our sustainability consultant to consider our sector of activities, geographical areas of operation, steps in the value chain as well as previous materiality assessments when identifying potentially relevant sustainability matters.

An actionable short list of 25 sustainability topics is identified to be considered in the next steps of the assessment.

Step 3 Assess impacts, risks and opportunities

A total of 1,123 valid responses were collected from internal and external stakeholders who participated in an online survey. Each impact, risk and opportunity was assessed as either negative or positive, actual or potential.

Step 4 Draw up the materiality overview

Once all impacts, risks and opportunities have been assessed, we can create separate lists (high to low materiality score) for 'impact to enterprise value' and 'impacts on the economy, environment and society'. The materiality matrix provides an easy-to-read and consolidated overview.

Step 5 Strategic implications

The Board values the insight gained from stakeholder engagement and places significant importance on maintaining close relationships with stakeholders, taking account of and responding to their review. For each sustainability matter that has been identified as material, this Report provides what measures we are putting in place — including policies and action plans we execute to achieve metrics and targets we have set for each sustainability measures.

Double Materiality



Low Importance Issues	Medium Importance Issues	High Importance Issues	
1 Energy	7 Compliance Management	14 Employee Engagement	21 Business Ethics and Integrity
2 Water	8 Diversity and Equal Opportunity	15 Occupational Health, Safety and Well-being	22 Responsible Supply Chain Management
3 Climate Change and Resilience	9 Contingency Planning	16 Product and Service Quality and Safety	23 Privacy and Data Security
4 Greenhouse Gas Emissions	10 Human Rights	17 Employment Practices	24 Training and Development
5 Air Emissions	11 Community Engagement and investment	18 Responsible Marketing and Labelling	25 Risk Management
6 Biodiversity	12 Materials	19 Labour Standards	
	13 Waste	20 Customer Engagement	

Reward our Survey Participants

We want to express our sincere appreciation for our stakeholders' participation in the materiality survey — their insights and perspectives have played a crucial role in guiding our strategic decisions and prioritizing our efforts. As a gesture of our gratitude, we are delighted to offer the first 1,000 Cake Easy members a shopping coupon as a token of appreciation for completing the survey.

Feature Story — Elevate Customer Engagement

Following the momentous celebration of Saint Honore’s 50th anniversary, CRA elevates customer engagement with the ongoing evolution of its online-to-offline customer relationship management platform, “Cake Easy”. This platform embodies the Group’s unwavering dedication to seamlessly integrating online and offline experiences for customers and businesses within its dynamic retail environment. Currently, it proudly boasts a membership of over 1.3 million individuals spanning across Hong Kong and Macau.

Key enhancements

Streamlined User Experience

An interface designed for user-friendliness, ensuring a seamlessly delightful experience

Expanded Offerings

Introduction of fresh and captivating products and services to enrich the offerings

Exclusive Promotions

Specially curated promotions and deals, expressing gratitude for the loyalty of our members

Integrating Sustainability in New Product Development

Saint Honore's commitment to environmental responsibility and innovation is exemplified through its journey to integrate sustainability into its new product development processes. Through a series of strategic initiatives and substantial investments in employee training, CRA has successfully transitioned its operations to align with sustainable principles while maintaining its reputation for delivering exceptional bakery products and meeting emerging customer demands.

One of the pivotal steps in this journey was the investment in professional bakery training, which empowered employees with the requisite knowledge and skills to adopt sustainable practices in their day-to-day operations. In 2023, our team members actively engaged in professional courses offered by esteemed institutions such as the Hong Kong Bakery and Confectionery Association and L'Arôme Institut Culinaire Français. These courses were specifically tailored to enhance their skills and knowledge in bakery and confectionery techniques. By participating in these rigorous training programs, our colleagues were equipped with the expertise necessary to develop and deliver innovative new products to our valued customers.



Advanced Aptitude in French Patisserie



2023 Pastry Arts Certificate Program

Lucky Draw Campaign in Macau

In April, Saint Honore launched a captivating lucky draw campaign in Macau to bolster its local presence and engage customers. The campaign centered around the highly anticipated iPhone 14 Pro, positioned as the top prize, and was executed through the popular Cake Easy platform. The strategic move was significantly influenced by the dynamic retail landscape in Macau and the increasing relevance of online channels, with the Cake Easy platform playing a pivotal role in this context.

The lucky draw campaign enabled us to engage with local customers and strengthen their offline-online experience while shopping with Saint Honore. Beyond immediate metrics, the campaign positively influenced brand visibility in the competitive Macau market and solidified Saint Honore's positioning as a preferred retail choice.

The utilization of the Cake Easy platform was a key component of the campaign's success. This platform provided a seamless and engaging avenue for interacting with local customers, bridging the gap between online and offline shopping experiences. By leveraging Cake Easy, Saint Honore effectively connected with its target audience, creating a positive and immersive brand experience.

Leveraging e-wallet payment platforms for Consumer Engagement

The e-wallet payment platforms available in Hong Kong offer the Group a powerful means to directly engage customers through marketing strategies and promotional deals. During the year, the Hong Kong Government implemented the latest phase of the Consumption Voucher Scheme, aiming to stimulate economic activity by distributing vouchers redeemable for a wide array of goods and services. Capitalizing on this initiative, the Group initiated various promotional campaigns in collaboration with major e-wallet platforms like AlipayHK, PayMe, Octopus, and BoC Pay, alongside our own “Cake Easy” platform, to amplify consumer engagement.



Feature Story — Fostering Sustainable Practices in Supply Chain

CRA is dedicated to fostering sustainable business practices in retail, from factory to storefront. As part of our ongoing commitment to environmental stewardship, this case study sheds light on the comprehensive and impactful sustainability practices implemented across every facet of our operations, from the bakery factory to transportation and retail stores.

Installation of Vacuum Cooling Machine at Shenzhen Facility

In 2023, as part of our ongoing commitment to reducing carbon emissions, we took a significant step forward at our Shenzhen facility by installing a vacuum cooling machine. This advanced technology not only rapidly cools food to ambient temperature to desired levels within 8 minutes but also plays a crucial role in achieving our carbon reduction targets.

By swiftly cooling food items, the vacuum cooling machine minimizes the need for prolonged refrigeration, thereby conserving energy and reducing our carbon footprint. Compared to conventional cooling methods that can take several hours and consume substantial energy, this innovative approach significantly enhances energy efficiency.

The successful implementation of the vacuum cooling machine underscores our dedication to sustainability. Building upon this achievement, we are planning to expand the use of such environmentally friendly technologies throughout our operations.

