



2023

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

YesAsia Holdings Limited

(Incorporated in Hong Kong with limited liability)

Stock Code : 2209

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ABOUT THIS REPORT

Welcome to Yesasia's 2023 Environmental, Social and Governance Report

This is YesAsia Holdings Limited's ("**YesAsia**" or the "**Company**", together with its subsidiaries, the "**Group**") (stock code: 2209) 3rd environmental, social and governance ("**ESG**") report ("**this ESG report**" or "**this Report**") since its public listing on 9 July 2021. It covers the Group's sustainability approach and policies, and reviews its performance and strategy against ESG-related risks and targets. This ESG report is published in English on our website (<https://www.yesasiaholdings.com>) and The Stock Exchange of Hong Kong Limited ("**HKEx**") website (<http://www.hkexnews.hk>) and should be read in conjunction with our 2023 Annual Report and the accompanying Corporate Governance Report enclosed therein.

Reporting Frameworks

Environmental, Social and Governance Reporting Guide ("**ESG Reporting Guide**" or "**Guide**") as set out in Appendix C2 to the Rules Governing the Listing of Securities on HKEx ("**Listing Rules**").

- This ESG report was prepared according to the new ESG Reporting Guide which took effect from 31 December 2023. We comply with a series of mandatory disclosure requirements by including an explicit statement from the board of directors of the Company ("**Board**") setting out the Board's consideration of ESG issues, and a description of our governance structure and the management of environmental and social risks. In order to prioritise our reporting on the "comply or explain" requirements, an assessment of materiality was carried out, taking into account the Guide's Environmental and Social Aspects.
- A content index can be found in the section "The Stock Exchange's ESG Reporting Guide: Index Table" at the end of this report.
- This Report has complied with all mandatory disclosure requirements and "comply or explain" provisions outlined in the Guide. This Report also references selected disclosures, or parts of their content, from the United Nations Sustainable Development Goals ("**UN SDGs**").

Overview of Yesasia

Established in 1997, YesAsia is an online retailer headquartered in the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**") which engages in the procurement and sale of third-party branded and unbranded Asian fashion & lifestyle, beauty, and entertainment products to customers around the world. We primarily sell the products through our online platforms, complemented by a portion of sales of entertainment products.

Our major business activities can be divided into 2 business segments:

- (i) Sales of fashion & lifestyle and beauty products on our www.YesStyle.com ("**YesStyle**") online B2C and mobile app, and www.AsianBeautyWholesale.com ("**AsianBeautyWholesale**") online B2B platforms; and
- (ii) Sales of entertainment products on our www.YesAsia.com online B2C platform.

Our corporate headquarter is located at 5/F, KC100, 100 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong. As at 31 December 2023, we leased 7 properties in Hong Kong and 1 property in each of South Korea and Japan. We do not own any properties. Our leased properties are mainly used as offices and warehouses, and to provide logistics services to external customers.

REPORTING BOUNDARY

This ESG report covers the Group's sustainability approach, policies, performance and strategy for the financial year ended 31 December 2023 ("**Reporting Year**"), which is consistent with that of the Company's annual report. Information and data were collected about the Group's operations, including sourcing, product trading, logistics & warehouse service activities and investment holding activities at (i) the offices and warehouses in Hong Kong, (ii) the office in Japan, and (iii) the office in South Korea unless otherwise stated. These 9 facilities/sites represent all of YesAsia's operational regions and subsidiaries during the Reporting Year.

REPORTING PRINCIPLES

The preparation of this report follows the reporting principles for materiality, quantitative, balance and consistency.

(i) **Materiality**

The Group has conducted materiality assessment survey to identify the material concerns of our stakeholders and to determine the factors that have material impacts on our sustainable growth. More on the materiality assessment process and outcomes are set out in the section "MATERIALITY ASSESSMENT" section of this Report.

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(ii) Quantitative

Key performance indicators (“KPIs”) on our ESG performance are prepared and presented while ensuring that they will be measurable and comparable to historical data. All KPIs are provided with clear definitions and the calculation method is clearly stated, with reference to the HKEX Guide (*Appendix 2: Reporting Guidance on Environmental KPIs* and *Appendix 3: Reporting Guidance on Social KPIs*) and relevant internationally recognised methodologies.

(iii) Consistency

Consistent statistical methods have been used in this report to allow meaningful and consistent comparisons of relevant data over time.

(iv) Balance

The Group reports objectively on its environmental, social, and governance performance during the Reporting Year, disclosing the results achieved, challenges encountered, and areas for development in a responsible manner.

STAKEHOLDER ENGAGEMENT

The Company recognises and appreciates the valuable contributions made by stakeholders in advancing sustainable development. We highly value their feedback and opinions, which serve as guidance for shaping our management strategy on various sustainability issues. To ensure transparent and open communication with stakeholders, the Company has established whistleblowing channels as an essential component of its corporate governance and stakeholder engagement framework.

Besides, we have a Shareholders’ Communication Policy in place and established multiple communication channels to facilitate effective engagement with a diverse range of stakeholders. These channels enable us to gain valuable insights into their expectations regarding the Company’s long-term growth trajectory and foster meaningful dialogue.

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The following table provides an overview of our ongoing communication activities with key stakeholders, to identify and address their concerns:

Stakeholders	Major Communication Channels
Employees	<ul style="list-style-type: none">• Intranet and E-mail• Channel for anonymous complaints and feedback• Surveys• Regular performance reviews• All staff townhall meetings
Suppliers	<ul style="list-style-type: none">• Company's website and social media• Correspondence through E-mail, letters and messaging applications• Regular meetings
Customers	<ul style="list-style-type: none">• Company's website and social media• Customer opinion survey• Enquiry by E-mail• Product ratings
Communities	<ul style="list-style-type: none">• Company's website and social media• ESG Reports
Shareholders	<ul style="list-style-type: none">• Company's website• Annual reports, interim reports and circulars to shareholders• General meetings with shareholders• Investor meetings• Press releases and announcements

