

# Sustainability

## 1 About This Section

### Reporting Period, Standard and Boundary

This Sustainability Report (the “Report”) provides an annual update of the Group’s initiatives, plans and performance in sustainability in 2023. It is prepared in accordance with the mandatory disclosure requirements and the “comply or explain” provisions set out in the Environmental, Social and Governance (“ESG”) Reporting Guide under Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEX”). The report provides an overview of the Group’s ESG management approach, governance structure, sustainability initiatives, and performance taken across the Group’s core operations in Hong Kong for the period from 1 January 2023 to 31 December 2023 (the “reporting period”).

The Report provides descriptions and key statistics of the Group’s sustainability performance and progress for the reporting period.

## 2 Sustainability Governance

### Board Statement

Our Board of Directors (the “Board”) oversees the management of the Group’s overall ESG strategies and performance through regular reporting and updates on the progress of the Group’s goals, initiatives and plans from the Sustainability Committee. The Sustainability Committee, meeting at least once a year, comprises executive director and senior management who provide strategic guidance on the Group’s ESG management approach, risk management and disclosures. In addition, our ESG working group consists of representatives from various departments who play an integral role in coordinating the daily execution of the Group’s ESG strategies and implementation of associated initiatives.

The Group has adopted “three lines of defence” model in risk governance which defines clear responsibilities and structure in ensuring accountability and transparency in our risk management practices. This mode combines a top-down strategic view and a bottom-up operational process to effectively identify, evaluate and manage significant risks. While the Audit Committee is held accountable for the Group’s overall risk management and internal control systems, the Sustainability Committee specifically assesses ESG-related risks of strategic and financial significance. The prioritised risks together with proposed mitigation plans are discussed and endorsed by the Board through the Sustainability Committee or other committees. For more details on our corporate governance, risk management and internal control systems, please refer to the Corporate Governance Report on pages 52 to 57 of the Annual Report.

### Sustainability Policies





The Group has continuously monitored, revised and enhanced our policies to reflect our increasing commitment towards enhancing our ESG performance and to ensuring that we keep abreast with the latest industry trends and stakeholder expectations. In addition to following the Group policies of our parent company, Henderson Land Development Company Limited, the Board has approved the following key policies and procedures which articulate and define important principles or values of the Group:

<i>Environmental</i>	<i>Social</i>	<i>Governance</i>
Climate Change Policy	Anti-Corruption and Bribery Policy	Board Diversity Policy
Corporate Social Responsibility Policy	Business Ethics and Code of Business Conduct Policy	Dividend Policy
Environmental Policy	Customers Services Code of Conduct Policy	Inside Information Policy
	Director and Employee Remuneration Policy	Nomination Policy
	Health and Safety Policy	Risk Management Policy
	Human Rights and Equal Opportunity Policy	Shareholders Communication Policy

For details of the policies, please refer to <https://www.hilhk.com/en/corporate/group-policies.shtml>.

### 3 Stakeholder Engagement and Materiality Assessment

The Group reaches out to our stakeholders regularly to understand their expectations of our ESG strategy and sustainability issues that are significant to them. By harnessing various communication channels, we proactively engage with our key stakeholder groups, including our employees, customers, shareholders, suppliers, regulators and the wider community, to review and update the topics which are material to our business operations. Below is a summary of the means we engage with our stakeholders:

<b>Key Stakeholders</b>	<b>Engagement Channels</b>
 Employees	<ul style="list-style-type: none"> <li>• Training</li> <li>• Performance appraisals</li> <li>• Recreational activities</li> </ul>
 Customers	<ul style="list-style-type: none"> <li>• Corporate websites, mobile apps and social media platforms</li> <li>• Omnichat (for CU APP member)</li> <li>• Customer service hotlines</li> <li>• Customer satisfaction survey</li> </ul>
 Suppliers and Contractors	<ul style="list-style-type: none"> <li>• Regular supplier reviews</li> <li>• Supplier management</li> </ul>
 NGO Partners	<ul style="list-style-type: none"> <li>• Volunteer activities</li> <li>• Donations</li> <li>• Community outreach</li> </ul>

The Group carried out a comprehensive stakeholder engagement and materiality assessment in 2023 to prioritise sustainability topics that are material to the business. This is achieved through conducting a survey with responses from 102 internal and external individuals who represented six key stakeholder groups. The survey respondents ranked a total of 21 material sustainability topics in accordance with our impacts around economic, environmental and societal aspects from the stakeholders' point of view. The step-by-step materiality assessment approach detailed below, determines the most material ESG topics for disclosure. Through gathering views from a wide range of stakeholders regarding our sustainability efforts, performance and future strategies, we identified a number of risks and opportunities, and balanced different interests to make informed decisions.