Transitioning to Pasteurized Liquid Eggs in Recyclable Containers

In response to the logistical challenges involved in handling whole eggs, such as storage and transportation complexities, in 2023, we opted to gradually transit to the use of pasteurized liquid eggs contained in recyclable plastic containers, replacing the conventional carton packaging for whole eggs. This choice ensures quality stability, as the production process is highly automated and closely monitored to adhere to stringent quality standards. Each batch is promptly sealed and refrigerated post-processing, maintaining freshness and consistency during transportation through the cold chain. This transition not only streamlines our operations and optimizes transportation costs compared to whole eggs but also reduces waste from packaging materials, estimated at 7 tons of paper containers per year.



Our supplier of pasteurized liquid eggs also holds accreditation for a low-carbon certificate issued by the China Electronics Energy Saving Technology Association. This accreditation aligns seamlessly with our dedication to environmental sustainability. It serves as a testament to our ongoing efforts to decrease carbon emissions and foster a more environmentally conscious supply chain.

Bakery Production

CRA is cognizant of the environmental impact arising from our business operations, particularly concerning food and packaging waste. Acknowledging our responsibility, we are committed to comprehensive waste management and reduction strategies across our entire production chain. For example,



Recognizing the growing reliance on frozen supply chains, we have allocated additional resources to ensure the meticulous maintenance of related equipment, thereby mitigating the risk of refrigerant leakage incidents.



Mindful of the substantial water consumption associated with cleaning baking utensils and containers, we have diligently chosen energy and water-efficient auto-washing machines. These machines, gradually integrated into our production lines at our factories, optimize resource utilization. Moreover, we uphold responsible wastewater management practices, exemplified by the treatment of wastewater at our Shenzhen factory before its discharge to municipal sewage treatment plants.



To enhance production efficiency and resource utilization, the production of cake bases has been centralized. We work hard throughout the year to work with our line managers to identify opportunities to improve resource utilisation through improved processes, improved equipment and new technology.

In response to the global plastic crisis, particularly concerning plastic packaging, we have established a dedicated cross-business unit team. This team is tasked with exploring sustainable packaging solutions and implementing actions to reduce plastic packaging and consumables throughout our factories and stores. As a tangible step, we have transitioned from cotton rope handles to environmentally friendly paper handles for our mooncake paper bags.

Transportation

In response to the staggering volume of logistic waste plaguing our supply chain, we have adopted a proactive stance to champion recycling and waste reduction initiatives while facilitating the safe and sustainable transportation of food products. This includes:



Continue replacing aging trucks with more environment-friendly models to reduce air emissions from diesel consumption of our own logistics team (not including outsourced delivery fleets).



Establishing meticulous disinfection protocols and the creation of dedicated transportation passages, ensuring the utmost safety and security throughout the logistical journey.

Retail Store

We have been championing the adoption of 4th generation design principles across our new Saint Honore shops and the renovation of our existing stores, prioritizing innovation and sustainability at every step. Here is a glimpse into the enhancements we have implemented:



Embracing eco-friendly illumination, we've seamlessly integrated advanced LED lighting solutions into our stores. These luminaires boast heightened efficiency and emit minimal heat, all while offering the added benefit of streamlined installation against the ceiling grid, thereby minimizing renovation waste.



Street-level shops now feature sleek automatic doors, engineered to meticulously maintain indoor temperatures, ensuring optimal comfort for our patrons while conserving energy.



Our commitment to energy efficiency extends to our cooling systems, where cutting-edge inverter air conditioners, coupled with strategically positioned condensers, deliver unparalleled performance. Complementing these systems are ceiling fans, augmenting the cooling effect and further enhancing energy efficiency.



Enhancing indoor air quality and hygiene standards, our stores now boast state-of-the-art air purifiers equipped with formaldehyde removal capabilities, providing patrons with a refreshing and sanitised environment.



With a keen eye on energy conservation, we've implemented independent switches for water heaters, facilitating judicious power consumption by activating them only when needed. This thoughtful approach not only alleviates power load but also contributes to significant energy savings.

By incorporating these innovative solutions, we are not just redefining the shopping experience; we are setting a new standard for sustainability and efficiency in the retail landscape.

Our Sustainability Approach



Sustainability Governance

The sustainability governance structure plays a pivotal role in our operations, driving exploration into sustainability potentials across all facets of our business. At the helm of overseeing overarching sustainability trends, the Board assumes the crucial responsibility of guiding the Group’s sustainability trajectory.