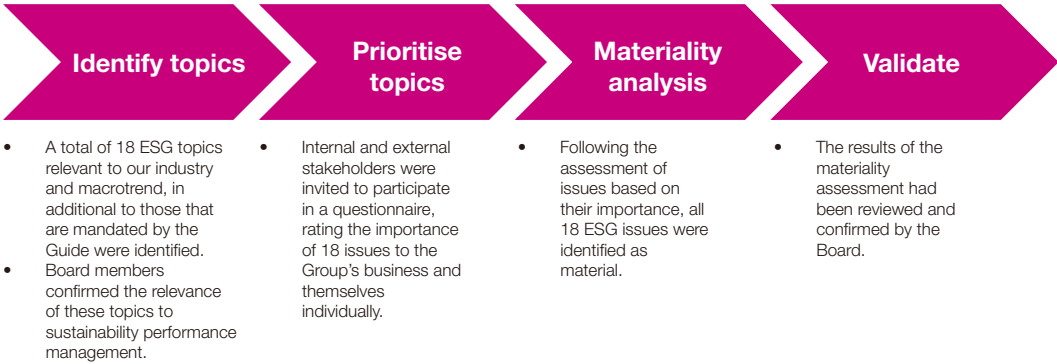
MATERIALITY ASSESSMENT

Methodology of Materiality Assessment

During 2023, our ESG working group (“Working Group”) engaged an independent third-party consultant in the design and implementation of stakeholder engagement exercise on the topic of corporate sustainability. The consultant conducted industry research, compared our Company’s performance with peers, and identified a range of sustainability issues related to our environmental and social impacts.

As we undergo materiality assessment, we engage directly with stakeholders to identify and prioritise the issues that are most relevant to the business and have a significant impact on stakeholders. To ensure a representative sample of external stakeholders, we invited long-term partners such as customers and suppliers who significantly contribute to our annual revenue and operational success. Our internal stakeholders consist of staff members who show awareness of environmental and climate-related issues and have a good understanding of our core businesses and industry. We conducted an online survey for 10 weeks, ensuring stakeholders’ anonymity and confidentiality. A total of 144 stakeholders, including the Board, employees, customers, suppliers and content creators, were invited to rate the importance of sustainability topics to our overall business operations. Additionally, we sought feedback on how YesAsia’s sustainability performance has influenced or will shape their business relationships with us.

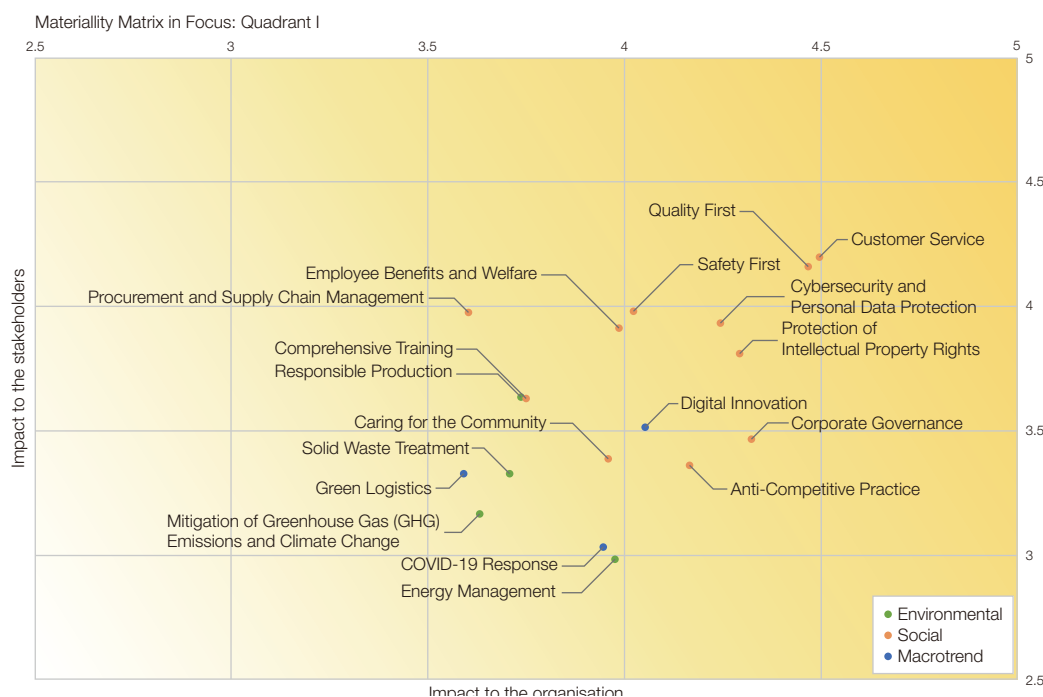
The survey results are mapped onto a materiality matrix, reflecting the relative importance of each ESG topic identified, as well as the relevance to the success and operations to our business. With 18 topics placed within Quadrat I, results show that external and internal stakeholders view all topics as material to the business and critical for disclosure.



Materiality Matrix and the Prioritisation of Material Topics

A materiality matrix graphically represents the engagement outcome. With all ESG topics placed within Quadrant I which have scores exceeding 2.5 in both “Impact to stakeholders” and “Impact from organisation”, the results indicate that external and internal stakeholders view all these 18 topics as material to the business. The relative positions of each topic with respect to one another provide insight into how we could better allocate resources to demonstrate the resilience of our commercial and operational activities in light of sustainable growth.

The materiality analysis result helps identify higher-priority ESG topics. Topics with scoring of 3.5 or above in both perspectives of “Impact to stakeholders” and “Impact to the organisation” are identified as top material ESG topics. This prioritisation of ESG topics also serves as the foundation for future ESG strategy and risk management.



