



Sustainability

Sustainability

1 About This Section

Reporting Year, Standard and Boundary

This Sustainability Report (the “Report”) presents an annual update on the Group’s sustainability initiatives, plans, and performance for 2024. It has been prepared in accordance with the mandatory disclosure requirements and the “comply or explain” provisions outlined in the Environmental, Social and Governance (“ESG”) Reporting Code under Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEX”). Covering the period from 1 January 2024 to 31 December 2024 (the “reporting year”), the Report provides a comprehensive overview of the Group’s ESG management approach, governance structure, sustainability initiatives, and performance across its core operations in Hong Kong.

The Report also includes detailed descriptions and key statistics highlighting the Group’s sustainability progress and achievements throughout the reporting year, reflecting our commitment to transparency and continuous improvement in ESG performance.

2 Sustainability Governance

Board Statement

Our Board of Directors (the “Board”) provides oversight for the Group’s overall ESG strategies and performance, ensuring alignment with our goals and commitments. The Board receives regular reports and updates from the Sustainability Committee on the progress of the Group’s ESG initiatives, goals, and plans. The Sustainability Committee, which meets at least once a year, comprises an executive director and senior management members who offer strategic direction on ESG management, risk assessment, and disclosures. Supporting this effort, the ESG Working Group – composed of representatives from various departments – plays a pivotal role in coordinating the day-to-day execution of ESG strategies and implementing related initiatives.

To ensure accountability and transparency in risk management, the Group has adopted the “three lines of defence” model in its risk governance framework. This approach establishes clear responsibilities and integrates a top-down strategic perspective with a bottom-up operational process, enabling the effective identification, evaluation, and management of significant risks. While the Audit Committee is responsible for overseeing the Group’s overall risk management and internal control systems, the Sustainability Committee focuses specifically on assessing ESG-related risks of strategic and financial importance. Prioritized risks, along with proposed mitigation plans, are reviewed and endorsed by the Board through the Sustainability Committee or other relevant committees.

This robust governance structure ensures that ESG risks are managed proactively and effectively, supporting the Group’s long-term sustainability objectives. For more details on our corporate governance practices, risk management, and internal control systems, please refer to the Corporate Governance Report on pages 62 to 66 of this Annual Report.

Sustainability Policies

The Group remains steadfast in its commitment to continuously monitor, revise, and enhance our policies to strengthen ESG performance while staying aligned with the latest industry trends and stakeholder expectations. In addition to adhering to the Group policies of our parent company, Henderson Land Development Company Limited, we have developed and implemented key policies and procedures that reflect our dedication to sustainability and responsible governance. Approved by the Board, these policies articulate and define the core principles and values that guide the Group's operations and strategic direction.

Environmental	Social	Governance
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	Health and Safety Policy	Inside Information Policy
	Human Rights and Equal Employment Opportunity Policy (Revised)	Nomination Policy
	Supplier Code of Conduct Policy (New)	Risk Management Policy
	Customers Services Code of Conduct Policy	Shareholders Communication Policy
	Director and Employee Remuneration Policy	

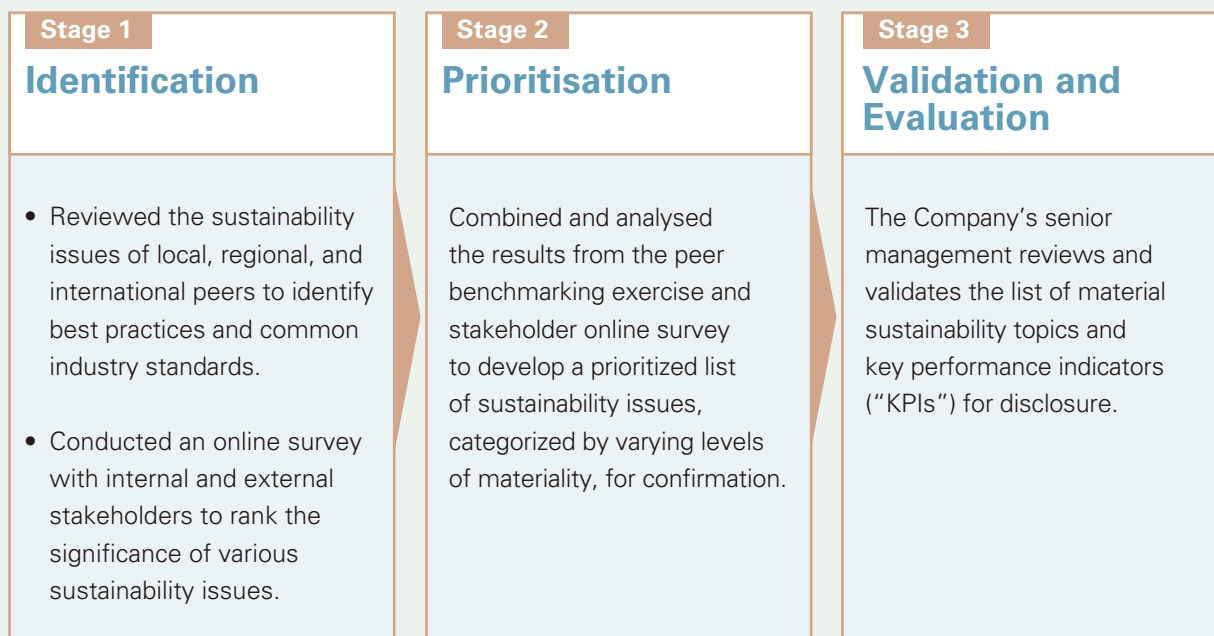
For details of the policies, please refer to <https://www.hilhk.com/en/corporate/group-policies.shtml>.