## Sustainability

### STAGE 1

#### Identification

- Reviewed sustainability disclosures of local, regional and international peers to identify common industry disclosure practices
- Conducted an online survey with internal and external stakeholders to rank the importance of various sustainability issues

### STAGE 2

#### Prioritisation

- Combined and analysed the results of the peer benchmarking exercise and stakeholder online survey to develop a prioritised list of sustainability issues of varying materiality levels for confirmation

### STAGE 3

#### Validation and Evaluation

- The Company's senior management validates the list of material sustainability topics and key performance indicators ("KPIs") for disclosure

The following table sets out the sustainability topics that have been identified as material with inputs from our internal and external stakeholders, which will be addressed in relevant sections in the Report:

Aspects	Material Issues
 <p>Environment</p>	<ul style="list-style-type: none"> <li>• Waste Management</li> <li>• Green Procurement</li> <li>• Energy Usage</li> </ul>
 <p>Labour Practices</p>	<ul style="list-style-type: none"> <li>• Staff Training &amp; Career Development</li> <li>• Working Conditions</li> <li>• Occupational Health &amp; Safety</li> <li>• Diversity &amp; Inclusion</li> </ul>
 <p>Operating Practice</p>	<ul style="list-style-type: none"> <li>• Handling Product &amp; Service Complaints</li> <li>• Anti-Corruption</li> <li>• Protection of Intellectual Property Rights</li> <li>• Protection of Customer Privacy</li> <li>• Marketing and Labelling</li> <li>• Supply Chain Management</li> <li>• Product &amp; Service Health and Safety</li> <li>• Anti-Competitive Behaviour</li> </ul>
 <p>Community</p>	<ul style="list-style-type: none"> <li>• Community Investment</li> </ul>

## 4 Engaging Our Customers

We actively seek to achieve a high level of customer satisfaction. By regularly obtaining feedback from our customers, we strive to understand their needs and improve our products and services.

### Customer First

The Group's "Customer First" approach highlights our commitment to provide high-quality goods and services, and our "Three Qs Missions" is designed to better embed this spirit in our daily operations:

#### Quality Services

We aim to offer quality services so that customers thoroughly enjoy shopping at our stores.

#### Quality Merchandise

Our diversified merchandising mix provides customers with a wide choice of quality necessities at a reasonable price.

#### Quality Lifestyle

Our quality services and quality merchandise are intended to raise the standard of living of the general public.

To create a comfortable and hygienic shopping environment, we conduct extensive cleaning at all our department stores and supermarkets before and after service hours, as well as continuously monitoring the status of engine rooms and air-conditioners to regulate indoor temperature for ideal comfort. We value all feedback from customers as a means of maintaining customer satisfaction levels. Customers can share their feedback through dedicated hotlines, emails, store counters and social media platforms such as Instagram and Facebook.

Furthermore, we have implemented a robust internal feedback system to follow up on complaints received in order to strive for continuous improvement. During the reporting period, we received a total of 91 appreciation letters from customers, reinforcing our commitment to providing consistently high-quality service. There were also 203 customer complaints regarding our products or services, which we addressed through our follow-up procedures conducted by the designated Department. By explaining to customers the investigation results and improvements made, all of the complaints were resolved in line with our internal procedures in a timely and effective manner.

### Mystery Shopper Programme

Since 2020, we have been regularly using Mystery Shopper Programme to assess the performance of our employees. We are overjoyed to see our employees develop and maintain our department store's outstanding service level.

### Product Responsibility

The Group is committed to fully adhering to relevant laws and regulations. We work closely with relevant Government departments as well as our suppliers and vendors. We safeguard our product quality to comply with all relevant regulations, including Consumer Goods Safety Regulation (Cap. 456A), Toys and Children's Products Safety Ordinance (Cap. 424), Trade Descriptions Ordinance (Cap. 362), Pharmacy and Poisons Ordinance (Cap. 138), Food and Drugs

## Sustainability

(Composition and Labelling) Regulations (Cap. 132W), Competition Ordinance (Cap. 619), and Electrical Products (Safety) Regulation (Cap. 406G), etc. In the event of a product quality issue, the inventory of the suspected product will be removed immediately from our shelves as well as storage rooms, then returned to the supplier or vendor. Furthermore, we follow the Government's instructions on product recalls as necessary. During the year, the Group does not have products recalled for health and safety reasons.

In 2023, we were involved in two non-compliance cases in relation to product labelling which violated the Trade Descriptions Ordinance (Cap. 362) and Consumer Goods Safety Regulation (Cap. 456A) respectively, and resulted in a penalty for a total of HK\$18,000. All the related stock has been withdrawn from the shelf. After the incident, immediate follow-up actions including verifying supporting documents submitted by vendors of products in relation to product labelling have been carried out to minimise the probability of similar occurrences in the future.

As well as complying with the mandatory legal requirements, we have a robust mechanism in place to ensure product quality which may identify potential environmental and social risks previously unperceived by us. This mechanism includes stringent evaluation of new vendors with reference to market information, reputation, laboratory testing reports of products reviewed and approved by department heads as well as quality checks conducted on products delivered to our stores.

We strive to create the best customer experience by putting a strong emphasis on shelf arrangement and inventory management, ensuring that all items are arranged in an organised and effective way. Important information such as the brand name, product description, maintenance details, expiry dates, and warnings are displayed on products and attached to price tags.

### Customer Privacy

To protect customer privacy, we collect only the minimum necessary personal information. All personal data collected via the Citistore website, APITA/UNY website, CU APP Membership Programme, and other channels are securely stored on a secured platform which is protected by up-to-date firewall and anti-virus software. In addition, personal, sensitive or confidential information is masked in the stores' CU APP interface and can only be accessed by authorised personnel. The Group fully complied with the Personal Data (Privacy) Ordinance (Cap. 486) during the reporting period. Our publicly available customer privacy policy regarding our rules for accessing, storage and disposal of personal data is available on the Citistore website<sup>1</sup>, APITA/UNY website<sup>2</sup> and CU APP website<sup>3</sup>.