Top 10 disclosure topics assessed by stakeholders as critical for disclosure

Ranks	ESG Topics	ESG Aspect
1	Customer Service	Social
2	Safety First	Social
3	Cybersecurity and personal data protection	Social
4	Quality First	Social
5	Protection of intellectual property rights	Social
6	Employee Benefits and Welfare	Social
7	Procurement and Supply Chain Management	Social
8	Digital Innovation	Macrotrend
9	Corporate Governance	Social
10	Comprehensive Training	Social

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Top material topics have been taken into consideration in our ESG policy development and the resource allocation in the ESG management approaches. Information in the report is organised and presented related to material topics, in response to the demands and expectations of stakeholders. The analysis (stakeholder engagement and materiality assessment) meets the requirements of the Stock Exchange and demonstrates the application of the four reporting principles towards the preparation of reporting content. To ensure consistency with the reporting structure and highlight our full compliance with the disclosure obligations, we present 18 identified topics in the table below, in association with the 12 Social and Environmental Aspects defined by the HKEx:

ESG Aspect	ESG Topics	HKEx Aspect
Environmental	Mitigation of Greenhouse Gas (GHG) Emissions and Climate Change	A1 Emission A4 Climate Change
	Solid Waste Treatment	A1 Emissions
	Energy Management	A2 Use of Resources
	Responsible Production	A2 Use of Resources A3 The Environment and Natural Resources
Social	Corporate Governance	B1 Employment
	Employment and Benefit	B1 Employment B4 Labour Standard
	Safety First	B2 Health and Safety
	Comprehensive Training	B3 Development and Training
	Procurement and Supply Chain Management	B5 Supply Chain Management
	Customer Service	B6 Product Responsibility
	Quality First	B6 Product Responsibility
	Cybersecurity and Personal Data Protection	B6 Product Responsibility
	Protection of Intellectual Property Rights	B6 Product Responsibility
	Anti-Competitive Practices	B7 Anti-Corruption
	Caring for the Community	B8 Community Investment
Macrotrend	Digital Innovation	A2 Use of Resources
	Green Logistics	A2 Use of Resources
	COVID-19 Response	B2 Health and Safety

OUR APPROACH TO SUSTAINABILITY

Statement from the Board

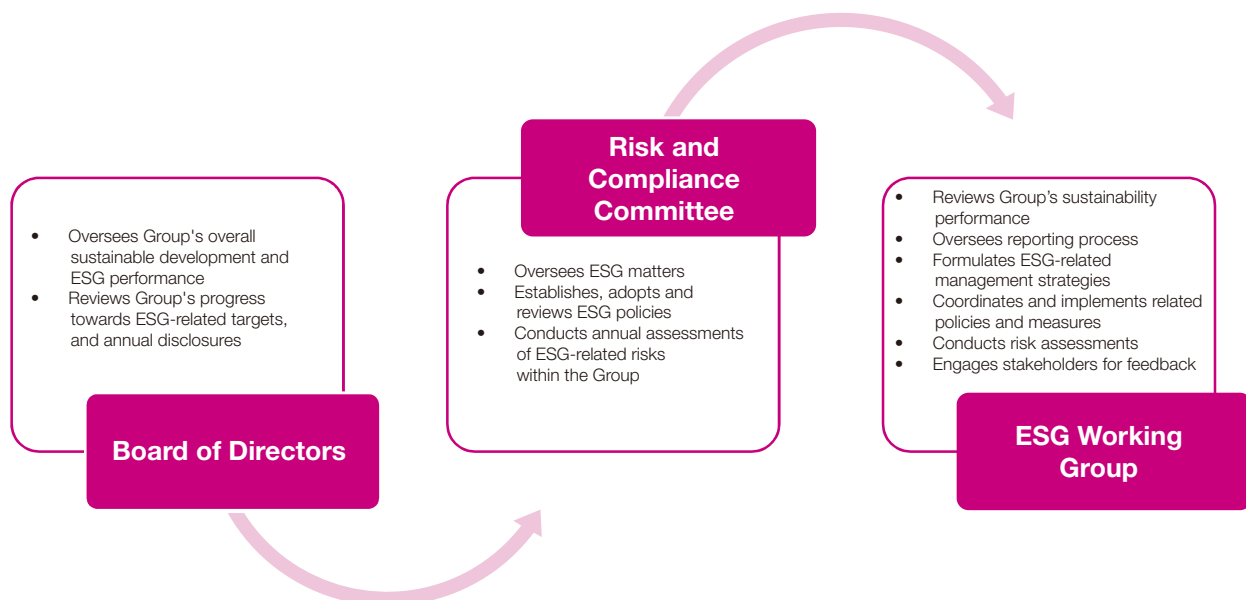
Board Oversight

Our Board consists of 8 male members and 1 female member, ensuring a sufficient level of diversity in terms of gender, age, cultural and educational background, knowledge, and professional experience. This allows for comprehensive oversight of YesAsia’s ESG performance, management approach, and strategy. The responsibility for overseeing ESG matters lies with our Risk and Compliance Committee (“**Committee**”), which comprises Mr. Lau Kwok Chu, Ms. Chu Lai King, and Mr. Chu Kin Hang, all of whom are executive Directors. To ensure the full integration of ESG issues into our business strategy, the scope of work of our Board committees has been expanded to encompass ESG-related matters.

To spearhead these efforts, an ESG Working Group (“**Working Group**”) has been established under the Committee, comprised of management personnel from various teams within YesAsia, such as Product, Logistics & Warehouse, Human Resources (“**HR**”), Information Technology (“**IT**”) and Customer Service (“**CS**”). This Working Group serves as the primary task force responsible for reviewing the Group’s sustainability performance and overseeing the reporting process, specifically for the publication of our third ESG report.

Assisted by the Committee and supported by the Working Group, our Board reviews YesAsia’s ESG performance, progress towards ESG-related goals and targets, and annual disclosures during the annual Board meeting. The Board advises on identified issues and areas for improvement. Additionally, the Board and management (if necessary) periodically review and monitor internal control procedures to ensure their effectiveness and efficiency.

Furthermore, we have developed ESG policies to minimise risks associated with our business, aiming to ensure prompt responses to evolving environmental and operational threats. The Board retains the final approval authority for decisions such as determining sustainability-linked executive compensation and benefits, selecting locations for company leased properties (e.g. offices and warehouses), and setting mid- to long-term performance targets.