3 Stakeholder Engagement and Materiality Assessment

The Group maintains regular communication with our stakeholders to better understand their expectations regarding our ESG strategy and the sustainability issues most significant to them. Through a variety of communication channels, we actively engage with key stakeholder groups – including employees, customers, shareholders, suppliers, regulators, and the wider community – to review and update the topics that are material to our business operations. A summary of the methods we use to engage with our stakeholders is provided below:

Key stakeholders	Engagement channels	
 Employees	<ul style="list-style-type: none"> • Daily briefing • Training • Performance appraisals 	<ul style="list-style-type: none"> • Employee engagement activities • Sustainability stakeholder engagement survey • Whistleblowing channel
 Customers	<ul style="list-style-type: none"> • Membership loyalty programme (CU APP) mobile apps and email communications • Corporate websites and social media platforms 	<ul style="list-style-type: none"> • Omnicat (for CU APP member) • Customer service hotlines • Customer satisfaction survey • Sustainability stakeholder engagement survey
 Suppliers and Vendors	<ul style="list-style-type: none"> • Regular supplier reviews • Service review meeting 	<ul style="list-style-type: none"> • Supplier management
 NGO Partners	<ul style="list-style-type: none"> • Collaborations on volunteer activities • Donations 	<ul style="list-style-type: none"> • Community outreach

In 2024, the Group conducted a comprehensive stakeholder engagement and materiality assessment to prioritise sustainability topics most relevant to our business. This process involved a survey that gathered responses from 148 internal and external stakeholders, representing six key stakeholder groups. Respondents ranked 21 material sustainability topics based on their perspectives regarding the Group's economic, environmental, and societal impacts. Using the step-by-step materiality assessment approach outlined below, we identified the most critical ESG topics for disclosure. By collecting insights from a diverse range of stakeholders on our sustainability efforts, performance, and future strategies, we were able to identify key risks and opportunities, balance varying interests, and make well-informed decisions.



The table below outlines the sustainability topics identified as material, based on input from our internal and external stakeholders. These topics are addressed in the relevant sections of this Report:

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

4 Engaging Our Customers

The Group is dedicated to achieving high levels of customer satisfaction by regularly collecting customer feedback to gain a comprehensive understanding of their needs, this enables us to continuously improve our products and services.

Customer First

“Customer First” is a core business principle of the Group and reflects our unwavering commitment to delivering high-quality products and services. To embed this philosophy into our daily operations, we adhere to the “Three Qs Mission”:

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 ensure a clean and comfortable shopping environment, our department stores and supermarkets undergo thorough cleaning before and after business hours. We also conduct ongoing monitoring of server rooms and air conditioning systems to maintain optimal indoor temperatures. Customer feedback is highly valued, and we offer multiple communication channels to facilitate interaction, including customer service hotlines, email, in-store service counters, and social media platforms such as Instagram and Facebook.

The Group has established a robust internal feedback system to ensure all customer concerns are addressed effectively. During the year, we received 65 letters of appreciation from customers, recognising our commitment to excellence in service. Simultaneously, we handled 178 complaints related to products or services. Each case was processed in accordance with our established internal procedures, with designated departments conducting investigations, communicating findings, and implementing improvement measures to resolve issues promptly.

Since 2020, the Group has implemented a Mystery Shopper Programme to evaluate employee performance and ensure that our department stores maintain exceptional service standards. This initiative reflects our dedication to continuous professional development for our employees and our commitment to delivering an outstanding shopping experience for our customers.

Case Study: Enhancing the Shopping Experience as an H • COINS Partner



During the year, the Group's department stores and online store officially partnered with the H • COINS Membership Programme under Henderson Land Development Company Limited. CU APP members can now accumulate H Coins in a unified e-wallet while shopping at APITA, Citistore, Citilife, GUU SAN, UNY, and the CU eShop.

This integration represents a significant milestone in enhancing the customer shopping experience while strengthening the synergy between the Group's operations and those of its parent company.



Product Responsibility

The Group strictly complies with all relevant laws and regulations, working closely with government departments, suppliers, and vendors to ensure that product quality meets the highest standards. We adhere to a comprehensive range of regulations, including the Sale of Goods Ordinance (Cap. 26), the Food Adulteration (Metallic Contamination) Regulations (Cap. 132V), the Food and Drugs (Composition and Labelling) Regulations (Cap. 132W), the Pharmacy and Poisons Ordinance (Cap. 138), the Trade Descriptions Ordinance (Cap. 362), the Electrical Products (Safety) Regulation (Cap. 406G), the Toys and Children's Products Safety Ordinance (Cap. 424), the Consumer Goods Safety Ordinance (Cap. 456), the Consumer Goods Safety Regulation (Cap. 456A), the Supply of Services (Implied Terms) Ordinance (Cap. 457), and the Food Safety Ordinance (Cap. 612), to ensure that all products are safe and reliable.

In the event of any suspected product quality issue, we act swiftly to withdraw the relevant product and, where required, conduct product recalls in accordance with government instructions. During the year, the Group did not experience any product recalls due to health or safety concerns.

Beyond strict compliance with mandatory legal and regulatory requirements, the Group has established a comprehensive risk management framework to actively identify potential and emerging environmental and social risks. This mechanism includes conducting rigorous assessments of new suppliers, referencing market information and supplier reputations, requiring departmental heads to approve product laboratory test reports to ensure compliance with quality and safety standards, and performing thorough quality inspections upon the arrival of products at stores to ensure they meet the required specifications.

To deliver an exceptional shopping experience and uphold responsible marketing and promotional practices, the Group places a strong emphasis on shelf displays and inventory management. Products are displayed in a neat and organised manner, with essential information, such as brand name, product description, maintenance details, expiry dates, warning labels, and price tags, clearly communicated. This approach not only helps customers quickly locate desired products but also ensures a smooth and transparent shopping process, further enhancing customer satisfaction and overall experience.

The Group remains dedicated to meticulous product quality management, ensuring that customers receive safe, reliable, and high-quality products and services. By focusing on every detail, we continue to uphold our commitment to excellence and to building trust with our valued customers.