The Group has implemented several measures to protect sensitive information and prevent cyber threats. One key initiative is the provision of comprehensive training on cybersecurity best practices, data protection, and threat awareness to all employees. The training provided equips employees with the necessary skills and knowledge to protect sensitive information and prevent cyber threats. Furthermore, we have implemented a policy which requires employees to have strong passwords and multi-factor authentication measures. Additionally, the Group ensures a prompt response and investigation to all cybersecurity incidents. We remain vigilant in monitoring emerging threats and industry best practices which allows for us to continuously improve our cybersecurity measures.

#### Notes:

1. Citistore's Privacy Policy is publicly available on its website at: [https://www.citistore.com.hk/en/privacy\\_policy\\_chi/](https://www.citistore.com.hk/en/privacy_policy_chi/)
2. APITA/UNY's Privacy Notice is publicly available on its website at: <https://apitauny.com.hk/privacy-notice/?lang=en>
3. CU APP's Privacy Policy is publicly available on its website at: <https://www.cuapp.com/MyAccount/Privacy?lang=en-US>

## 5 Supply Chain Management

Guided by our Environmental Policy, we encourage sustainable procurement and promote environmentally friendly practices through supplier engagement. We also strictly adhere to all laws and regulations related to product responsibility. For consignment and concessionaire counters, suppliers and vendors have to warrant all necessary licenses, permits and authorisation prescribed by law for them to carry on their business. For consumable goods including any foods (whether raw or prepared), suppliers and vendors undertake and warrant that such foods shall be clean, hygienically prepared and free from contamination. The Group works closely with supply chain partners to ensure the best quality merchandise is delivered to customers.

The Group is also committed to protecting the Intellectual Property (“IP”) rights of third parties in our supply chain management. Unauthorised use of computer software, music and photographic images leading to the infringement of copyright is strictly prohibited. We also request suppliers to submit certificates and licenses of their merchandise as required under relevant regulations to confirm that authentic merchandise is being offered in our stores. To uphold IP rights, we pay extra attention to the products sold by our consignment and concessionaire counters to ensure that we avoid any counterfeit products. Furthermore, all of our suppliers and vendors are bound by the terms and conditions set out in signed agreements with the Group which stipulate that they are fully responsible for any infringement of patent, design, trademark, trade name, copyright, or other IP rights, as well as any defects or malfunction of their merchandise.

## 6 Conserving the Environment

We are dedicated to protecting the environment by minimising the potential negative environmental impacts arising from our operations. Guided by our Environmental Policy, we are committed to integrating environmental protection and conservation into our operations.

During the reporting period, there were no cases of non-compliance with the relevant laws and regulations relating to environmental issues.

### Climate Change

The impacts of climate change are apparent, with more frequent and intense extreme weather events observed locally and worldwide. In light of the ever-increasing threat posed by climate change, we take actions to actively manage climate risks and mitigate the impacts. We are committed to minimising our carbon footprint by implementing effective strategies and initiatives throughout our operations. We have stepped up our efforts to improve energy and fuel efficiency throughout our operations and will continue to optimise resource efficiency.

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The Group has implemented a series of measures to mitigate the risks posed by climate change. These include:

Climate-related Risk	Potential Impact	Mitigation Measures
Increase in average temperature	<ul style="list-style-type: none"> <li>Higher electricity and maintenance costs incurred due to the increasing use of fan coils during the summer period</li> </ul>	<ul style="list-style-type: none"> <li>Closely monitor the indoor temperature and turn off some fan coils at nighttime</li> <li>Place more fans in stores to circulate cooler air</li> </ul>
Increase in the occurrence of typhoons	<ul style="list-style-type: none"> <li>Damage to outdoor lightboxes, threatening passersby's safety and inducing additional repair costs</li> <li>Closure of our stores</li> </ul>	<ul style="list-style-type: none"> <li>Review risk management plans on the effects of typhoons every year</li> <li>Remove loose objects outside our stores during typhoons and work with the management office of shopping malls to enhance the protection of potentially damaged objects within our premises</li> </ul>
Increase in frequency of rainstorms	<ul style="list-style-type: none"> <li>Slippery floors in the stores causing injuries to our employees and customers</li> <li>Damage to inventories placed at lower levels due to flooding</li> <li>Disruption to stores' operating hours</li> </ul>	<ul style="list-style-type: none"> <li>Review risk management plans for the effects of rainstorms every year</li> <li>Liaise with the property management office to closely monitor the conditions of drainage and pipes to prevent flooding in our stores</li> </ul>

### Energy Usage and Greenhouse Gas Emissions

With the aim to enhance energy efficiency and reduce our energy consumption, we have set internal guidelines for our staff on the use of electric appliances. Our staff only switch on fan coils when needed, and other electrical appliances including computers, air conditioners and lights are switched off when not in use to save energy. The indoor temperature of our stores is closely monitored and set at 25 degrees Celsius to balance cooling needs and energy savings. We also display stickers to remind and encourage energy-saving behaviour. In addition, we only order appliances that are rated Grade One under the Energy Efficiency Labelling Scheme. As regards the lighting system, our recently-opened stores are equipped with LED lighting and we aim to gradually upgrade our existing stores with LED lighting during renovation and maintenance. In 2023, greenhouse gas emissions slightly decreased as compared to 2022, this was due to the decrease in consumption of diesel oil and refrigerants.

#### Emission Reduction Target

Reduce carbon intensity by 15% per square foot of shop area by 2030 compared to 2023 baseline.