ESG Target Setting and Risk Management

In the Reporting Year, our Working Group has put forward specific and measurable mid-term environmental targets to reduce the carbon footprint of our operations. These targets, which are set to be achieved by 2025, have received strong support and endorsement from the Board. These targets will encompass the evaluation of our ESG performance across all our operational sites in Hong Kong, where the majority of our business activities are concentrated, ensuring a comprehensive approach to reducing our carbon footprint and enhancing sustainability.

We have assessed and categorised the following ESG risks, from extremely low to high, based on the potential impact and probability of occurrence:

Risk Level	ESG Topic
High	Cybersecurity and Personal Data Protection Safety First Digital Innovation Customer Service Corporate Governance Protection of Intellectual Property Rights Employee Benefits and Welfare Quality First
Medium	Anti-Competitive Practice Comprehensive training Procurement and Supply Chain Management Energy Management Solid Waste Treatment Caring for the Community Green Logistics Mitigation of Greenhouse Gas (GHG) Emissions and Climate Change COVID-19 Response
Low	Responsible Production

Challenges and opportunities

Our overarching aim encompasses multiple objectives, including the promotion of environmental protection through corporate social responsibility, adherence to applicable laws and regulations, fostering shareholder diversity, and facilitating access to capital markets. These objectives require a continuous focus on enhancing corporate governance practices and ensuring timely reporting and assessment to drive progress towards their achievement.

To drive positive long-term value for our business and stakeholders and to ensure contributions from our management teams and executive members towards sustainability, the Board will continue to reinforce its oversight of ESG-related goals and targets by reviewing and approving budgets, business objectives and targets. This will enable the Board to play a more active role in reinforcing sustainability efforts.

KEY ESG AWARDS

YesAsia Holdings Limited

2022 Most Innovative Solutions Award – The Most Innovative E-Commerce Platform of the Year
Feb 2023
Awarded by the Business Innovator

2nd runner-up in the 15km Corporate Relay (Mixed Group) category at the UNICEF Charity Run 2023
Nov 2023
Awarded by the UNICEF HK

The HR Distinction Awards 2023 – Gold Award for Excellence in HR Digital Transformation
Dec 2023
Awarded by the HumanResourcesOnline.net

The HR Distinction Awards 2023 – Silver Award for HR Team of the Year
Dec 2023
Awarded by the HumanResourcesOnline.net

The HR Distinction Awards 2023 – Bronze Award for Excellence in Learning & Development
Dec 2023
Awarded by the HumanResourcesOnline.net

YesStyle.com Limited

Caring Company 2022/23
Mar 2023
Awarded by Hong Kong Council of Social Service (HKCSS)

Corporate Volunteer Certificate of Appreciation 2023
Jun 2023
Awarded by the Hong Kong Family Welfare Society

#SayYesToBreastfeeding – 2023/2024 Certificate of Appreciation
June 2023
Awarded by the UNICEF HK

Happy Company 2023
Aug 2023
Awarded by the Promoting Happiness Index Foundation

YouTube Works Awards, Hong Kong 2023 – “Best Creative Shorts” award
Nov 2023
Awarded by YouTube

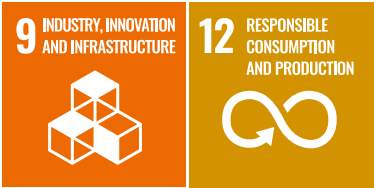
MATERIAL TOPICS

CUSTOMER SERVICE

Associated Aspect with the HKEx Guide:

B6 Product Responsibility

Connection with United Nations Sustainable Development Goals (UN SDGs):



Annual performance

In response to the challenges posed by escalating food and fuel inflation and to ensure our sustained competitiveness, the Group has undertaken proactive measures and placed a strong emphasis on cost savings and operational efficiency to maintain our competitive position. One such measure is the tight partnership with our strategic logistics service provider, CN Logistics International Holdings Limited (“CN Logistics”), to optimise the delivery of our products to overseas markets with more compatible price compared to other providers. Additionally, we have set up our Smart Robotics Warehouse in Hong Kong to reduce fulfilment labour costs and expand capacity in anticipation of the growth in our online business. Such initiatives enable us to optimise our supply chain and enhance efficiency. For more details, please refer to the “Digital Innovation” section.

We are committed to compliance with all applicable regulations in the regions where we operate, including advertising regulations such as the Trade Marks Ordinance in Hong Kong and The Fair Labelling and Advertising Act in Korea. Throughout the Reporting Year, the Group maintained strict adherence to the laws and regulations, including health and safety, advertising, labelling, privacy, and methods of redress. The Group did not encounter any major violations of these regulations during the Reporting Year that could have had a significant impact on our operations.

Customer profile

Our e-commerce platform caters to a diverse customer base, which primarily comprises end-users and small-scale business owners. Our customers mainly discover our websites and mobile apps through search engines, third-party social media platforms, or advertisements on other websites. We are fortunate to have accumulated such a varied customer base, reflecting the broad reach and appeal of our offerings.

Customer engagement, marketing, and advertising

By leveraging social media platforms, we have established direct connections with our customers, allowing us to receive instant feedback on our products and services. These valuable feedbacks play a vital role in shaping our targeted marketing and promotion strategies effectively, as well as adjusting our product portfolio to better align with consumer preferences. We take pride in our extensive social media presence, with over 3.96 million followers across various platforms including Instagram, Facebook, Pinterest, Twitter, and YouTube. Such a broad following ensures continuous and comprehensive exposure to our customer base. Through our social media accounts, our followers and visitors have easy access to our websites and mobile app, facilitating a seamless browsing experience and enabling them to easily find items of interest. This integration between social media and our online platforms enhances convenience and engagement for our customers.

To maximise our exposure to our target consumers, we have implemented a comprehensive digital marketing strategy that incorporates various media tools. Internal control policies are in place to monitor the content that we have uploaded to social media platforms to ensure compliance with their policies. We consistently gather market feedback, assess market trends and industry dynamics regularly, and stay alert about emerging consumer trends to gauge preferences. These policies enable us to curate a well-balanced assortment of goods that align with customer demands.