Customer Privacy and Cybersecurity

The Group places the utmost importance on protecting customer privacy and ensures that only the minimum necessary personal data is collected to support business operations. Personal data collected through the Citistore website, APITA/UNY website, CU APP membership programme, and other channels is securely stored using encrypted systems, safeguarded by the latest firewalls and antivirus software. Sensitive information within the CU APP is masked and restricted to authorised personnel only, further minimising the risk of data breaches.

To provide transparency, the Group has published Customer Privacy Policy^{1,2,3} on its websites and apps, detailing clear guidelines for the collection, storage, and handling of personal data. Additionally, regular cybersecurity awareness training is conducted to strengthen employees' understanding of data protection and their ability to respond to emerging cyber threats. The Group actively monitors new cybersecurity risks and continually enhances its security measures in line with industry best practices, ensuring customers can shop in a safe and trusted digital environment.

During the year, the Group implemented a comprehensive upgrade of its cybersecurity systems, including the installation of next-generation firewalls, extended detection and response solutions, and email security gateways and enhancements to the employee two-factor authentication system and the adoption of strong password protocols to mitigate potential risks during customer communications. Our Customer Relationship Management (CRM) platform is certified through SOC 2 Type II external assessment and Mobile Application Security Alliance Level 3 certification, ensuring that sensitive information is securely processed in cloud environments.

The Group is fully committed to safeguarding customer privacy and data security by adhering strictly to the Personal Data (Privacy) Ordinance (Cap. 486). During the reporting year, no significant cybersecurity incidents or data breaches were recorded. By continuously investing in advanced cybersecurity measures and fostering a culture of data protection, the Group ensures the highest level of trust and security for its customers in the digital age.

Notes:

1. Citistore's Privacy Policy is publicly available on its website at: 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

The Group is committed to promoting sustainable procurement and environmentally friendly practices in collaboration with its suppliers. Guided by the Environmental Policy, we strictly comply with all laws and regulations related to product responsibility. For consignment and concession counters, suppliers and vendors are required to possess all necessary licences, permits, and authorisations to ensure legal compliance. For consumer goods, including food products, suppliers must guarantee that their products are clean, hygienic, and uncontaminated. We work closely with supply chain partners to ensure the consistent delivery of high-quality goods while actively advocating for environmentally sustainable practices among stakeholders and business partners.

The Group strictly adheres to all relevant laws and regulations regarding intellectual property, including but not limited to the Copyright Ordinance (Cap. 528) and the Trade Marks Ordinance (Cap. 559). During the reporting year, there were no incidents of non-compliance with intellectual property regulations. We maintain a zero-tolerance policy regarding the unauthorised use of potentially copyright-infringing materials, such as software, music, and images.

Suppliers are required to submit product certificates and licences in accordance with relevant regulations to ensure that all goods sold at the Group's department stores are authentic. Special attention is given to consignment and concession counter products, ensuring that no counterfeit or infringing items are sold. All suppliers and vendors are bound by agreements with the Group, which explicitly state that they are fully responsible for any product defects or malfunctions, as well as for any infringement of patents, designs, trademarks, trade names, copyrights, or other intellectual property rights.

The Group has established stringent procedures and codes of conduct for handling major procurement activities, ensuring strict compliance with relevant laws and regulations, including the Competition Ordinance (Cap. 619). We are committed to eliminating any fraudulent practices in the procurement process. During the reporting year, no incidents of non-compliance were reported.

Through the implementation of these measures, the Group ensures compliance with all applicable laws and regulations, delivers high-quality products, and strengthens trust with customers and business partners. We remain dedicated to driving the sustainable development of our supply chain, ensuring that environmental and compliance requirements are consistently upheld. These efforts lay a solid foundation for the long-term growth and success of our business.

6 Conserving the Environment

The Group is committed to reducing the potential negative environmental impact of its business operations. Guided by the Group's Environmental Policy, we actively integrate environmental protection and energy-saving measures into our daily operations to promote sustainability.

We strictly comply with all relevant environmental laws and regulations, including the Air Pollution Control Ordinance (Cap. 311), the Waste Disposal Ordinance (Cap. 354), the Buildings Energy Efficiency Ordinance (Cap. 610), the Product Eco-responsibility Ordinance (Cap. 603), and the Product Eco-responsibility (Plastic Shopping Bags) Regulation (Cap. 603A). During the reporting period, the Group recorded no incidents of non-compliance with the aforementioned environmental laws and regulations, underscoring our commitment to environmental responsibility and regulatory compliance.

Climate Change

The impacts of climate change are becoming increasingly evident, with more frequent and intense extreme weather events occurring both locally and globally. Recognising the growing threat posed by climate change, we are committed to taking proactive measures to manage climate risks and mitigate their effects. Our dedication to minimising our carbon footprint is reflected in the implementation of effective strategies and initiatives across our operations. To enhance the efficiency of energy and fuel usage, we have intensified our efforts on optimizing resource use continuously reviews and refines relevant processes to drive sustainability.

To address the risks associated with climate change, the Group has introduced a series of mitigation measures, which include:

Climate-related Risks	Potential Impact	Mitigation Measures
Rise in average temperature	<ul style="list-style-type: none"> Increased electricity and maintenance costs were incurred due to the heightened use of fan coils during the summer months. 	<ul style="list-style-type: none"> Monitor the indoor temperature closely and turn off all fan coils during nighttime. Increase the number of fans in stores to enhance air circulation and maintain a cooler environment.
Increase in the occurrence of typhoons	<ul style="list-style-type: none"> Damage to outdoor lightboxes poses safety risks to passersby and results in additional repair costs. Temporary store closures. 	<ul style="list-style-type: none"> Review risk management plans regarding the impacts of typhoons on an annual basis. Eliminate loose objects outside our stores during typhoons and collaborate with the management office of shopping malls to improve the protection of potentially damaged items within our premises.
Rise in the frequency of rainstorms	<ul style="list-style-type: none"> Slippery floors in the stores resulting in injuries to employees and customers. Damage to inventories located at lower levels as a result of flooding. Interruption to store operating hours. 	<ul style="list-style-type: none"> Review risk management plans on an annual basis concerning the impacts of rainstorms. Coordinate with the property management office to closely monitor the conditions of drainage pipes to prevent flooding in our stores.