In 2023, as a recognition for the Group's continuous efforts and endeavours in reducing our environmental footprint, a total of nine food and beverage ("F&B") outlets operating in APITA Eatery have been awarded Swire Green Kitchen Award for the Green Kitchen Initiative. The Initiative is a landlord-tenant collaboration platform that recognises F&B tenants which optimises resource consumption during early discussions and the integration of sustainability concepts onto their respective kitchen designs.



*APITA Eatery receiving the Swire Green Kitchen Award for the Green Kitchen Initiative*


In particular, one of our food courts, the APITA Eatery, has become the first food court in Hong Kong to have received this award. The APITA Eatery is an exemplar of our goal to embed sustainability into kitchen design and operations. Several enhancements, including installing energy efficient lighting and equipment for cooking, using water efficient appliances to enhance energy and water efficiency, installing electrostatic precipitator and UV oil-eliminating and deodorizing device to improve kitchen exhaust air quality and optimising overall resource consumption at the restaurant.

### Packaging Materials


Plastic shopping bag usage is a key area where we endeavour to reduce our negative impacts on the environment. We sell durable and reusable shopping bags as a means to encourage customers to reduce plastic bag consumption. In addition, we promote more sustainable shopping habits. In 2023, the Group participated in the third year running in Enough Plastic campaign organised by EcoDrive Hong Kong to promote eco-friendly products. Citistore has fully supported this campaign through displaying selected eco-friendly merchandises at in-store pop-ups, and through communicating through our social media channels. With these initiatives, we hope to encourage our customers to be more environmentally conscious and to take greater care of our planet together.

Comparing with 2022, our shopping bag usage across our stores has decreased significantly, which can be attributed to Plastic Shopping Bag Charging Scheme with effect from 31 December 2022 that increases the charge per plastic bag from HK\$0.5 to at least HK\$1. In addition, free plastic bags are no longer available for customer purchases of frozen or chilled food items.

**157,544** kg  
of paper (including cardboard boxes)  
is recycled from  
the Group in 2023



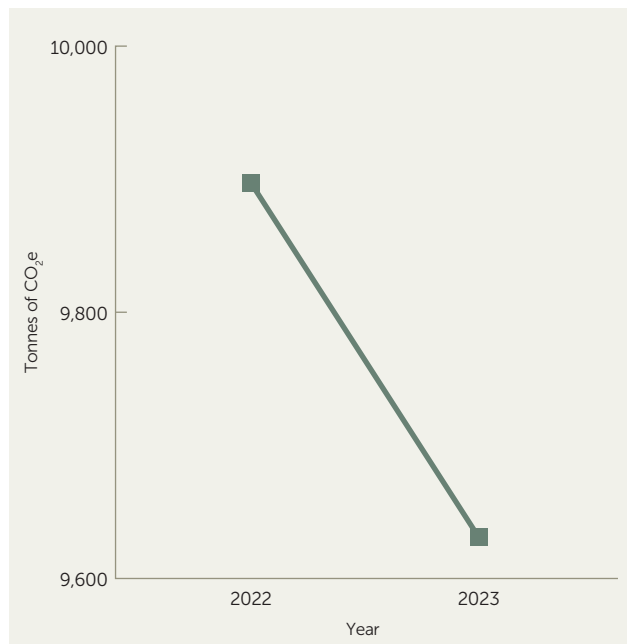
**265** pieces  
of electronic equipment  
recycled from  
the Group in  
2023



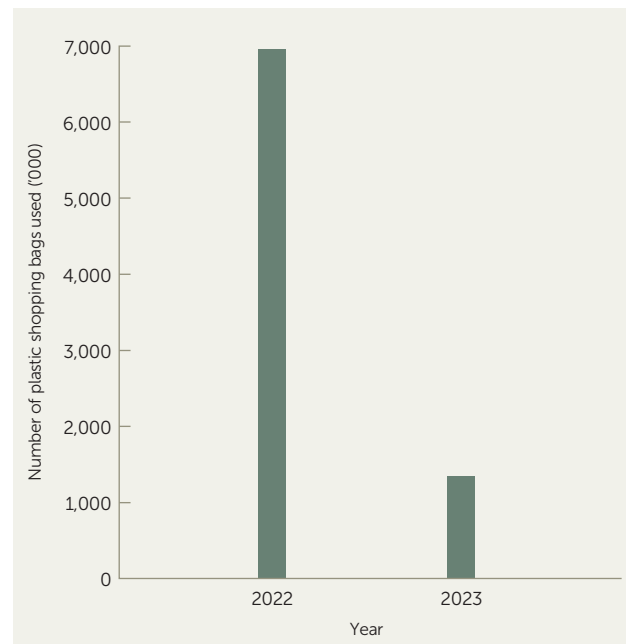


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### Scope 1 and 2 Greenhouse Gas Emissions



### Plastic Shopping Bag Usage



### Waste Management

To promote waste reduction and recycling throughout our operations, we encourage and regularly remind our employees to follow the guidelines for paper recycling. We use Programme for the Endorsement of Forest Certification certified paper in our office and are further cutting down paper usage with the aim to go paperless in the long run. In addition to managing paper usage, we also recycle other resources including cardboard boxes and electronic equipment. Carton boxes are either reused or collected by property management for recycling purposes according to their conditions, while electronic equipment is recycled and donated to those in need. We take action to reuse festive and generic decorations as well as event booths, and where possible, to extend the lifetime of the furniture and decorations.