Besides, alongside our social media marketing efforts, we have adopted performance marketing, retention marketing, and influencer marketing initiatives. Through our new loyalty program for our *YesStyle influencers* launched in May 2022, we offered more programs and incentives to motivate our influencers' performance. By leveraging the broad follower base that KOLs and influencers have, we enhanced our exposure and strengthened customer interactions which enables us to better understand customer demand, expand our consumer reach, and drive product sales. With approximately 334,000 key opinion leaders ("**KOLs**") and influencers from all over the world joining us as of December 31, 2023, our influencer marketing campaigns are a huge success. We will continue to partner with influencers to create interesting videos and posts on various social media platforms to provide us with a wide follower base, reaching a wider audience and boosting our sales.

The perception of our brand is significantly influenced by the multitude of influencers and KOLs we engage to promote our products. We effectively utilise their popularity to promote our brand to the broad audience. The selection of appropriate influencers and KOLs is crucial for the success of our marketing strategies. We take a hands-on approach in sourcing our influencers and KOLs through our channels. During the selection process, we consider various factors such as their follower count, previous content, product categories, market trends, and target audience. We also have affiliate marketing programmes through a US-based affiliate marketing network for those who would like to get paid commissions. Our stringent selection and management policies enable us to effectively manage and nurture our relationships with our KOLs while maintaining a consistent brand image and promoting our products to a broader audience.

Our dedication to carefully selecting and managing influencers and KOLs has been vital in the success of our marketing efforts. We have expanded our reach and enhanced our brand image by collaborating with people who share our brand values and target audience. Moving forward, we remain committed to harnessing the influence of influencers and KOLs to effectively promote our products, while steadfastly upholding a cohesive brand image and staying true to our core values.

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Customer retention

Ensuring the quality and efficiency of our customer service and operations is paramount to maintaining customer loyalty. We have assigned our in-house personnel and carefully chosen third-party service providers to handle these crucial customer service activities, such as our outsourced customer service centre in Manila. However, outsourcing could potentially pose challenges in maintaining consistent standards across all processes. We have implemented a stringent selection process to thoroughly evaluate and closely monitor the performance of our service providers, which allows us to uphold the standards we have set for customer service across our customer service operations.

Customer engagement

We highly value the opinions and feedback of our customers and encourage them to share their thoughts on our websites, mobile app, and social media platforms. We continuously improve our product selections based on the valuable market insights received from customer and we regularly share them with our suppliers and brand partners.

To maintain a positive and constructive environment, we have implemented internal control measures to monitor and address any inappropriate, false, or hostile product reviews before reviews are published on our websites and mobile app. For text-based reviews, we have incorporated an internal word filter that identifies reviews based on specific criteria. If a review is flagged by the word filter, it is then subjected to further analysis by our editorial team. Furthermore, our content team conducts thorough examinations of all aspects of customer reviews, including any attached photos and videos. This additional review process allows us to assess the content and determine its suitability for publication, ensuring that the reviews align with our standards and guidelines before they are published.

To cater for our diverse international audience, our content is available in 7 major global languages: English, French, German, Spanish, Italian, Dutch, and Chinese. This multilingual approach ensures that we can effectively communicate with customers from different regions and provide them with a seamless experience in their preferred language.

Return and exchange policies

We value our customers experience and their loyalty. We strive to acquire and retain customers, thereby contributing to our continued success. We are pleased to report that there were no significant order cancellations by our valued customers across all our product offerings during the Reporting Year. We have implemented flexible return and exchange policies to ensure the highest level of customer satisfaction and alleviate any concerns while shopping on our websites and mobile app. Our customers have the option to return or exchange their purchases within 14 days, without the need for any explanation, depending on the product category and specific conditions. We have implemented tailored return and exchange policies for each of our platforms and product categories. Details of the policies are listed below:

YesStyle	YesAsia's E-commerce platform	AsianBeauty Wholesale
<ul style="list-style-type: none"> Covers specific fashion, accessories, lifestyle, beauty, personal hygiene, and grooming products. Customers can return unwanted items, replace defective products, or exchange for a different size, within the prescribed time periods. Return and exchange period is generally 14 days from the date of order receipt, varying based on the product type. Size exchanges are available for eligible fashion and lifestyle items within 14 days. Returned items must be in their original packaging and in mint, unused condition. Incomplete returns may not be accepted. 	<ul style="list-style-type: none"> Applies to video, music, selected TV shows, concerts, music videos, anime, collectibles, and toys. Offers a 14-day return period. Defective items are eligible for exchange, except for selected game items and TV set-top boxes. 	<ul style="list-style-type: none"> Returns or exchanges are primarily accepted for defective items. We offer free shipping for replacement items sent to customers, regardless of whether the original product is defective or requested for exchange. Customers are typically responsible for covering the shipping expenses when returning a product to us, except in cases where the return or exchange is due to a defective item.

Our suppliers bear full responsibility for ensuring the quality of the products they provide. In the event of receiving defective products, we reserve the right, at our discretion, to return them to the suppliers, minimising potential losses on our end. It is important to note that, within the permissible bounds of relevant laws and regulations in Hong Kong, we generally do not offer warranties on the products we sell, including warranties of merchantability or fitness for a specific purpose. However, if our suppliers provide warranties for defects in materials or workmanship, we may, at our discretion, assist customers in shipping the products to the relevant suppliers for repair or exchange.

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To guarantee the delivery of high-quality products to our customers, our warehouse team conducts a comprehensive inspection of all products upon arrival. Each item is tagged with barcodes and connected to our inventory management system. Also, we perform a second round checkings during the fulfilment process to minimise errors in delivering defective or incorrect goods. These measures ensure that our customers receive the best products and reduce the probability of any discrepancies or issues with their orders.

Loyalty program

As part of our retention marketing strategy, we have introduced the *YesStyle Elite Club*, a robust loyalty program designed to incentivize repeat purchases and cultivate customer loyalty. We currently receive approximately 11,617,000 members for support as of 31 December 2023. This program operates on a four-tier membership structure – Regular, Bronze, Silver, and Gold – with each tier offering exclusive membership discounts, coupons, and special promotions, including personalised birthday offers. Members can advance to higher tiers by accumulating program tokens through various activities such as making purchases, writing product reviews, and downloading applications. We continuously review and enhance this program to ensure it delivers exceptional value and rewards to our esteemed members.