Energy Usage and Greenhouse Gas Emissions

The Group is dedicated to enhancing energy efficiency and reducing energy consumption across its operations. To support this, we have established an internal guideline, providing employees with clear energy-saving instructions. Staff are required to activate fan coil units only when necessary and to switch off electrical appliances such as computers, air conditioning, and lighting when not in use. Indoor temperatures across all stores are carefully monitored and maintained at 25°C, striking a balance between cooling needs and energy conservation. Energy-saving reminder labels are also displayed in stores to encourage employees to adopt energy-efficient practices, fostering sustainable operational management.

To further improve energy management, the operations teams of Citistore and Unicorn regularly review monthly electricity reports to monitor energy consumption across all stores. In the event of abnormal electricity usage, frontline staff are immediately notified to address the issue and implement measures to minimise energy waste.

The Group actively supports environmental sustainability in equipment procurement by only purchasing appliances with Grade 1 energy efficiency labels under the Electrical and Mechanical Services Department's Mandatory Energy Efficiency Labelling Scheme. For lighting systems, newly opened stores are fully equipped with LED lighting, while existing stores progressively replace traditional lighting with LED fixtures during renovation and maintenance projects to reduce energy consumption.

With regard to carbon emissions reduction, Citistore participated in a carbon offset programme initiated by an international energy group during the reporting period. Through this programme, the energy group made donations to reforestation projects based on the fuel consumption of our vehicle fleet, thereby offsetting the carbon emissions generated by fleet operations.

The Group remains steadfast in its commitment to energy conservation and emissions reduction. Through a range of targeted initiatives, we aim to minimise the environmental impact of our business operations while contributing to sustainable development.

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

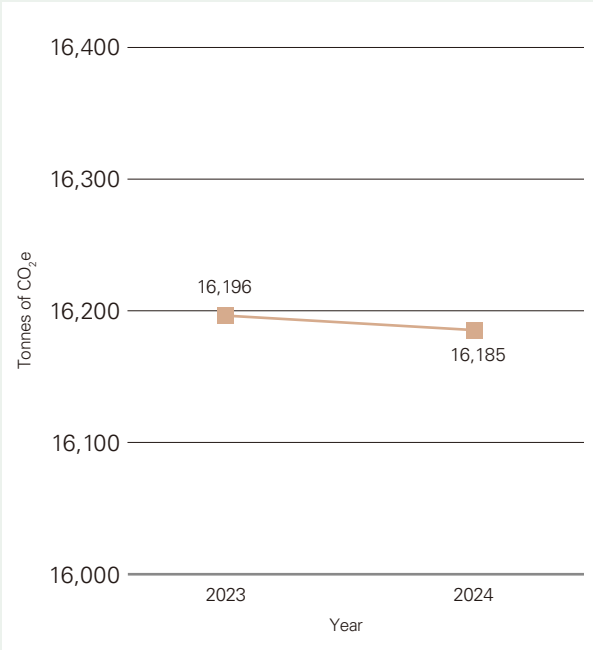
Packaging Materials

Minimising the use of plastic shopping bags is a key focus of the Group's efforts to reduce its environmental impact. To support this initiative, we offer durable and reusable shopping bags, encouraging customers to adopt more sustainable shopping habits.

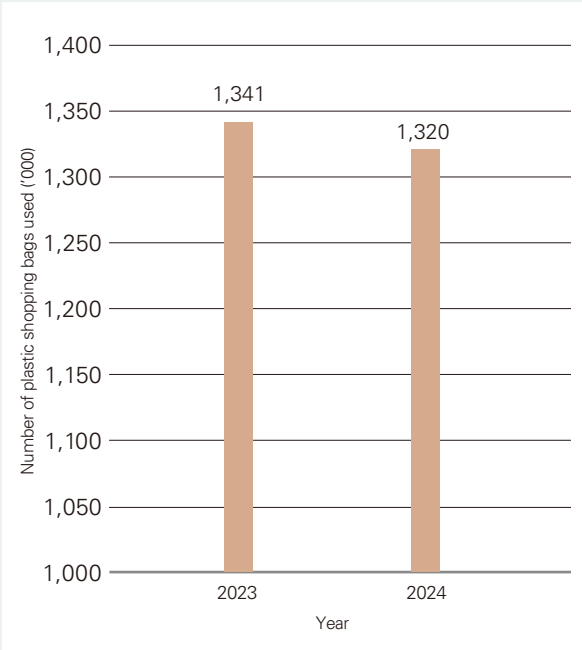
Benefiting from the government-mandated Plastic Shopping Bag Charging Scheme and additional measures such as ceasing the provision of plastic bags for frozen or chilled food purchases, the Group achieved a 1.5% year-on-year reduction in the use of shopping bags across its stores during the reporting period compared to 2023.

Looking ahead, we will continue to promote eco-friendly packaging solutions and engage customers through a variety of awareness and educational campaigns. By working together with our customers, we aim to contribute to environmental protection and the achievement of sustainable development goals.

Scope 1 and 2
Greenhouse Gas Emissions



Plastic Shopping Bag Usage



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

Waste Management

The Group is committed to waste recycling and minimising waste generation through a range of proactive measures incorporated into its operations. Employees are encouraged to follow paper recycling guidelines, and Programme for the Endorsement of Forest Certification certified paper is used in offices to gradually reduce paper consumption, with the ultimate goal of achieving long-term paperless operations.

In addition to paper, other resources such as cardboard boxes and electronic devices are also recycled. Cardboard boxes are reused or recycled by the Property Management Department based on operational needs, while electronic devices are either recycled by authorised organisations or donated to individuals in need. To ensure proper waste sorting and recycling, our stores maintain daily communication with cleaning service contractors to separate cardboard from general waste for appropriate recycling. Moreover, decorations and exhibition stands used during festivals and events are reused whenever possible, and the lifespan of furniture and fittings is extended to minimise unnecessary waste.