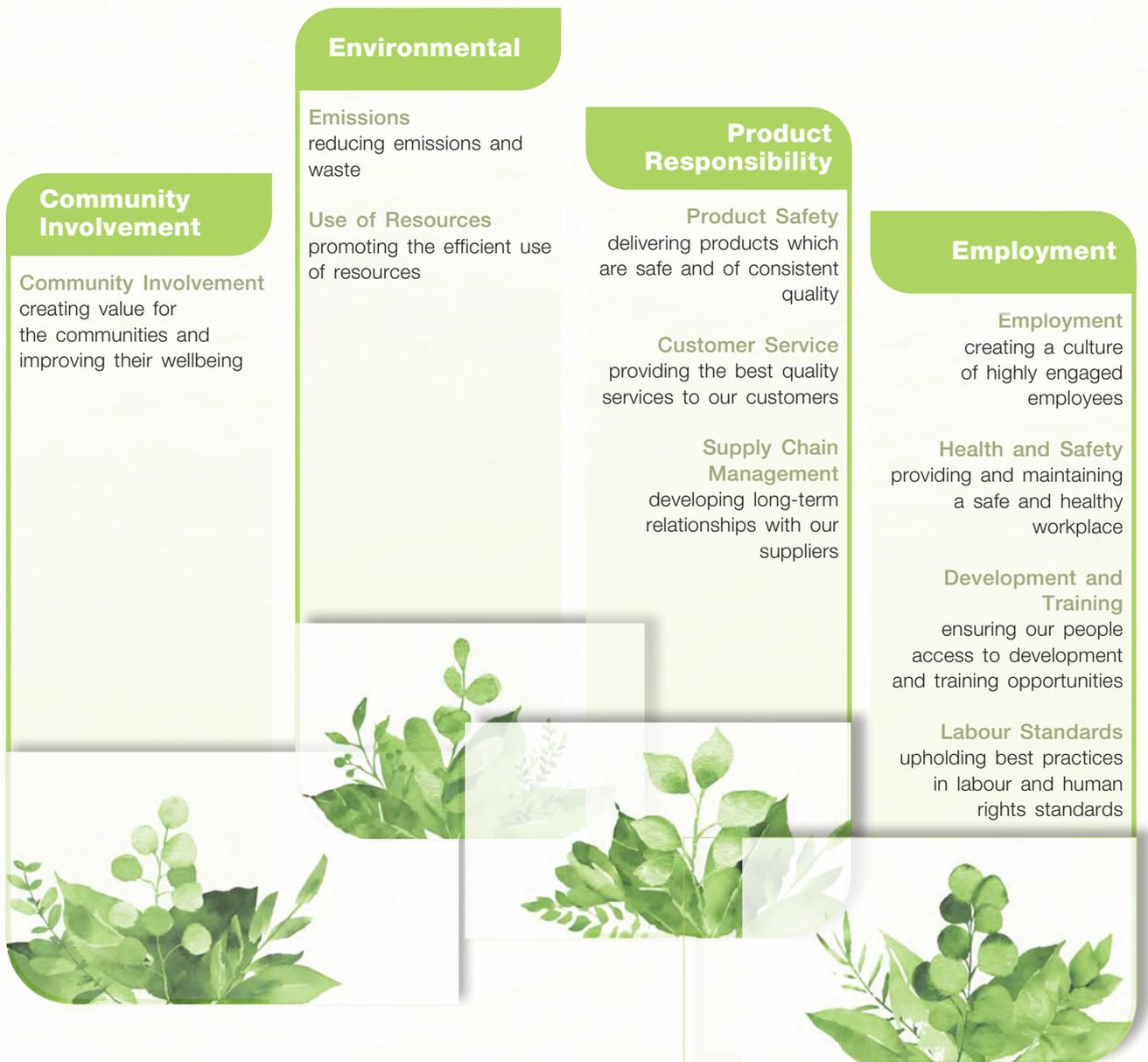
Under the leadership of the Board, the CSR Steering Committee, spearheaded by the Chief Executive Officer, has been established. This committee is entrusted with the oversight of the Group’s sustainability strategies, policies, initiatives, and performance, with a primary focus on employment, community engagement, product responsibility, and environmental stewardship. Tasked with identifying, reviewing, and tracking sustainability matters, the Committee recommends improvement actions, sets objectives and targets, and provides comprehensive reports to the Board on pertinent sustainability issues.

To ensure cohesive implementation of sustainability initiatives, our Working Committee orchestrates activities across the Group. Supported by four specialized working teams within various business units — namely, the Environment Team, the Social Team, the Training and Workplace Safety Team, and the Food Safety and Supply Team — it regularly reports its actions, performance, and accomplishments to the Committee. This streamlined reporting mechanism empowers the Committee to furnish relevant recommendations to the Board, facilitating efficient decision-making processes.



Sustainability Strategy

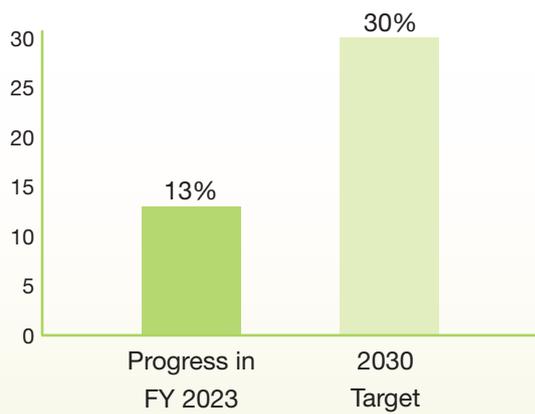
With 2030 marking a significant milestone for the global agenda of the United Nations Sustainable Development Goals, we have embarked on a journey to positively impact society while advancing our ongoing success. Rooted in our commitment to sustainability, we have established four pillars and ten focus areas to serve as the foundation for our efforts. This framework provides a comprehensive and integrated approach to enhancing our sustainability performance across our operations and business plans, complete with predefined targets.



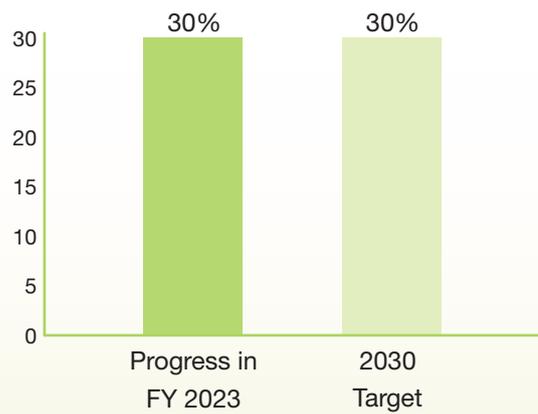
CRA has implemented the Corporate Social Responsibility Policy (“CSR Policy”) alongside a suite of accompanying policies and guidelines. In 2021, the Group initiated a series of environmental performance targets, and we are delighted to report promising progress in 2023. Furthermore, as part of our sustainability vision, we are currently strategizing to enhance our decarbonization plan and introduce social performance targets in the near future.

Environmental performance targets

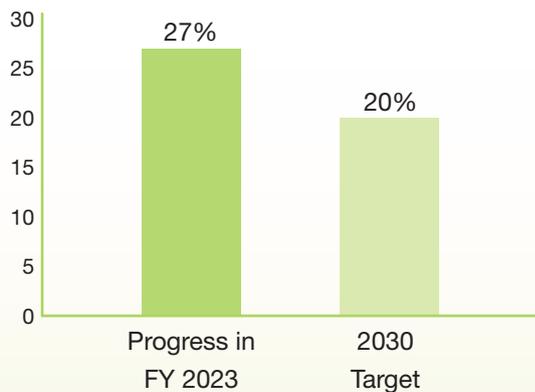
Reduce carbon emission intensity



Reduce water generation intensity



Reduce water consumption intensity



In alignment with our commitment to environmental sustainability, we set a rigorous target to reduce water consumption intensity by 20% by the year 2030. Impressively, we surpassed these expectations by reaching this goal as early as 2022 and went beyond, achieving a remarkable 27% reduction in water consumption intensity by 2023. Notably, both our Saint Honore stores and factories achieved a significant reduction in the intensity of water consumption in 2023.

Our Product Responsibility

We maintain rigorous standards for quality, safety, and hygiene throughout our entire production and consumption process. Sustainability, safety, and quality are seamlessly integrated into our products and processes at every stage of the supply chain. Our comprehensive product safety policies, requirements, and procedures are meticulously enforced to guarantee that our products pose no harm to customers, employees, or the environment.