Starting from 2024, the HKSAR Government will implement the Municipal Solid Waste (“MSW”) charging scheme in accordance with the “polluter-pays” principle. The scheme will apply to all waste generated by residential as well as non-residential premises which includes commercial buildings, and will be subject to charges based on the quantity of waste disposed of. In line with the Government’s MSW initiative, Citistore and APITA/UNY will sell the Government’s Designated Bags and Designated Labels for customers. These specialised bags and labels are designed to facilitate the proper identification and disposal of waste.

### Waste Reduction Target

Gradually phase out the usage of plastic bags across the Group’s retail network by 2050.



Red packet boxes at our stores

The Group has continued its long-standing engagement with Greeners Action and participated in its annual Lai See Reuse and Recycle Programme over the Chinese New Year holiday. To remind our customers and staff to protect the environment while enjoying the Lunar New Year, everyone is encouraged to bring their used and unwanted red packets to one of the collection points at our stores. Red packets in good condition are repurposed as Reborn Lai See for redistribution, while the rest are recycled. In 2023, we collected and delivered a total of 1,250 kg of red packets to Greeners Action.

## 7 Nurturing Our People

Employee well-being has always been our top priority and we aspire to build a collaborative and harmonious workplace that is free from discrimination and embraces equal opportunity as stipulated in our policies and guidelines. We have also established fair and structured recruitment guidelines for talent acquisition.

### Caring for Our Employees

The Group is committed to creating a friendly working environment which is free from any prejudice or discrimination. All employees are protected by our Anti-Discrimination Policy which outlines fair recruitment and employment practices based on individual merits and qualifications, regardless of gender, race, age, religion, disability, or family status.

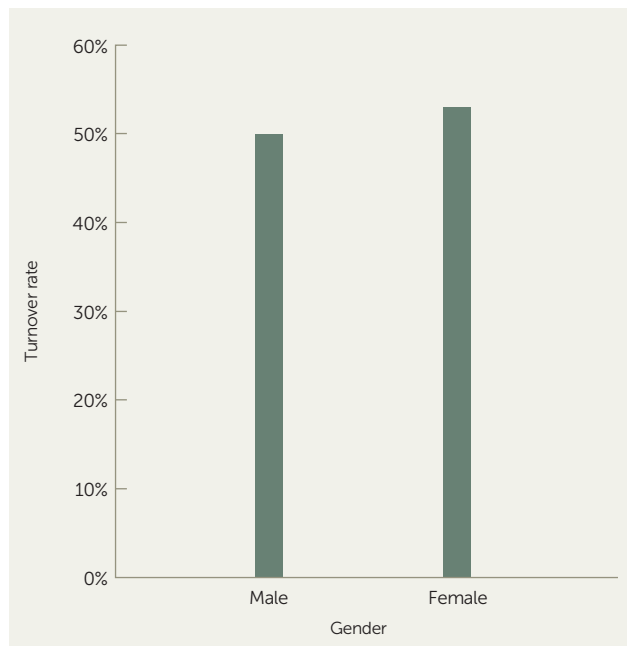
During the reporting period, there were no cases of non-compliance with the relevant laws and regulations<sup>4</sup> relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

Note:

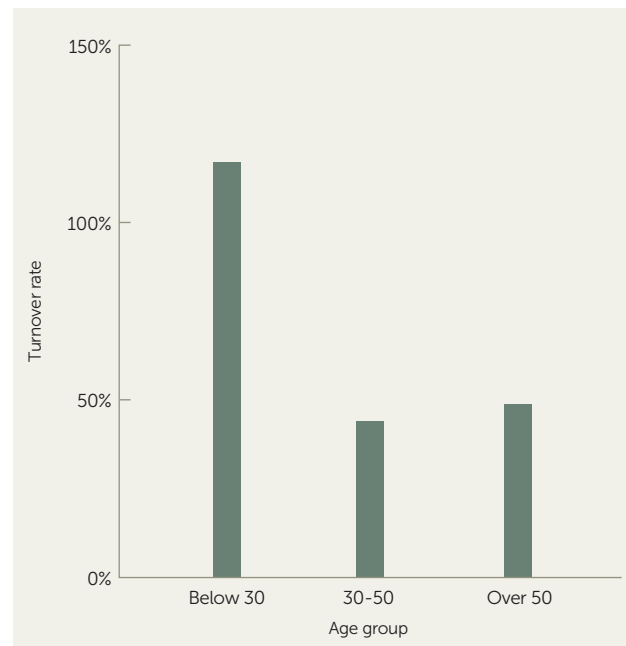
4. Including but not limited to the Employment Ordinance (Cap.57), Employees' Compensation Ordinance (Cap.282), Disability Discrimination Ordinance (Cap.487), Minimum Wage Ordinance (Cap.608).

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### Employee Turnover Rate (by gender)



### Employee Turnover Rate (by age group)



To recruit the best talents, we offer attractive remuneration packages and fringe benefits, including a staff purchase discount programme, marriage and compassionate leave, as well as medical insurance for spouses and children of Citistore's managerial employees. In addition, we support our staff to achieve work-life balance through a series of initiatives that foster workplace well-being. Since 2022, we have set up a staff function room, with facilities including a table tennis table, massage chair, fitness bicycle and board games. Team building activities and monthly staff activity programmes were also organised, including annual and festive celebrations such as parties for Mid-Autumn Festival and Christmas, to enhance staff motivation and build rapport among employees. For instance, we organised a laughter yoga class to instil positive energy amongst our staff and to enhance social connectedness. Through these events, we aim to cultivate a caring spirit within the Group and form deeper connections among our colleagues.

To show our gratitude and appreciation for our employees' contributions, we launched an Appreciation Programme in which management level employees can express their encouragement and gratitude to their staff via an appreciation card.