156,058 kg 

of paper (including cardboard boxes) is recycled from the Group in 2024

186 pieces 

of electronic equipment recycled from the Group in 2024

Sustainability

The Group also continues to collaborate with Greeners Action in the annual Red Packet Recycling and Reuse Programme during the Lunar New Year. To raise awareness of environmental protection, collection points are set up in stores to encourage customers and employees to recycle used and leftover red packets. Intact red packets are repackaged for reuse, while the rest are processed for recycling. In 2024, the Group collected a total of 817 kilograms of red packets, which were handed over to Greeners Action for proper handling, contributing positively to environmental conservation.

The Group remains committed to implementing comprehensive sustainability measures to ensure effective resource management in its operations and to collaborating with stakeholders to drive environmental initiatives.



Water Management

We take proactive action in saving our precious water resources. High-efficiency fixtures were installed in our Citistore, Newmarket, and Unicorn as a measure to enhance efficiency. In Unicorn, flow controllers that met the standard as defined by the Water Supplies Department were installed, effectively regulating water flow and reducing water usage to achieve the goal of sustainable water resource management.

7 Nurturing Our People

Caring for the well-being of our employees has always been a top priority for the Group. We are equally committed to fostering a harmonious, non-discriminatory, and inclusive workplace that promotes equal opportunities and collaboration. To uphold these principles, we have established fair and structured recruitment guidelines to ensure transparency and impartiality in our hiring processes. Through stringent recruitment procedures, we also ensure compliance with labour laws, preventing the employment of child or forced labour.

During the reporting year, the Group fully complied with all applicable laws and regulations relating to recruitment, employment practices, promotions, working hours, leave entitlements, equal opportunities, diversity, anti-discrimination, and employee benefits. These include the Employment Ordinance (Cap. 57), the Employees' Compensation Ordinance (Cap. 282), the Minimum Wage Ordinance (Cap. 608), and the Mandatory Provident Fund Schemes Ordinance (Cap. 485). Notably, no cases of non-compliance were identified during the reporting year.

Diversity, Inclusion, and Equality

We are committed to creating a workplace free from bias and discrimination, where every employee can realise their potential in an environment of fairness and respect. All employees are protected under the Group's anti-discrimination policies, ensuring that recruitment, employment, and performance evaluations are based on merit and qualifications, without regard to gender, race, age, religion, disability, or family status.

The Group strictly adheres to all relevant anti-discrimination laws and regulations, including the Sex Discrimination Ordinance (Cap. 480), the Disability Discrimination Ordinance (Cap. 487), the Family Status Discrimination Ordinance (Cap. 527), and the Race Discrimination Ordinance (Cap. 602). No instances of non-compliance with these regulations were reported during the period.

As an equal opportunity employer, we actively provide suitable employment opportunities for individuals with special needs. During the reporting year, we collaborated with the Shine Skills Centre under the Vocational Training Council to offer part-time positions at our Central Distribution Centre for the Centre's graduates. This partnership included a range of supportive initiatives, such as workplace anti-discrimination briefing sessions for existing employees and step-by-step onboarding guidance for the graduates.

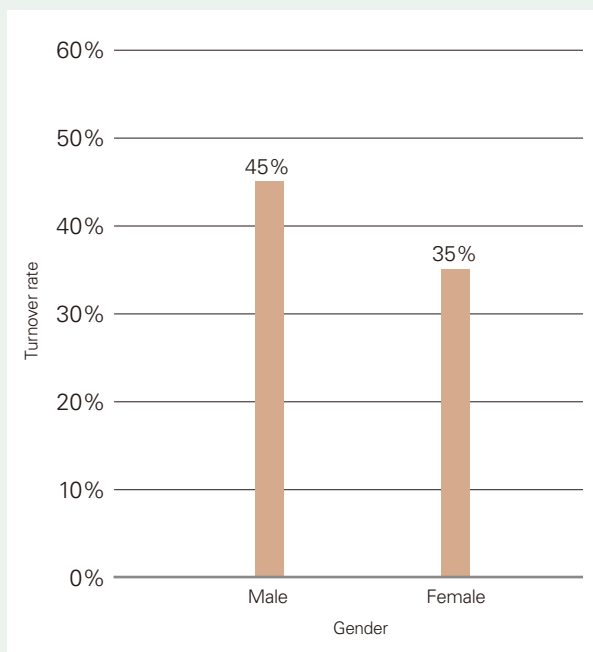
This collaboration not only provided valuable commercial workplace experience for the graduates to prepare them for the job market but also achieved a mutually beneficial outcome. Over the long term, the initiative helps address labour shortages in the market while reinforcing our reputation as a responsible employer.

Focus on Employee Well-being

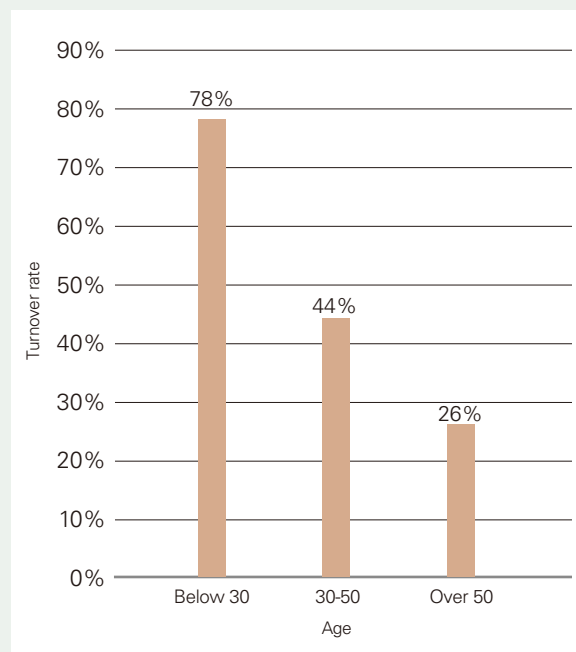
To attract and retain top talent, the Group offers competitive remuneration packages alongside a range of additional benefits. These include employee shopping discount schemes, marriage leave, compassionate leave, and mandatory provident fund retirement protection. Furthermore, medical insurance is extended to the spouses and children of senior staff at Citistore and Newmarket, reflecting our strong commitment to the well-being of employees and their families. We have also introduced various initiatives to enhance workplace well-being and support employees in achieving a healthy work-life balance. For instance, the Group organises regular team-building activities and monthly employee events, such as annual gatherings, Mid-Autumn Festival and Christmas parties. These activities are designed to boost morale, strengthen interpersonal relationships, and foster a culture of care within the organisation.