Product Safety

Management Approach

The initial stage in guaranteeing product safety involves the assessment and mitigation of safety risks. We adhere to a comprehensive set of guidelines and protocols throughout our entire supply chain, encompassing procurement, storage, manufacturing, and distribution to customers. Our Saint Honore factories have attained certification in several quality management and food safety systems, including the ISO 9001:2015 Quality Management System and Hazard Analysis and Critical Control Points (HACCP). Furthermore, the food safety laboratory in Shenzhen has been accredited with the latest version of the China National Accreditation Services for Conformity Assessment (CNAS), affirming its competence in laboratory testing.

ISO 9001:2015 Quality Management System	Hazard Analysis and Critical Control Points (HACCP)	China National Accreditation Services for Conformity Assessment (CNAS)
Factories in Shenzhen and Hong Kong	Factory in Shenzhen	Microbiological laboratory at Shenzhen factory

These systems emphasize a risk-based approach, enabling factories to identify potential risks inherent in their business processes. This proactive approach aims to pre-empt latent incidents and facilitate the seamless implementation of our food safety measures, ensuring the integrity of our products from field to plate. Regular internal audits are conducted in both factories and stores to verify compliance with our food safety standards and to uphold a safe working environment. Additionally, to promote consistency across operational units, we have developed a Common Food Safety Assessment Guideline for Saint Honore factories and stores.

Progress Areas

Embracing Cutting-Edge Technology in Food Processing

In our commitment to upholding superior standards of food quality and safety, the Group has made substantial investments in adopting advanced technology for food processing and manufacturing. We have introduced state-of-the-art automatic packaging machines complemented by X-ray scanners, forming an integrated automated production line. This sophisticated setup significantly reduces the risk of food contamination associated with manual packaging processes. Additionally, we have implemented the innovative “hot wrapping” technology in mooncake packaging to further minimize contamination possibilities.

Moreover, our X-ray scanners boast capabilities beyond foreign substance detection, allowing for quality control assessments such as ensuring adequate roundness of mooncakes and counting salted egg yolks prior to packaging.

In our frozen supply chain, we have installed automatic cold room temperature loggers equipped with alert systems in all our factories. These loggers monitor real-time changes in temperature and humidity within the cold rooms, thereby safeguarding materials and products against temperature abuse caused by faulty equipment or improperly closed doors. This proactive measure ensures that our products are maintained at optimal conditions throughout the entire supply chain.

Cultivating a Culture of Food Safety

To instill a culture of food safety across our operations, our Food Safety and Supply Team spearheads efforts to enhance employee awareness and implement food safety measures through internal communications, training sessions, and monitoring activities. These initiatives are paramount in fostering a deep understanding among employees regarding the significance of food safety and in equipping them with the requisite knowledge of management systems and guidelines, encompassing hygiene practices for food, tools, and equipment.

In 2023, a newly formed food safety management team was established to oversee various functions including research and development, purchasing, material planning, production, quality assurance, warehouse, and engineering. Their primary objective is to assess risks associated with rapid changes and devise robust control measures to uphold food safety standards. This initiative also serves as groundwork for upgrading the food safety management standards in the upcoming year.

Moreover, to enhance our expertise in food safety, we actively engaged in comprehensive training programs, including participation in ISO17025 and ISO22000 standard workshops and lead auditor training. These initiatives were undertaken with the aim of deepening our understanding of the standards and preparing for future upgrades to our hygiene standards. By investing in these training opportunities, we have equipped ourselves with the necessary knowledge and competencies to uphold stringent food safety standards and effectively conduct both internal and supplier audits to ensure compliance across our operations. This commitment to continuous improvement underscores our dedication to maintaining the highest levels of food safety and quality assurance.



Customer Rights

Management Approach

In our commitment to maintaining customer trust, the Group diligently adheres to relevant regulatory requirements in marketing its products and services. We prioritize transparency and accuracy by providing truthful product information, including details on allergens, shelf life, and consumption advice, on product labels. Moreover, we offer multiple communication channels such as leaflets, advertising media, mobile applications, social media platforms, webpages, customer service hotlines and emails through which customers can access comprehensive information about our products and services.

Progress Areas

Efficient Customer Feedback Management and Comprehensive Product Recall Procedures

We have established a dedicated Customer Service Team to gather and address customer feedback promptly. Customers can express their concerns or provide feedback through various channels, including email and phone. All feedback is meticulously distributed and managed by relevant divisions, with escalations to management where necessary. In 2023, we received a total of 258 complaints from our reporting operations. There were no substantiated complaints received relating to the provision and use of products and services that have a significant impact on our operations.

In the event of a product recall, we uphold our customers' rights to seek redress. Our Rapid Response Team is tasked with managing recall procedures and ensuring the allocation of adequate resources to implement immediate corrective actions. There were no product recalls during the reporting year.

Fortifying Customer Privacy

In safeguarding our customers' information, we have implemented a range of security measures aimed at maintaining data integrity. These include rigorous penetration tests and security vulnerability scanning prior to the deployment of new applications, as well as regular updates to ensure system resilience. We retain only essential personal data, adhering to stringent data privacy regulations. Furthermore, sensitive information is encrypted to bolster protection against unauthorized access. This proactive approach not only safeguards customer privacy but also underscores our unwavering commitment to data security.

Supply Chain Management

Management Approach

In the midst of evolving social, economic, and political landscapes, ensuring a sustainable supply chain has emerged as a top priority for the Group. Aligned with our commitment to responsible, fair, and ethical business practices, we adopt a risk-based approach towards sourcing ingredients and packaging materials — an essential aspect of our business operations. We firmly believe that achieving a sustainable supply chain necessitates greater knowledge sharing and transparency regarding best practices across the industry.

Assuring the quality and safety of incoming ingredients and packaging materials to meet or surpass our specifications is integral to our food safety management practices. At Saint Honore, we meticulously assess various factors such as product supply, purchase volume, food safety risks, and the potential impacts of safety and quality incidents. Raw materials are categorized into three risk classes, enabling us to implement appropriate control measures based on this classification. For materials deemed to carry higher risks, additional measures such as supplier audits, annual due diligence tests, and incoming material quality checks are mandated, supplementing our standard requirements. These measures enable us to identify and mitigate risks that could potentially disrupt our supply chain.

Progress Areas

Rapid Adaptation to New Regulations on Harmful Substances

In response to the Hong Kong Government's passing of the Harmful Substances in Food (Amendment) Regulation 2021, aimed at strengthening regulations pertaining to harmful substances in food, including the prohibition of partially hydrogenated oil in edible fats and oils, the Group has swiftly taken preparatory measures to ensure full compliance ahead of the regulation's phased commencement starting in December 2023.