### Occupational Health and Safety

The Group places great emphasis on maintaining workplace health and safety. To ensure a safe working environment, safety training materials are provided to new employees. In 2023, we continued to partner with the Integrated Services Group (Occupational Health Service) Team of the Labour Department to conduct safety inspections at our stores and no cases of non-compliance was found. To instil the importance of workplace health and safety in our staff, we organised various types of safety trainings which include the launch of a health and safety training video and stretching class. To further remind staff, notices and guidelines are also placed at various locations throughout our workplaces.

A rigorous reporting mechanism is in place to handle employee injury cases in the workplace. Should an injury occur, an incident report form must be filled out by the injured employee, a witness and the store manager, which is then submitted to the Human Resources Department. We will subsequently report the incident to the Labour Department for further action, if needed.

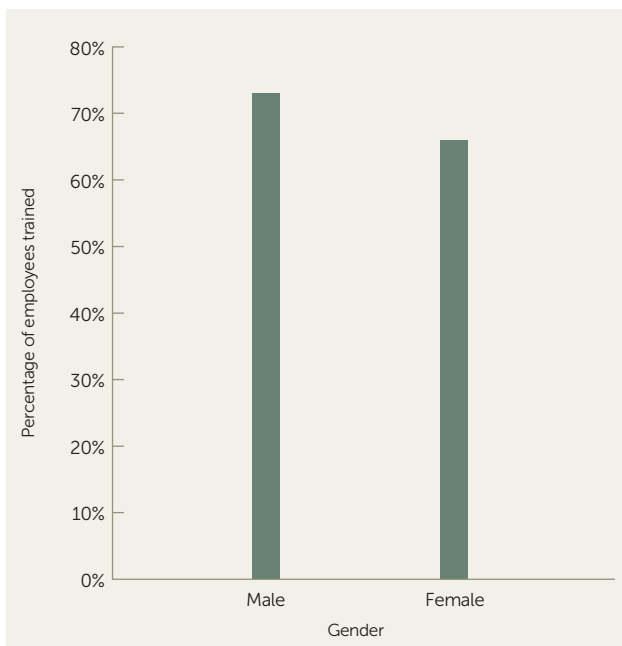
### Occupational Health and Safety Target

Minimise work injury cases through training workshops to enhance staff's safety awareness.

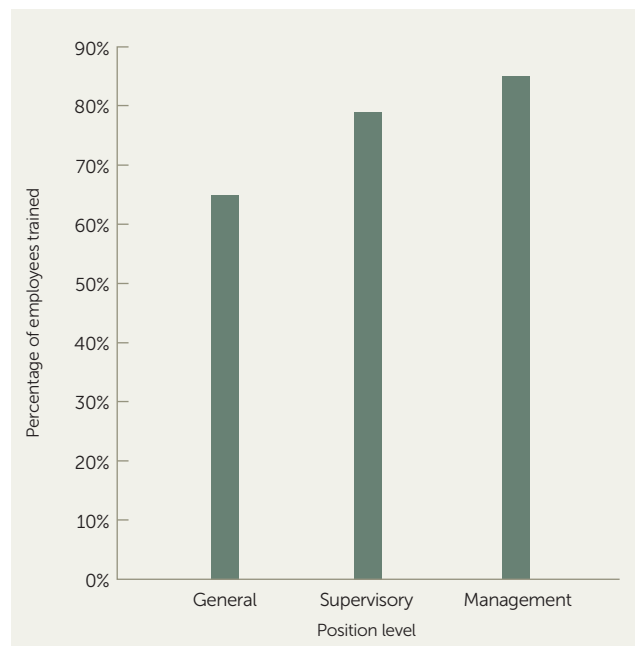
### Development and Training

Equipping our employees with the practical skills and opportunities to advance in their careers is a priority for the Group and we provide comprehensive training programmes. For instance, since 2022, we rolled out a Service Ambassador Programme at Citistore which involved setting up a pioneer service team to upskill our staff on service skills whilst at the same time to cultivate a positive working environment. Ambassadors were assigned to different departments to act as role models and to exert a positive influence on other colleagues. We also organised coaching skill classes for different levels of supervisors to improve their coaching and communication skills. Training courses are also offered to employees to enhance their product knowledge, service and selling skills.

### Percentage of Employees Trained by Gender



### Percentage of Employees Trained by Position Level



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Furthermore, the Group has implemented a Talent Training Program in 2023 which aims to equip employees with necessary tools and skills, such as effective time management strategies, leadership skills, and communication techniques to enhance overall productivity. Additionally, we launched a Retail Management Trainee Program which is designed to identify and nurture talented individuals for leadership positions within the retail industry. Trainees in the program are exposed to various aspects of retail operations to gain valuable experience across different retail operations and office departments. The trainees' performance is assessed by supervisors at various phases of the program to ensure a comprehensive evaluation of their capabilities and potential for growth.

During 2023, we have also provided training to all employees on the new Trade Descriptions Ordinance (Cap. 362). Through this training, The Group actively promotes fair trade practices and prioritises the protection of consumer rights by ensuring accurate product descriptions and transparent business practices. Furthermore, the training outlines the framework regarding employees on their responsibilities under the Ordinance. In addition, the Group also promotes fair trade practices and protect customer rights through compliance with the Ordinance. Through ensuring accurate product descriptions and transparent business practices, we ultimately aim to enhance customer confidence and trust.