To recognise and appreciate employee contributions, we have launched an Appreciation Programme, enabling management to express their encouragement and appreciation by issuing thank-you cards to employees. This initiative not only acknowledges the dedication of our workforce but also strengthens mutual support and trust between the Group and its employees.

Employee Turnover Rate by Gender



Employee Turnover Rate by Age



Occupational Health and Safety

The Group places the utmost importance on occupational health and safety, striving to provide a safe and healthy working environment for all employees. We strictly comply with all occupational health and safety regulations in Hong Kong, including the Occupational Safety and Health Ordinance (Cap. 509) and the Occupational Safety and Health Regulation (Cap. 509A). Comprehensive safety training materials are provided to all new employees upon onboarding, and all employees are covered by employee compensation insurance. The Group's occupational health and safety policies are clearly outlined in the Employee Handbook, offering clear guidance to employees.

During the reporting year, the Group continued its collaboration with the Labour Department's Integrated Services Group (Occupational Health Service) to conduct workplace safety inspections across our stores. No cases of non-compliance were identified. To enhance employees' awareness of workplace health and safety, we conducted various training programmes for both frontline and back-office staff. These included specialised sessions on goods handling and proper use of ladders. Additionally, safety notices and guidelines were prominently displayed in various workplace locations to remind employees of the relevant safety protocols.

The Group has established a comprehensive occupational health and safety management system to monitor and control renovation activities. Regular Occupational Health and Safety Management Committee meetings are held to conduct on-site safety audits and inspections, as well as to organise targeted safety training sessions. These measures ensure that the health and safety performance at construction sites consistently meets high standards.

A robust reporting mechanism is in place to handle workplace injury cases. In the event of an injury, the injured employee, any witnesses, and the store manager are required to complete an incident report form, which is then submitted to the Human Resources Department. If necessary, the incident is reported to the Labour Department, and further actions are taken. Furthermore, the Human Resources Department conducts regular store inspections to assist employees in identifying potential work-related injury risks. Store employees are required to submit detailed risk reports, which are promptly reviewed by the Human Resources Department. Investigations are then conducted, and corrective measures are swiftly implemented to address the identified issues. This comprehensive management approach reflects the Group's unwavering commitment to maintaining a safe and healthy working environment for all employees.



Occupational health and safety target: To minimise number of work injury cases through regular training workshops and drills to enhance safety awareness of employees.

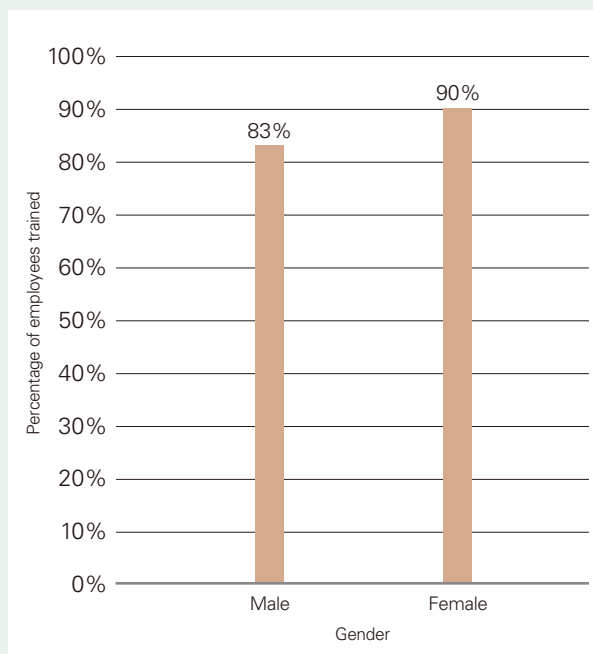
Development and Training

The Group places great importance on providing comprehensive training programmes to facilitate employees' career development and enhance their professional skills. Since 2022, Citistore has launched the Service Ambassador Programme, which includes the establishment of a pioneer service team aimed at improving employees' service capabilities while fostering a positive and uplifting work environment. Ambassadors are assigned to various departments to act as role models, inspiring their colleagues through positive influence and exemplary performance.

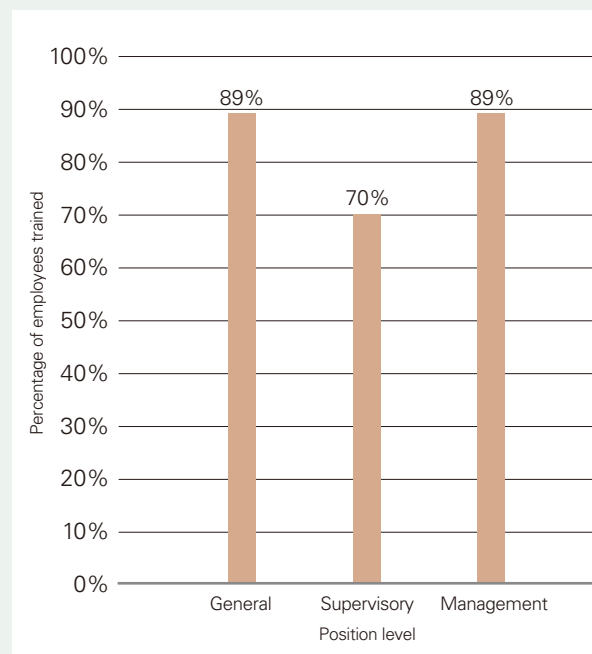
In addition, we organise coaching skills workshops specifically designed for supervisors at different levels. These workshops aim to enhance their coaching and communication skills, thereby promoting team collaboration and improving overall workplace efficiency. Employees are also offered professional training covering areas such as product knowledge, customer service techniques, and sales skills, ensuring they are well-equipped to deliver exceptional service to our customers.