Conducting a thorough review of our raw materials and supplier data, we have proactively requested detailed information from our suppliers regarding any ingredients that may contain partially hydrogenated oil. Suppliers are mandated to provide statements confirming the absence of partially hydrogenated oil in the materials supplied. Additionally, we have diligently sought alternative ingredients to replace any materials containing partially hydrogenated oil, with the goal of eliminating their use entirely.

For products that traditionally include hydrogenated oil, such as pre-packaged items, we have revised the ingredient labels to include information on any hydrogenated oil present. This labelling requirement extends to all festival products, including those for Chinese New Year, Dragon Boat Festival, and Mid-Autumn Festival, ensuring full transparency and compliance with the regulation.



Enhancing Product Traceability for Food Safety Assurance

As part of our commitment to maintaining stringent quality and safety standards, the Group is diligently working towards implementing an advanced product traceability system aligned with our business objectives. It is imperative for us to trace our ingredients back to their source to ensure the integrity of our products.

In this regard, we are in the process of establishing a comprehensive product traceability system that will enable us to effectively monitor and manage food safety across the entire supply chain. This system will encompass every stage, from raw materials procurement to storage, production, and delivery, ensuring that our exacting requirements are met at every step of the process.

Enhancing Supplier Compliance and Quality Assurance Protocols

Our Quality Assurance Team timely conducts audits aimed at evaluating our key suppliers, ensuring strict adherence to our rigorous standards. To promote sustainability practices among our suppliers, we actively communicate our principles for responsible and ethical operations through our Supplier's Code of Conduct. We regularly assess supplier qualifications, material specifications, and their alignment with our standards. Additionally, routine material testing and incoming material quality checks are carried out to guarantee compliance with our established procedures.

Starting from 2023, the vendor compliance evaluation is responsible by our Quality Assurance team. Our role involves assessing material risks, supplier performance, and the efficacy of their food safety control systems. This transition is geared towards ensuring that Saint Honore consistently delivers safe, high-quality, and delectable products to consumers in Hong Kong, Macau, and the Greater Bay Area.

Our Environment



Zoff

At the forefront of our agenda, environmental protection remains a pivotal consideration in all our decision-making processes. We are unwavering in our dedication to mitigating the environmental impact of our daily operations, striving to collaborate with stakeholders to foster a cleaner, more sustainable environment. Our CSR Policy serves as a tangible manifestation of this commitment, outlining our steadfast resolve to preserve the natural environment and minimize our operational footprint.



Use of Resources and Emissions

Management Approach

Given the substantial consumption of energy, water, and raw materials in our operations, prioritizing their efficient and sustainable use is fundamental to our business strategy. Our Environment Team collaborates closely with line managers year-round to pinpoint opportunities for enhancing resource utilization. This involves implementing improved processes, upgrading equipment, and integrating new technologies aimed at optimizing resource efficiency across our operations. For more details, please refer to the Feature Story — Fostering Sustainable Practices in Supply Chain.

At the same time, the Group acknowledges the substantial risks posed by climate change, including both physical and transitional challenges, which affect not only our operations but also global sustainability. We are steadfast in our commitment to mitigating climate impacts and enhancing resource efficiency across our operations.

Aligned with our CSR Policy, we prioritize measuring and disclosing our environmental footprint as an initial step to comprehensively understand and manage our performance. This approach enables us to develop targeted reduction actions and set annual reduction targets.

Progress Areas

Ensuring Supply Chain Resilience in the Face of Climate Change

We understand the significant risks posed by climate change to our business, particularly given our reliance on high-quality raw materials sourced globally. Effective supply chain risk management is integral to our sustainable growth strategy. To proactively address potential disruptions caused by climate change, we have implemented measures to mitigate supply chain risks.

A comprehensive approach has been adopted to anticipate and manage supply disruptions resulting from critical climate conditions. We maintain a list of alternative materials or products to address any delays or failures in raw material supplies. For instance, in the case of wheat flour, a key ingredient in our bakery business, contingency plans have been developed to address fluctuations in crop yields due to weather variability. Should major supplying regions experience poor harvests, we remain flexible to source alternative supplies from other regions or countries.

Similarly, for bakery products using fruits from Japan, such as strawberries, contingency measures are in place to shift sourcing to other regions in the event of unstable supply. For example, sourcing may transition from Kumamoto to Nagasaki. Flexible marketing promotion periods for related products are also adopted to enhance resilience.

Our Employment

At CRA, our employees are the driving force behind our success and the sustainability of our business. Exemplifying our dedication to our employees, our HEARTS culture embodies our core values: Happy, Energized, Achievements, Respect, Training, and Success. Our human resources policies and initiatives are designed with these values at the forefront, ensuring a supportive and fulfilling environment for all members of our team.





Employment

Management Approach

The Group is deeply committed to fostering a culture of fairness, respect, diversity, equity, and inclusion in the workplace. Our Equal Employment Opportunity Policy, along with a robust Code of Conduct and Business Ethics, serve as cornerstones in reinforcing these values across the organization. We are dedicated to providing equal and fair opportunities to all employees based on their abilities, ensuring an impartial and transparent recruitment process.

Recognizing the invaluable contributions of diversity, we unequivocally condemn all forms of discrimination or harassment based on race, ethnicity, national origin, religion, disability, gender, age, marital status, sexual orientation, family status, and ancestry. Upholding the highest standards of labour and human rights, we maintain a respectful workplace environment free from any form of discrimination or harassment. Our commitment extends to ensuring equal employment opportunities, comprehensive training, fair performance assessments, and transparent disciplinary and grievance processes.

Furthermore, we steadfastly prohibit the employment of child labour and actively work to eradicate all forms of forced and compulsory labour from our operations. Our employment practices, including recruitment, employee development, and welfare benefits, are clearly outlined in the Employee Handbook to provide employees with a comprehensive understanding of our employment policies and terms.

Progress Areas

Fostering Unity and Joy in the Workplace

It is a longstanding tradition within our organisation to celebrate festivals with our colleagues. Through a variety of engaging activities and the distribution of festive goodies, we aim to spread positivity and camaraderie throughout our workforce.

Commencing in 2023, we initiated a bi-monthly tradition of hosting extravagant birthday parties to commemorate the special occasions of each and every employee. This ritual quickly became ingrained in our culture, eagerly anticipated by all as a moment of warmth and unity within our thriving workplace family.