### Ethics and Integrity

We adhere to the highest level of business ethics and integrity. All employees are required to abide by the Staff Handbook as well as our Anti-Corruption and Bribery Policy to prevent any incidents of bribery, extortion, fraud or money laundering. In addition, our employees are strictly prohibited from accepting any gifts from suppliers. To raise staff awareness, we also collaborated with the Independent Commission Against Corruption (“ICAC”) and organised anti-corruption talks and training on the handling of ethical issues in the day-to-day business operations.

A Whistleblowing Policy is in place to guide and encourage any parties, including employees to raise concerns about any improper behaviour. To protect whistle-blowers from reprisal or disadvantage, all cases are handled in strict confidence and submitted to designated personnel for a thorough investigation.

The Group actively promotes integrity and ethical behaviours within the organisation. In 2023, the Group's employees participated in the ICAC Seminar which raises awareness of corruption risks and provides guidance on compliance with anti-competition laws, regulations and case studies. It was attended by over 50 staff and as a result, contributed to approximately 80 trained hours. Additionally, we have implemented internal controls and measures within the Group to prevent corruption and unethical behaviours.

During the reporting period, there were no cases of non-compliance with relevant laws and regulations<sup>5</sup> relating to bribery, extortion, fraud and money laundering.

*Note:*

5. Including but not limited to the Prevention of Bribery Ordinance (Cap.201).

## 8 Caring for Our Community

As a prominent member of the community, the Group considers it our responsibility to give back to society. Other than financial donations to community organisations, we encourage our employees to participate in volunteering activities focused on poverty relief and environmental stewardship. Citistore and APITA/UNY were awarded as Caring Company 2022/2023.

The table below sets out highlights of our community programmes and the resources contributed by the Group in 2023:

Organisations / Beneficiaries	Programmes	Engagement activities / Contributions
Three local kindergartens in Tsuen Wan and Lok Fu	Citistore Tsuen Wan and UNY Lok Fu opened its stores to kindergartens students for experimental learning	Around 255 students paid visit to Citistore Tsuen Wan and UNY Lok Fu store
Greeners Action	Lai See Reuse and Recycle Programme	<ul style="list-style-type: none"> <li>Collected and delivered a total of 1,250kg of red packets delivered to Greeners Action for repurposing and recycling</li> <li>Donated a total of HK\$71,800 to Greeners Action to support the programme</li> </ul>
The Hong Kong Network for the Promotion of Inclusive Society	Fearless Dragon Trail Run	Donated around 85 pieces of portable air sofas and towels to athletes
The Lok Sin Tong Benevolent Society, Kowloon	UNY cash coupon donation for Lok Sin Tong families	Donated a total of HK\$33,000 UNY cash coupons to 110 Lok Sin Tong families



*Students visiting UNY Store for experimental learning*

## 9 Sustainability Performance

### Environmental Performance

HKEX KPI	Unit	2023	2022
<b>A. Environmental</b>			
<b>Greenhouse gas emissions<sup>6,7</sup></b>			
Scope 1	tCO <sub>2</sub> e	777	816
Scope 2	tCO <sub>2</sub> e	8,854	9,081
Scope 1 & 2	tCO <sub>2</sub> e	9,631	9,897
Scope 1 & 2 GHG emission intensity	tCO <sub>2</sub> e / Sq. ft of Shop Area	0.016	0.016
<b>Total non-hazardous waste generated and recycled</b>			
Paper (including cardboard boxes)	Kg	157,544	239,861
Food waste	Kg	93,134	114,641
Total waste generated	Kg	250,678	354,502
Waste generated intensity	Kg / Sq. ft of Shop Area	0.41	0.58
<b>Energy consumption</b>			
Diesel	kWh	169,745	241,749
Petrol	kWh	21,467	20,187
Electricity	kWh	19,289,194	19,549,984
Total energy consumption	kWh	19,480,406	19,811,920
Energy consumption intensity	kWh / Sq. ft of Shop Area	32	33
<b>Water consumption</b>			
Water consumption	m <sup>3</sup>	77,806	73,703
Water consumption intensity	m <sup>3</sup> / Sq. ft of Shop Area	0.13	0.12
<b>Packaging material used<sup>8</sup></b>			
Plastic shopping bags consumed	Piece	1,341,159	6,954,889

Notes:

- We referred to Appendix 2: Reporting Guidance on Environmental KPIs under “How to Prepare an ESG Report” released by the Stock Exchange and “Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings in Hong Kong” released by The Government of the Hong Kong Special Administrative Region for the calculation of our Scope 1 and Scope 2 emissions.
- Scope 1 and 2 emissions in 2022 have been restated as we reviewed and updated the calculation methodology and included the usage of refrigerants on a comparable basis.
- The decrease in the usage of plastic shopping bag can be attributed to increase in charge per plastic bag, and free plastic bags are no longer offered for customer purchases of frozen or chilled food items.