Since 2023, the Group formally launched the Talent Training Programme, which equips employees with essential tools and skills, such as effective time management strategies, leadership capabilities, and communication techniques, to further enhance overall productivity. Simultaneously, we introduced the Retail Management Trainee Programme, tailored for the retail industry, to identify and nurture future leaders in the sector. Trainees participating in the programme gain in-depth exposure to all aspects of retail operations, accumulating valuable experience in various retail and office departments. Throughout the programme, supervisors conduct comprehensive evaluations of the trainees' performance to ensure their potential and capabilities are fully recognised.

Percentage of Employees Trained by Gender



Percentage of Employees Trained by Position Level



Ethics and Integrity

The Group is committed to maintaining the highest standards of ethical conduct and integrity in all aspects of its operations, fostering a corporate culture of transparency, fairness, and accountability. All employees are required to adhere strictly to the guidelines outlined in the Staff Handbook and the Group's Anti-Corruption and Bribery Policy, which are designed to prevent any form of bribery, extortion, fraud, or money laundering. Furthermore, employees are expressly prohibited from accepting any gifts from suppliers or contractors to safeguard impartiality and transparency in business dealings.

To enhance employees' understanding of business ethics, we collaborate with the Independent Commission Against Corruption ("ICAC") to organise anti-corruption seminars and training sessions. These initiatives aim to equip employees with the knowledge and tools needed to maintain high ethical standards in their daily work and effectively address potential ethical challenges.

The Group has also implemented a transparent and well-structured Whistleblowing Policy, which clearly outlines the grievance procedures and provides a secure channel for stakeholders, including employees, to report any misconduct or irregularities. All reported cases are handled with strict confidentiality to protect whistleblowers from retaliation or harm. These cases are thoroughly investigated by designated personnel to ensure issues are properly addressed and resolved.

During the reporting year, the Group recorded no incidents of bribery, extortion, fraud, or money laundering. We maintained full compliance with all relevant laws and regulations, including but not limited to the Prevention of Bribery Ordinance (Cap. 201) and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615).

8 Caring for Our Community

As an active and responsible member of the community, we are deeply committed to giving back to society. Beyond providing financial donations to community organizations, we actively encourage our employees to participate in volunteer activities centred on poverty alleviation and environmental conservation, taking practical actions to promote social welfare and sustainable development. Citistore and APITA/UNY received the Caring Company award for five consecutive years and four consecutive years, respectively, recognising of our efforts in fulfilling corporate social responsibilities.

The table below highlights our key community programmes and the resources contributed by the Group in 2024:

Organisations/Beneficiaries	Programmes	Engagement activities/Contributions
Greeners Action	Lai See Reuse and Recycle Program 2024	<ul style="list-style-type: none"> Collected and delivered a total of 817kg of red packets to Greeners Action for repurposing and recycling Donated a total of HK\$29,000 to Greeners Action to support the programme
S.K.H St. Christopher's Home	Love Chocolate Charity Sale 2024	<ul style="list-style-type: none"> Listed related chocolates to consolidate donated proceeds to the charity for supporting the Home's children
Two local kindergartens in Tsuen Wan and Yuen Long	Citistore Tsuen Wan and Yuen Long opened its stores to kindergartens students for experimental learning	<ul style="list-style-type: none"> Around 26 students paid visit to Citistore Tsuen Wan and Yuen Long store
Caritas Community Centre (Tsuen Wan)	Pre-X'mas Sending Love to the Elders	<ul style="list-style-type: none"> Sponsored 100 goodie bags and visited solidarity elders at homes or arrange as a pre-Christmas party
Hong Kong Association for Cleft Lip and Palate	CU APP Fundraising Program for Cleft Lip and Palate Patients	<ul style="list-style-type: none"> Raised HK\$6,300 for supporting services to cleft lip and palate patients and their families

千色Citistore x 聖基道兒童院 愛心朱古力義賣

聖公會聖基道兒童院 一於1935年創辦之多元化兒童服務機構，自2005年起每年均舉辦「聖基道愛心朱古力義賣」，善款用作幫助身處逆境的兒童。今年再次與本地著名藝術家Chocolate Rain合作，製作成義賣產品。

瑰麗朱古力禮盒
70%比利時片裝黑朱古力 (9片)
\$148

經典朱古力禮盒
紅磚夾心朱古力27g (約7-8粒)
\$48

朱古力製造商: Couverture by Multizen
禮盒設計: 本地著名藝術家Chocolate Rain

義賣日期: 2024年12月3至27日
義賣地點: 各店之C MART!

千色Citistore連續第五年聖誕節全力支持聖基道，將愛心朱古力擺放於各店作慈善義賣，讓顧客一掃為有需要兒童出一點心意。於聖誕節將愛心傳遞。

CU APP

FUN享快樂
齊齊捐款協助兔唇患者

擺放位置: 客戶服務台

9 Sustainability Performance

Environmental Performance

HKEX KPI	Unit	2024	2023
A. Environmental			
Greenhouse gas emissions¹			
Scope 1 emissions	tCO ₂ e	7,184	7,342 ²
Scope 2 emissions	tCO ₂ e	9,001	8,854
Scope 1 & 2 emissions	tCO ₂ e	16,185	16,196 ²
Scope 1 & 2 GHG emission intensity	tCO ₂ e/Sq. ft of Shop Area	0.025	0.027 ²
Total non-hazardous waste generated and recycled			
Paper (including cardboard boxes)	kg	156,058	157,544
Food waste	kg	98,858	93,134
Total waste generated	kg	254,916	250,678
Waste generated intensity	kg/Sq. ft of Shop Area	0.40	0.41
Energy consumption			
Diesel	kWh	165,752	169,745
Petrol	kWh	20,070	21,467
Electricity	kWh	19,629,755	19,289,194
Total energy consumption	kWh	19,815,577	19,480,406
Energy consumption intensity	kWh/Sq. ft of Shop Area	31	32
Water consumption			
Water consumption	m ³	82,710	77,806
Water consumption intensity	m ³ /Sq. ft of Shop Area	0.13	0.13
Packaging material used			
Plastic shopping bags consumed	Piece	1,320,427	1,341,159

¹ 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.