Promoting a Family-Friendly Workplace Culture

At CRA, we prioritize the well-being of our employees by offering comprehensive welfare and benefits schemes. Our remuneration packages go beyond statutory requirements, providing eligible employees with a range of additional benefits. For instance,



Eligible employees are granted an additional one-day family-friendly leave each year.



Employees facing stress or challenges have access to confidential counseling services provided by third-party counselors, available through face-to-face sessions or hotline consultations.



Fresh fruits are distributed to colleagues to encourage and support a healthy lifestyle.



Onsite seasonal influenza vaccination is provided for employees' convenience and ease.

Besides, the Activity Organizing Board (AOB) every year orchestrates various initiatives as part of the HEARTS employee engagement program. These include career development sessions, work-life balance workshops, and social gatherings, all aimed at supporting colleagues in their professional growth and cultivating a sense of camaraderie among staff members.

In recognition of our continuous efforts to promote a family-friendly employment culture and implement various employee-friendly human resource management practices. Additionally, we are honored to have received a Certificate of Appreciation reaffirming our commitment to fostering a Breastfeeding Friendly Workplace. The Group has also been acknowledged as a "Super MD" (Manpower Developer) for the years 2020–2025 by the Employees Retraining Board (ERB) under the ERB Manpower Developer Award Scheme.

Health and Safety

Management Approach

Employee health and safety remain paramount across all our business operations at all times. Aligned with the commitment outlined in our CSR Policy, the Group is dedicated to maintaining a healthy and safe working environment through comprehensive risk management and systematic measures.

We have established robust emergency procedures to effectively manage risks arising from a variety of unforeseen incidents. Our emergency guidelines delineate proper procedures for handling emergencies, ensuring the safety and well-being of our employees. Additionally, regular emergency drills are conducted to enhance preparedness and response capabilities among our workforce.

Progress Areas

Ensuring Safe Work Environments and Practices

Our commitment to providing a hygienic and safe workplace for our employees is reflected in our investments in automation, equipment, and machinery aimed at reducing physical strain. Within our factories, we prioritize employee safety by equipping them with labor protective gear, automated external defibrillators (AEDs), non-slip lighting and carpets, air purifiers, and more. Additionally, automatic doors have been installed on frequently used freezers to minimize strain on employees' hands.

Furthermore, our Training and Workplace Safety Team conducts routine safety inspections to identify and address potential risks. Upon identification of general risks, relevant units are promptly notified for resolution, followed by a thorough re-examination of the affected areas. In instances of significant risks, enhancement projects are initiated to mitigate potential hazards effectively. Periodic risk assessments are conducted on new machinery, such as case washers and dough kneaders, to proactively identify any potential dangers. Precautionary measures are then developed based on these evaluations to ensure the ongoing safety of our operations.

In 2023, the work injury rates recorded in



Where there are any injury incidents, our Training and Workplace Safety Team is responsible for performing a thorough investigation of root causes and implementing follow-up courses of action and preventive measures. In 2023, common work injury incidents were sprain, clash, cut, slip and fall, and burnt.

Development and Training

Management Approach

We firmly believe that investing in the training and development of our employees is fundamental to cultivating a skilled and motivated workforce. Through a range of learning and development opportunities, our employees have the chance to acquire valuable professional knowledge and skills, thereby enhancing their competencies and facilitating career growth and advancement.

Our Competency Model serves as a comprehensive framework guiding our approach to employee development. It delineates the requisite knowledge, skills, and attributes for various roles within the organization, enabling us to make informed decisions regarding talent recruitment, retention, succession planning, and career development strategies. These competencies are consistently communicated to our employees through our Employee Handbook.

As an integral component of our employee engagement efforts, performance management plays a vital role in identifying and nurturing high-potential employees. We have established a structured performance management and career development process, which includes regular performance evaluations, ongoing feedback provision, and the identification of training needs during annual performance appraisals. This ensures that our employees receive the support and guidance necessary for their professional growth and success within the organization.

Progress Areas

Sending Operational Staff for First Aid Training

A wide range of specialist trainings are provided to our colleagues. Safety induction training is mandatory for all new employees on applicable standards and regulatory requirements. Fire safety training was also provided, with topics including fire drills, review of the use and operation of fire extinguishers, fire prevention knowledge, and basic wound care.

In 2023, the Group prioritized the safety of our operational staff by enrolling them in a comprehensive Standard First Aid Certificate course organized by the Hong Kong Red Cross. This initiative served a dual purpose: ensuring workplace safety and equipping our team with life-saving first aid skills. Through this course, our staff acquired vital knowledge and practical training in administering first aid, handling injuries, and effectively responding to emergencies. This investment reflects our unwavering commitment to fostering a secure work environment for all employees.

Our Community

Our business objectives align closely with our corporate social responsibilities, which revolve around serving the public and making meaningful contributions to the communities where we operate. Through a range of initiatives spanning public education, charitable donations, volunteerism, and community programs, we actively engage with and support our communities to foster growth and prosperity.



Community Engagement

Management Approach

Aligned with our CSR Policy commitment, the Group places significant emphasis on stakeholder engagement to foster inclusivity within our community. Our dedicated Social Team diligently assesses the needs of both our employees and the communities we serve, forming the foundation for tailored engagement plans that align with their expectations and our overarching strategy.

Encouraging active participation, employees are invited to share their insights and ideas in the development of community initiatives. We firmly believe that employee volunteerism enhances the impact of our engagement efforts, resulting in more meaningful contributions to our communities. In fact, many of these suggestions have been incorporated into our engagement plans and successfully implemented.

To further promote volunteerism, we have established a Volunteer Leave Policy, enabling employees to actively participate in voluntary activities and contribute positively to society.

Progress Areas

Engaging Volunteers for Social Impact

Our organization boasts a dedicated volunteer team that actively participates in community endeavors through our 46 activities. These volunteers exemplify our company's ethos of giving back, collectively contributing over 6,300 volunteer hours to support various community initiatives. Their unwavering dedication and passion have significantly contributed to our positive impact on society.

In 2023, Saint Honore and Zoff colleagues, along with their families and friends, joined hands to participate in the TWGHs Flag Day event, dedicated to raising funds to support the disadvantaged in our community. This collaborative effort showcased the unity and compassion of our teams as they volunteered their time and efforts for this noble cause.



Demonstrating Commitment Through In-Kind Donations

As part of our commitment to social responsibility, our company provides substantial in-kind donations to support community initiatives. By leveraging our resources for the greater good, we strive to make a tangible difference in the lives of those in need and foster a more inclusive and sustainable future for all.