## Social Performance

HKEX KPI	2023	2022
<b>B. Social</b>		
<b>Employment</b>		
<b>Total Workforce</b>		
<i><b>By gender</b></i>		
Male	252	259
Female	834	914
<i><b>By employment type</b></i>		
Full-time	971	1,039
Part-time	115	134
<i><b>By age group</b></i>		
Aged below 30	92	136
Aged 30-50	522	547
Aged over 50	472	490
<i><b>By position level</b></i>		
Management	100	105
Supervisory	53	53
General	933	1,015
<i><b>By geographical location</b></i>		
Hong Kong	1,086	1,173
<b>Turnover rate (%)</b>		
<i><b>By gender</b></i>		
Male	50%	34%
Female	53%	36%
<i><b>By age group</b></i>		
Aged below 30	117%	48%
Aged 30-50	44%	37%
Aged over 50	49%	31%
<i><b>By geographical location</b></i>		
Hong Kong	52%	36%



## Sustainability

<b>Health and Safety</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Number of work-related fatalities	0	0	0
Rate of work-related fatalities (%)	0%	0%	0%
Lost days due to work injury (days)	615	712	442
<b>Training and Development</b>	<b>2023</b>	<b>2022</b>	
<b>Average training hours (hour)</b>			
<i><b>By gender</b></i>			
Male	3.5	2.2	
Female	2.2	2.1	
<i><b>By position level</b></i>			
Management	6.6	2.6	
Supervisory	2.2	1.5	
General	2.0	1.8	
<b>Percentage of trained employees (%)</b>			
<i><b>By gender</b></i>			
Male	73%	53%	
Female	66%	64%	
<i><b>By position level</b></i>			
Management	85%	68%	
Supervisory	79%	64%	
General	65%	61%	
<b>Product Responsibility</b>			
Number of products and service-related complaints	203	390	
<b>Supply Chain Management</b>	<b>2023</b>	<b>2022</b>	
<b>Number of suppliers by geographical location</b>			
Hong Kong	2,563	2,242	
China	4	4	
Japan	68	64	
Others	2	5	

## 10 ESG Reporting Guide Content Index

A. Environmental		Section in Report / Remarks	Page no.
<b>A1 Emission</b>			
A1 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.	Conserving the Environment  During the reporting period, there were no confirmed incidents of non-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.	21-25
A1.1	The types of emissions and respective emissions data.	Due to the business nature of the Group, NO <sub>x</sub> , SO <sub>x</sub> and PM emissions are considered immaterial.	/
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Sustainability Performance	30
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Due to the business nature of the Group, hazardous waste is considered immaterial.	/
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Sustainability Performance	30
A1.5	Description of emission target(s) set and steps taken to achieve them.	Conserving the Environment – Energy Usage and Greenhouse Gas Emissions	22-23
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.	Conserving the Environment – Waste Management	24-25

## Sustainability

A. Environmental		Section in Report / Remarks	Page no.
<b>A2 Use of Resource</b>			
A2 General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Conserving the Environment	22-24
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).	Sustainability Performance	30
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Sustainability Performance	30
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Conserving the Environment – Energy Usage and Greenhouse Gas Emissions	22-23
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.	All water consumed by our operations / comes from municipal water supplies, there were no issues related to sourcing water that was fit for purpose.	
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Conserving the Environment – Packaging Materials, Sustainability Performance	23-24, 30
<b>A3 The Environment and Natural Resources</b>			
A3 General disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Conserving the Environment	21-25
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Conserving the Environment	21-25
<b>A4 Climate Change</b>			
A4 General disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Conserving the Environment – Climate Change	21-22
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.	Conserving the Environment – Climate Change	21-22

B. Social		Section in Report / Remarks	Page no.
<b>B1 Employment</b>			
B1 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.	Nurturing Our People – Caring for Our Employees	25-26
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Sustainability Performance	31
B1.2	Employee turnover rate by gender, age group and geographical region.	Sustainability Performance	31
<b>B2 Health and Safety</b>			
B2 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.	During the reporting period, there were no confirmed incidents of non-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.	26-27
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Sustainability Performance	32
B2.2	Lost days due to work injury.	Sustainability Performance	32
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Nurturing Our People – Occupational Health and Safety	26-27
<b>B3 Development and Training</b>			
B3 General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Nurturing Our People – Development and Training	27-28
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Sustainability Performance	32
B3.2	The average training hours completed per employee by gender and employee category.	Sustainability Performance	32

## Sustainability

B. Social		Section in Report / Remarks	Page no.
<b>B4 Labour Standards</b>			
B4 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.	The Group has set up rigorous recruitment procedures to strictly prohibit the employment of children and forced labour in accordance with the Employment Ordinance (Cap. 57). In 2023, no relevant cases of non-compliance were recorded.	/
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.		
<b>B5 Supply Chain Management</b>			
B5 General disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	21
B5.1	Number of suppliers by geographical region.	Sustainability Performance	32
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management	21
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management	21
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management	21
<b>B6 Product Responsibility</b>			
B6 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.	Engaging Our Customers – Product Responsibility	19-20
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	During the reporting period, there was no relevant cases of product recall for safety and health reasons.	/
B6.2	Number of products and service-related complaints received and how they are dealt with.	Engaging Our Customers – Customer First	19
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Supply Chain Management	21
B6.4	Description of quality assurance process and recall procedures.	Engaging Our Customers – Customer First	19
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Engaging Our Customers – Customer Privacy	20

B. Social		Section in Report / Remarks	Page no.
<b>B7 Anti-corruption</b>			
B7 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.	Nurturing Our People – Ethics and Integrity	28
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.	During the year, there were no legal actions or fines related to breaches of anti-corruption or anti-competitive practices were brought against the Group or its employees.	/
B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	Nurturing Our People – Ethics and Integrity	28
B7.3	Description of anti-corruption training provided to directors and staff.	Nurturing Our People – Ethics and Integrity	28
<b>B8 Community Investment</b>			
B8 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.	Caring for Our Community	29
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Caring for Our Community	29
B8.2	Resources contributed (e.g. money or time) to the focus area.	Caring for Our Community	29