² Adhering to the reporting principles of consistency, we adjusted our calculation for 2023 Scope 1 emissions, Scope 1 & 2 emissions and Scope 1 & 2 GHG emission intensity to align with that in 2024 to allow for meaningful comparison of data over time.

Social Performance

HKEX KPI	2024	2023
B. Social		
Employment		
Total Workforce		
<i>By gender</i>		
Male	216	247
Female	750	830
<i>By employment type</i>		
Full-time	866	962
Part-time	100	115
<i>By age group</i>		
Aged below 30	64	97
Aged 30-50	417	508
Aged over 50	485	472
<i>By position level</i>		
Management	83	99
Supervisory	27	52
General	856	926
<i>By geographical location</i>		
Hong Kong	966	1,077
Turnover rate (%)		
<i>By gender</i>		
Male	45%	50%
Female	35%	53%
<i>By age group</i>		
Aged below 30	78%	110%
Aged 30-50	44%	45%
Aged over 50	26%	49%
<i>By geographical location</i>		
Hong Kong	37%	52%

Sustainability

Health and Safety	2024	2023	2022
Number of work-related fatalities	0	0	0
Rate of work-related fatalities (%)	0%	0%	0%
Lost days due to work injury (days)	852	615	712
Training and Development	2024	2023	
Average training hours (hour)			
By gender			
Male	4.0	3.6	
Female	1.4	2.2	
By position level			
Management	1.8	6.6	
Supervisory	1.9	2.2	
General	2.0	2.1	
Percentage of trained employees (%)			
By gender			
Male	83%	74%	
Female	90%	67%	
By position level			
Management	89%	86%	
Supervisory	70%	81%	
General	89%	66%	
Product Responsibility			
Number of products and service-related complaints	178	203	
Supply Chain Management			
Number of suppliers by geographical location			
Hong Kong	2,655	2,563	
China	9	4	
Overseas	49	70	

10 ESG Reporting Code Content Index

Environmental		Section in Report/Remarks	Page no.
A1 Emission			
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 year, 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.	29-32
A1.1	The types of emissions and respective emissions data.	Due to the business nature of the Group, NO _x , SO _x and PM emissions are considered immaterial.	/
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	38
A1.5	Description of emission target(s) set and steps taken to achieve them.	Conserving the Environment – Energy Usage and Greenhouse Gas Emissions	30
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	31-32

Sustainability

Environmental		Section in Report/Remarks	Page no.
A2 Use of Resource			
A2 General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Conserving the Environment	29-32
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	38
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Sustainability Performance	38
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	30
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.	Conserving the Environment – Water Management	32
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	All water consumed by our operations comes from municipal water supplies, there were no issues related to sourcing water that was fit for purpose. Conserving the Environment – Packaging Materials, Sustainability Performance	30-31, 38
A3 The Environment and Natural Resources			
A3 General disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Conserving the Environment	29-32
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	29-32

Social	Section in Report/Remarks	Page no.
B1 Employment		
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 32-35
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Sustainability Performance 39
B1.2	Employee turnover rate by gender, age group and geographical region.	Sustainability Performance 39
B2 Health and Safety		
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.	Nurturing Our People – Occupational Health and Safety 34-35 During the reporting year, 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.
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Sustainability Performance 40
B2.2	Lost days due to work injury.	Sustainability Performance 40
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Nurturing Our People – Occupational Health and Safety 34-35

Sustainability

Social		Section in Report/Remarks	Page no.
B3 Development and Training			
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	35
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Sustainability Performance	40
B3.2	The average training hours completed per employee by gender and employee category.	Sustainability Performance	40
B4 Labour Standards			
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.	Nurturing Our People	32-35
B4.1	Description of measures to review employment practices to avoid 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 2024, no relevant cases of non-compliance were recorded.	
B4.2	Description of steps taken to eliminate such practices when discovered.		
B5 Supply Chain Management			
B5 General disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	28
B5.1	Number of suppliers by geographical region.	Sustainability Performance	40
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	28
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	28
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	28

Social		Section in Report/Remarks	Page no.
B6 Product Responsibility			
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	26
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	During the reporting year, 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	24
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Supply Chain Management	28
B6.4	Description of quality assurance process and recall procedures.	Engaging Our Customers – Product Responsibility	26
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Engaging Our Customers – Customer Privacy and Cybersecurity	27
B7 Anti-corruption			
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	36
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting year 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 whistle-blowing procedures, and how they are implemented and monitored.	Nurturing Our People – Ethics and Integrity	36
B7.3	Description of anti-corruption training provided to directors and staff.	Nurturing Our People – Ethics and Integrity	36

Sustainability

Social		Section in Report/Remarks	Page no.
B8 Community Investment			
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	37
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Caring for Our Community	37
B8.2	Resources contributed (e.g. money or time) to the focus area.	Caring for Our Community	37

Effective 1 January 2025, the Hong Kong Stock Exchange implemented new regulations under the ESG Reporting Code, repealing Aspect A4 and Key Performance Indicator A1.2 related to climate-related disclosures ("Relevant Climate-related Disclosures"). However, the Relevant Climate-related Disclosures remain applicable to the Group's reporting requirements for the reporting year.

Environmental		Section in Report/Remarks	Page no.
A1 Emission			
A1.2	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	38
A4 Climate Change			
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	29
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	29