- Throughout the year, our commitment to supporting the less fortunate remained steadfast as we continued our efforts to donate bread to those in need. In collaboration with various charitable organizations, a total of 425,000 loaves of bread were generously contributed. This ongoing initiative symbolizes our dedication to making a positive impact on the lives of individuals facing hardship within our community.
- During the Chinese New Year, Dragon Boat Festival and Mid-Autumn Festival, the Group generously contributed over 600 CNY cakes, 4,400 boxes of dumplings and 600 boxes of mooncakes to the community. This act of kindness aimed not only to celebrate the festival but also to share joy and warmth with those in need within our community. The donation served as a symbol of unity and solidarity, fostering a sense of togetherness among residents during this festive season.

Recognition of Excellence

Saint Honore Cake Shop Limited and Omni Beauty Retailing Limited (Zoff) have been honored with the prestigious “Caring Company Logo 2022/23” by the Hong Kong Council of Social Service (HKCSS). This accolade acknowledges our companies’ outstanding commitment to corporate social responsibility and community engagement. It serves as a testament to our unwavering dedication to making a positive impact on society and underscores the importance we place on ethical business practices and social accountability.

Performance Data Summary

Environmental Performance

GHG Emissions		
Indicator and Unit	2023	2022
Scope 1 emissions (in tonnes of CO ₂ -e)	5,854	5,776
Scope 2 emissions (in tonnes of CO ₂ -e)	17,303	16,742
Total carbon emissions (in tonnes of CO ₂ -e)	23,156	22,518
Intensity of carbon emissions by Saint Honore stores in Hong Kong and Macau (tonnes of CO ₂ -e/number of store day)	0.11	0.12
Intensity of carbon emissions by Saint Honore factories in Hong Kong, Macau and Shenzhen (tonnes of CO ₂ -e/finished products produced in kg)	0.0009	0.0009
Intensity of carbon emissions by our own logistics team (tonnes of CO ₂ -e/travel distance in km)	0.0008	0.0008

Air Emissions [^]		
Indicator and Unit	2023	2022
Nitrogen oxides (NOx) (in tonnes)	4	4
Sulphur oxides (SOx) (in tonnes)	—	—
Respiratory suspended particles (RSP) (in tonnes)	—	—

[^] Air emissions refer to those emitted by our own logistics team.

Energy Consumption		
Indicator and Unit	2023	2022
Petrol (in MWh-e)	80	50
Diesel (in MWh-e)	3,841	3,871
Towngas (in MWh-e)	197	419
Natural Gas (in MWh-e)	7,584	6,349
Electricity (in MWh-e)	32,346	30,415
Total energy consumption (in MWh-e)	44,048	41,104
Intensity of energy consumption by Saint Honore stores in Hong Kong and Macau (MWh-e/number of store days)	0.23	0.24
Intensity of energy consumption by Saint Honore factories in Hong Kong, Macau and Shenzhen (MWh-e/finished products produced in kg)	0.0016	0.0014
Intensity of energy consumption by own logistics team (MWh-e/travel distance in km)	0.0032	0.0033

Water [^]		
Indicator and Unit	2023	2022
Total water consumption (in cubic metres)	175,070	188,554
Intensity of water consumption by Saint Honore stores in Hong Kong and Macau (cubic metres/number of store days)	0.36	0.41
Intensity of water consumption by Saint Honore factories in Hong Kong, Macau and Shenzhen (cubic metres/finished products produced in kg)	0.0084	0.0090

[^] No issue in sourcing water.

Waste [^]		
Indicator and Unit	2023	2022
Total hazardous waste produced (in tonnes)	0	0
Total non-hazardous waste produced (in tonnes)	1,762	2,103
Intensity of non-hazardous waste produced of Saint Honore factories in Hong Kong, Macau and Shenzhen (tonnes/finished products produced in kg)	0.0001	0.0001

[^] Amount of waste produced only covers Saint Honore factories in Hong Kong, Macau and Shenzhen as waste generation of Saint Honore stores in Hong Kong and Macau is not considered as material to our operations.

Packaging materials [^]		
Indicator and Unit	2023	2022
Total packaging materials used (in tonnes)	1,527	1,984
Packaging materials used per unit produced of Saint Honore factories in Hong Kong, Macau and Shenzhen (tonnes/finished products produced in kg)	0.0001	0.0001

[^] Amount of packaging materials used only covers Saint Honore factories in Hong Kong, Macau and Shenzhen as packaging materials use of Saint Honore stores in Hong Kong and Macau is not considered as material to our operations.

Social Performance

Employment and Labour Practices		
Indicator	2023	2022
By Employment Type		
Full-time	2,056	2,001
Part-time	696	692
Temporary	255	293
Total Workforce	3,007	2,986
By Gender		
Female	1,873	1,868
Male	1,134	1,118
By Age Group		
Below 40 years old	1,493	1,555
40 years old and above	1,514	1,431
By Geographical Location		
Hong Kong	1,571	1,536
Macau	240	262
Shenzhen	1,196	1,188

Turnover Rate		
Indicator	2023	2022
Total Workforce	47.5%	55.1%
By Gender		
Female	43.5%	45.4%
Male	54.0%	71.2%
By Age Group		
Below 40 years old	68.1%	75.4%
40 years old and above	27.1%	32.9%
By Geographical Location		
Hong Kong	26.5%	25.6%
Macau	25.8%	19.5%
Shenzhen	79.3%	101.1%

Health and Safety		
Indicator for Work-related Fatalities	2023	2022
Number and rate of work-related fatalities [^]	0	0
Indicator for Work-related Injuries	2023	2022
No. of lost days due to work injuries	635	1,483
Work-related injury rate	1.2%	0.9%
Hong Kong	1.3%	0.9%
Macau	0.4%	1.1%
Shenzhen	1.3%	0.8%

[^] No work-related fatality and occupational disease in the past three years.

Development and Training								
Indicator	2023				2022			
	Employee Trained Rate	Number of Employee Trained	Total Training Hours	Average Training Hours per Employee	Employee Trained Rate	Number of Employee Trained	Total Training Hours	Average Training Hours per Employee
Total Workforce	91%	2,739	16,220	5.39	109%	3,269	17,713	5.42
By Gender								
Female	82%	1,527	9,493	5.07	98%	1,824	10,003	5.48
Male	100%	1,212	6,727	5.93	129%	1,445	7,710	5.34
By Employee Category								
Office employees	42%	142	2,064	6.88	66%	195	1,846	9.47
Frontline employees	67%	860	5,417	4.19	78%	990	5,782	5.84
Factory/Warehouse Employees	100%	1,737	8,740	6.33	147%	2,084	10,085	4.84

Number of Suppliers			
By Geographical Location of Suppliers	Mainland China	Hong Kong	Macau and others
	Total number of suppliers for Saint Honore factories	169	121
By Supplier Type	Food	Packaging	Other
	Total number of suppliers for Saint Honore factories	225	60

Our Reporting Approach

This Report covers the Group’s environmental, social and governance performance for the financial year from 1 January to 31 December 2023 (“reporting year”), and focuses on the following operations in Hong Kong, Macau and Mainland China. These operations account for 83% of the Group’s total revenue.