Enquiries handling

Our customer service team thoroughly records, scrutinises, and evaluates all inquiries related to our products and delivery services. Any issues that arise are promptly addressed by our logistics and service team, following the guidelines provided by our customer service department. Our dedicated customer service staff follows up with customers every day to ensure their satisfaction and answer questions through the original communication channel. All customer service staff are required to use their login account to deal with customer enquiries, allowing us to track and evaluate their performance, thereby enabling us to identify areas of improvement and provide necessary support and guidance to enhance overall productivity and customer satisfaction.

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For enquiries related to product quality, we have developed a procedure to resolve this in a timely and efficient manner:



- We review customer comments and gather detailed facts to gain a comprehensive understanding of the issues.
- Our quality team investigates our operating procedures and extends to our suppliers and manufacturers to understand their processes if necessary.
- We seek to identify any inaccuracies, oversights, or errors during the production or quality assurance process.
- Based on the findings, we take appropriate measures, e.g. repair, replacement, offering discount to address the complaint.
- We ensure our customers are satisfied with the solution provided.

Throughout the Reporting Year, our Group received a total of 81,806 product and service-related inquiries, all of which were resolved satisfactorily. We are pleased to report that there were no material complaints from customers that had a significant adverse impact on our business. Likewise, the Group did not make any material compensation to customers due to product liability claims or customer complaints.

	Number of enquiries		Number of cases resolved satisfactorily	
	2023	2022	2023	2022
Product and service-related enquiries received ¹	81,806	46,559	81,806	41,229

¹ Our customer service team defines and considers “enquires” as all emails and enquiries received in relation to product exchange or refund.

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Customer relationship management (CRM)

We ensure customers' satisfaction and foster loyalty to our brand by harnessing data and insights to create a highly customised user experience. The Group integrate a sophisticated customer relationship management (“CRM”) system that leverages advanced conversational artificial intelligence (“AI”) technology to provide exceptional customer service. The use of AI technology in our CRM system allows us to offer exceptional customer service while maximising our business revenue. It enables us to automatically analyse and extract data, intent, and tasks from comprehensive customer interactions on a 24/7 basis, ensuring prompt and efficient assistance for our customers.

Beyond delivering high-quality customer service, our CRM system also enables us to create personalised user experiences based on their behaviours. We monitor customer entry points, product preferences and track the rate of their repeat orders, acquiring valuable insights into the most effective revenue-generating channels. This can optimise our communication strategy, effectively targeting our marketing efforts and maximizing revenue.

Furthermore, we offer multiple channels for customer queries and complaints, including online written instant messaging, phone calls, our official accounts on various social media platforms, and emails to our customer service team or even directly to our Chief Executive Officer (“CEO”). We also partnered with different service providers in key countries where we generate revenue, such as the United States and Canada to offer return merchandise authorisation services, customer relationship management, and customer contact management solutions. This includes support through email and other electronic channels, ensuring effective customer interactions.

SAFETY FIRST

Associated Aspect with the HKEx Guide:

B2 Health and Safety

Connection with United Nations Sustainable Development Goals (UN SDGs):



At our Company, we prioritise the safety and well-being of our employees. Our commitment to safety and proactive approach to emergency preparedness reflects our dedication to protecting our employees and maintaining the continuity of our business operations. We are fully committed to complying with all health and safety statutory requirements and strive to exceed them whenever possible.

We acknowledge that unexpected events, such as natural disasters or unforeseen circumstances, can disrupt our operations. To address this, we have established a robust business continuity plan that enables us to prepare for contingencies and minimise the impact on our operations. Our teams at all company sites work diligently to implement preventive measures that help reduce the risks of injuries and operational disruptions. In the event of an emergency, we have established evacuation procedures, and designated personnel are responsible for assisting in the evacuation process. These personnel also conduct roll calls at designated assembly points to ensure the safety and accountability of our employees.

To maintain a safe and healthy work environment, we have implemented a strict no-smoking policy in all enclosed areas within our workplace, which encompasses private offices, conference rooms, warehouses, common areas, pantries, washrooms, and reception areas. We enforce this policy consistently across all our facilities to ensure the well-being of our employees.

We take our occupational safety and health measures very seriously. Our respective human resources, administration department and department heads, conduct periodic spot checks to ensure that safety protocols are being implemented and followed consistently throughout the organisation. This demonstrates a top-down approach to safety management.

We are not aware of any substantial violations of laws and regulations related to workplace safety and employee protection against occupational hazards, including the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong), throughout the Reporting Year.

Insurance policies

We have implemented the following insurance policies tailored to the needs of our headquarters and key operation sites in Hong Kong:

- 1) An employees' compensation insurance in compliance with the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) to cover compensation and costs liable by our Group for personal injuries to employees in Hong Kong in the course of employment with us;
- 2) A group life insurance that offers coverage for employees in Hong Kong in the event of death or disability during their employment with us;
- 3) A group medical and dental insurance that provides coverage for hospitalisation, surgical procedures, and clinical expenses for employees in Hong Kong throughout their employment with us;
- 4) A robust cyber security and privacy protection insurance policy that covers losses resulting from data privacy breaches, security and privacy liabilities, and cyber extortion threats;
- 5) A directors' and officers' liability insurance policy that provides coverage for legal actions brought against the directors and officers of our company;
- 6) An office insurance policy specifically designed to protect our office premises and office equipment in Hong Kong, covering primarily focuses on mitigating losses resulting from burglary, damages to insured property, and increased costs due to business interruptions;
- 7) An insurance for our warehouse to cover any damage or loss to our stocks and equipment in the warehouse; and
- 8) A product liability insurance for health and supplement products;

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Our Company fully complies with labour insurance regulations in both Japan and South Korea. In Japan, we fulfil our legal obligations by ensuring the payment of health, welfare, and labour insurance.