- Saint Honore store operations in Hong Kong and Macau; and
- Saint Honore factories in Hong Kong, Macau and Shenzhen.

This Report satisfies the “comply or explain” provisions of the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) issued by The Stock Exchange of Hong Kong Limited. In the preparation of the Report, the Group has also followed the related reporting principles from the ESG Reporting Guide:

- **Materiality:** Material sustainability topics are identified through various stakeholder engagement activities. Different factors including the Group’s strategy and stakeholders’ concerns are taken into consideration. The issues identified were endorsed by our CSR Steering Committee and approved by the Board.
- **Quantitative:** As approved by the CSR Steering Committee, the Group has established a series of environment targets. The progress towards these targets will be evaluated by the Board regularly. In addition, information is presented with quantitative measures whenever feasible. By doing so, it enables a transparent comparison of trends over the years.
- **Balance:** To provide an unbiased picture of its performance, the Group reviews and discloses its achievements as well as areas for improvement.
- **Consistency:** To allow meaningful comparisons of environmental and social data over time, the Group uses consistent methodologies over time. A due diligence process is conducted to ensure the quality and accuracy of information disclosed.

Our GHG emissions inventory is prepared in accordance with the Greenhouse Gas Protocol, a corporate accounting and reporting standard developed by the World Business Council for Sustainable Development (“WBCSD”). More details are available in the Performance Data Summary section.

ESG Reporting Guide Index

Description of Disclosures		Chapter	Page Number	Remarks
A. Environmental				
A1 Emissions				
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Feature Story – Fostering Sustainable Practices in Supply Chain Our Environment	10-12 23-24	No reportable cases of breaches in legal or regulation compliance
A1.1	The types of emissions and respective emissions data	Our Environment	23-24	
A1.2	Greenhouse gas emissions in total Intensity of greenhouse gas emissions	Our Sustainability Approach	13-16	
A1.3	Total hazardous waste produced Intensity of hazardous waste produced	Performance Data Summary	33-38	
A1.4	Total non-hazardous waste produced Intensity of non-hazardous waste produced			
A1.5	Description of emissions target(s) set and steps taken to achieve them			
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			

Description of Disclosures		Chapter	Page Number	Remarks
A2 Use of Resources				
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	Feature Story – Fostering Sustainable Practices in Supply Chain	10-12	
		Our Environment	23-24	
A2.1	Direct and/or indirect energy consumption by type in total	Our Environment	23-24	
	Direct and/or indirect energy intensity	Our Sustainability Approach	13-16	
A2.2	Water consumption in total	Performance Data Summary	33-38	
	Water intensity			
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them			
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			
A2.5	Total packaging material used for finished products			
	Total packaging material used for finished products with reference to per unit produced			
A3 The Environment and Natural Resources				
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	Our Environment	23-24	No significant impacts of activities on the environment and natural resources
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them			



Description of Disclosures		Chapter	Page Number	Remarks
A4 Climate Change				
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	Our Environment	23-24	
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	Our Environment	23-24	
B. Social				
B1 Employment				
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Our Employment Performance Data Summary	25-29 33-38	No reportable cases of breaches in legal or regulation compliance
B1.1	Total workforce by gender, employment type, age group and geographical region			
B1.2	Employee turnover rate by gender, age group and geographical region			
B2 Health and Safety				
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	Our Employment Performance Data Summary	25-29 33-38	No reportable cases of breaches in legal or regulation compliance
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year			
B2.2	Lost days due to work injury			
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored			

Description of Disclosures		Chapter	Page Number	Remarks
B3 Development and Training				
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Our Employment	25-29	
B3.1	The percentage of employees trained by gender and employee category	Performance Data Summary	33-38	
B3.2	The average training hours completed per employee by gender and employee category			
B4 Labour Standards				
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	Our Employment	25-29	No reportable cases of breaches in legal or regulation compliance
B4.1	Description of measures to review employment practices to avoid child and forced labour			
B4.2	Description of steps taken to eliminate such practices when discovered			
B5 Supply Chain Management				
General Disclosure	Policies on managing environmental and social risks of the supply chain	Our Product Responsibility	17-22	
B5.1	Number of suppliers by geographical region	Performance Data Summary	33-38	
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored			
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored			
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored			

Description of Disclosures		Chapter	Page Number	Remarks
B6 Product Responsibility				
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Our Product Responsibility	17-22	No reportable cases of breaches in legal or regulation compliance
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons			There were no recalls concerning the provision and use of products and services for safety reasons
B6.2	Number of products and services related complaints received and how they are dealt with			
B6.3	Description of practices relating to observing and protecting intellectual property rights			Applications for access to information are reviewed and approved by the department head or senior management. In 2023, no complaint was reported.
B6.4	Description of quality assurance process and recall procedures			
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored			To protect customer privacy, employees are expected to follow Code of Conduct and Business Ethics which provides guidelines on handling and securing customer information. In 2023, no complaint was reported.

Description of Disclosures	Chapter	Page Number	Remarks
B7 Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering		No reportable cases of breaches in legal or regulation compliance
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		In 2023, there were no concluded legal cases of corruption brought against the Group or its employees.
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored		We have a Whistleblowing Policy in place that enables employees to raise concerns on any actual or potential misconducts, possible improprieties or frauds to either senior management or the Group Chief Compliance and Risk Management Officer. In 2023, no complaint was reported.



	Description of Disclosures	Chapter	Page Number	Remarks
B7.3	Description of anti-corruption training provided to directors and staff			<p>The Group has zero tolerance for bribery, extortion, fraud and money laundering. The policies and guidelines provide guidance to our employees on appropriate conduct with regard to anti-bribery and anti-corruption.</p> <p>In 2023, we did not provide anti-corruption online training to directors and employees. Looking ahead, training will be provided to further enhance their understanding on the ethical awareness and knowledge on anti-corruption law</p>
B8 Community Investment*				
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	Our Community	30-32	
B8.1	Focus areas of contribution			
B8.2	Resources contributed to the focus area			

* denotes material issues