In Oct 2023, it is unfortunate that an employee was accidentally run over by the electrical forklift at our warehouse in Tsing Yi. We are saddened to report that 1 work-related injury and 92 workplace injury-related lost days were recorded during the Reporting Year. We have filed the case with employee compensation insurer. Due to the ongoing medical support required, the case remains open and is pending closure. In order to reduce the likelihood of such accidents happening and enhance work environment safety, we have limited the usage of electrical forklifts to certified team members who have undergone specific forklift training only. Besides, 12 of our Hong Kong warehouse staff attended comprehensive occupational health and safety training provided by the Occupational Safety and Health Council after the accident to ensure they are well-prepared to handle potential occupational safety hazards.

	2023	2022	2021
Number and rate of work-related fatalities	0 (0%)	0 (0%)	0 (0%)
Lost days due to work injury	92	0	0

CYBERSECURITY AND PERSONAL DATA PROTECTION

Associated Aspect with the HKEx Guide:

B6 Product Responsibility

Connection with United Nations Sustainable Development Goals (UN SDGs):



Cybersecurity

The Company places great importance on the protection of electronic information. We have stringent measures in place to safeguard the confidentiality, integrity, and availability of all electronic data. This includes the development of our own software, systems, and technical tools, as well as partnering with reputable third-party technology service providers when necessary. Our IT infrastructure comprises a range of in-house developed technologies that support our front-end, back-end, catalogue, and data-mining systems.

Ensuring the secure transmission of confidential information over public networks is one of the top priorities for us. We are fully committed to maintaining the highest level of security and protection for all electronic information under our care and have implemented strict policies. We have partnered with a trusted third-party service provider to manage our servers, ensuring our operations remain consistent and without interruption. In the case of system breakdowns, we have insurance coverage that protects us from any additional costs brought on by business interruptions in the event of system failures.

Apart from this, we also place a strong emphasis on implementing robust physical and logical access control management to enhance data security. We employ measures such as restricted entry to sensitive areas, the use of identity badges or access cards, and surveillance systems to monitor and control access to our facilities. These measures help ensure that only authorized personnel can access critical areas where personal data may be stored or processed. Regarding logical access control, we employ secure browsing and electronic data transfer configurations, such as implementing secure protocols, encryption, and firewalls to protect data during transmission and prevent unauthorised access. Only authorized personnels are granted logical access to systems containing sensitive data and access logs are kept. We regularly update these configurations as necessary to address emerging threats and maintain the utmost security.

During the Reporting Year, we took proactive measures to enhance our data protection measures and ensure compliance with **Relevant Data Privacy Laws and Regulations** across our key business jurisdictions. We engaged a Hong Kong-based IT consultant to conduct a comprehensive review of our IT systems and internal control policies related to personal data protection. The reviewer assesses our readiness and identifies any gaps in compliance with data privacy laws, such as the Personal Data (Privacy) Ordinance in Hong Kong, the General Data Protection Regulation (“**GDPR**”) in the European Union, the California Consumer Privacy Act in the US, the Personal Information Protection Act (“**PIPA**”) in Korea, and The Protection of Personal Information Act in Japan. If gaps are identified, they assist us in addressing the identified gaps through remediation efforts and conducting a re-assessment of key business process areas.

Ensuring a secure environment for accepting, processing, storing, or transmitting credit card information from customers is a top priority for us. In 2023, we conducted a penetration test to assess the security of our systems following the requirements of the Payment Card Industry Data Security Standard (“**PCI DSS**”). Following the fixes and improvements of risks identified by the test findings, a verification test (re-test) was conducted to ensure that the necessary security measures were effectively implemented. Besides, we have migrated our services to cloud data centres. Major systems are now hosted in Cloud platform with better reliability and extendibility.

As we continue to develop our websites and mobile app, we anticipate a significant increase in real-time traffic and orders. To accommodate this growth, we have replaced the load balancers of our websites to support higher website traffic. Intrusion Detection System (IDS) also has been setup in our cloud platform to detect security issues. In the near future, we will implement more cybersecurity measures such as Distributed Denial of Service (DDoS) protection and Web Application Firewalls (WAF) to ensure the safety and privacy of our customers’ personal data.

We take great pride in keeping our websites and mobile app up to date, ensuring a seamless and enjoyable experience for our customers while reinforcing our professional brand image. The launch of our integrated YesStyle mobile app and Web journeys offers a range of exciting new features like image-based product search and location-based personalization, adding convenience and personalization options for our customers. During the year ended 31 December 2023, there had been approximately 4,043,000 downloads of our YesStyle mobile app.

Product orders and transactions

Customers place product orders and make payments through our websites and systems. We aim to instil confidence in our customers when visiting and making purchases on our platforms. Therefore, it is important to ensure the complete security of the transmission of confidential information during transactions, such as credit card information, personal details, billing and delivery addresses.

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During the Reporting Year, we have not received any claims related to breach of confidential information due to platform vulnerabilities or confidentiality violations by our Group or our third-party service providers (e.g. courier companies), nor suffered any material adverse impact arising therefrom.

Payment methods

To ensure convenience for our customers, we provide a wide array of payment methods, including bank transfers, credit cards, and third-party online platforms like PayPal, Apple Pay, Credit card, Sofort, iDeal, Google Pay and cryptos. However, we are aware of the potential risk that may arise from third-party payment processing. To ensure a smooth and safe transaction, we collaborate with payment gateway companies that diligently monitor our merchant accounts. Furthermore, we have deployed a fraud detection system that identifies suspicious transactions and carefully scrutinises them on a case-by-case basis with our dedicated online credit team.

During the Reporting Year, we have not experienced any significant occurrences of payment fraud that had a substantial and negative impact on our operations or financial position. We also comply with various rules, regulations and requirements, both regulatory and non-regulatory, that govern electronic funds transfers.

Privacy and personal data protection

The security of customer data is one of our top priorities. We collect, receive, store, and process various types of personal, transactional, and behavioural data from our customers through online sales orders, newsletter subscriptions, account registrations, influencer programs, and other marketing campaigns. We ensure that these data are stored and retained within the period specified by applicable laws and regulations, after which they are securely deleted. Before collecting personal data, we obtain explicit consent from data subjects. We also provide procedures for customers to easily opt out of their consent if they choose to do so. The processing of personal data is governed by our organisation-wide privacy policy, terms of use, and IT security policy. These policies are available on our websites and mobile app, and we strongly encourage our customers to read and familiarise themselves with these policies when signing up for an account.

Protecting personal information, including that of customers and staff members, is important to our business. We have published our privacy policy on our online platforms and mobile app to inform our customers about how their personal information is collected and used, and their corresponding rights. We have also established internal policies for our staff members on how to handle personal data.

Our internal control functions on personal data protection have been reviewed by our IT consultant, to make sure our data protection policy is adequate and effective, with no significant control deficiencies identified. We strive to comply with the major provisions of the European Union's General Data Protection Regulation, which has worldwide coverage regardless of the business's registered location. We believe that we have implemented sufficient measures to safeguard the personal information of our visitors and customers.

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To ensure the secure transmission of customer information, we employ a secure server that encrypts all data input by customers using Secure Sockets Layer (SSL) technology. This encrypted data is securely protected against unauthorized access and stored in our encrypted database. We collect personal data primarily for procurement, promotional, and customer service purposes. We only share this data within our Group and, if necessary for normal business operations, with key service providers such as shipping vendors, billing and refund vendors, and payment processors. Data processing activities within our Group are registered and maintained with defined data classification, legal justification, and retention schedules. We conduct data protection impact assessments for each registered data processing activity, which are approved by our data protection officer. Customers can also contact us to have their personal information removed from our database.

Security and readiness enhancement

We strive to foster a culture of security awareness and readiness throughout our organization. Employees who handle personally identifiable information are required to attend comprehensive training sessions on data-related matters and privacy practices annually. These training sessions are designed to equip our employees with the knowledge and skills necessary to navigate any potential risks that may arise during our day-to-day operations. This year, 366 employees attended our compulsory annual data privacy training. Our dedicated team seek to provide engaging training materials, informative seminars, and challenging email quizzes to ensure they remain well-informed and prepared.

Furthermore, our IT team is constantly exploring new software features and advancements to enhance our security measures. We prioritise the continuous training of our employees on the use of these technologies. We understand the importance of staying up to date in the ever-evolving e-commerce industry, and we provide specialised training that focuses on technological advancements and consumer trends. By doing so, we strive to maintain a knowledgeable and skilled workforce that can effectively address security challenges and adapt to industry changes.

Code of conduct

We expect all our employees to have high standards of conduct in handling personal data, and adhere to the business principles and ethical responsibilities outlined in our employee handbook. The employee handbook serves as a comprehensive guide that communicates our policies and expectations regarding data privacy and confidentiality to all employees. Any updates to the employee handbook are shared via email, and they are expected to review and understand the updated provisions. Besides, all employees are expected to sign a general non-disclosure agreement statement upon employment to foster a strong commitment to data privacy and maintain compliance with relevant laws and regulations throughout our organisation.

Regulations and compliance

During the Reporting Year, the Company has been in compliance with the relevant Data Privacy Laws and Regulations, including the Personal Data (Privacy) Ordinance in Hong Kong, the Act on the Protection of Personal Information in Japan, the Personal Information Protection Act and the Act on the Use and Protection of Credit Information in South Korea, and with no non-compliance cases observed.

QUALITY FIRST

Associated Aspect with the HKEx Guide:

B6 Product Responsibility

Connection with United Nations Sustainable Development Goals (UN SDGs):



Quality control of products

We strive to maintain high product quality and minimise inconvenience for our customers. We have established a rigorous vendor selection process that involves scrutiny of our suppliers. During this process, we evaluate suppliers based on market data, customer feedback, and reviews to assess their reputation and brand value.

Upon receiving goods from our suppliers, our product support or operation team conduct thorough quality checks to identify any defects or damages. We also conduct random inspections to ensure that we receive high-quality products that meet our standards. Our team works closely with our suppliers to address any issues that may arise.

We take pride in delivering products that meet our customers’ expectations and strive to maintain a high level of accuracy and reliability in our operations. Before delivering products to customers, our logistics team verifies each package against the customer’s order record stored in our system. Each product is scanned and confirmed that the specifications and quantity match their order.

We greatly value customer feedback and reviews, as they provide valuable insights into the quality and performance of our products. We actively monitor the reviews about the products posted on our E-commerce platforms to stay informed about their experiences and identify any areas for improvement. To ensure customer satisfaction, we have clear policies and procedures for returns on our E-commerce platforms. If a customer contacts us with an inquiry or concern about a product, we conduct a thorough examination and investigation to ensure that it meets the quality standards specified on our platforms. We take these inquiries seriously and strive to provide prompt and accurate responses to address any concerns with the help of our supportive suppliers.

We offer various communication channels to our customers, including chatbots, email support, and direct communication with our CEO, to allow them to raise concerns or inquiries about a product. If a complaint is received, we conduct a thorough investigation to determine if there is a genuine issue with the product. If it is determined that there is a genuine problem, we hold the supplier accountable by requiring them to issue a refund or make a replacement.

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Health and safety matters related to products and services provided

We have implemented requirements for our upstream suppliers to ensure that the products sourced from them are in compliance with the European Union's Registration, Evaluation, Authorization, and Restriction of Chemicals ("REACH") regulations. While our fashion, lifestyle, and entertainment products typically do not have specific expiry dates or product life cycles, beauty products with expiry dates generally have a shelf life of 2-3 years from the manufacturing date. To guarantee the safety of products containing chemicals, we request testing reports or certificates from our suppliers. In cases where such documentation is unavailable, we thoroughly assess the product's ingredients to ensure they are free from harmful chemicals before making them available on our platforms.

We remained compliant with applicable laws and regulations, including the Consumer Goods Safety Ordinance in Hong Kong, the Four Product Safety Acts in Japan, the Product Liability Act in Korea. Our company diligently monitors and addresses any potential violations to uphold our commitment to the highest health and safety standards. In the rare event of potential safety or quality issues with our products, we take immediate action by conducting product recalls. During the Reporting Year, we maintained a great record of product quality, with 0% of the total products we total sold or shipped being subjected to recalls for safety and health reasons.

	2023	2022
Percentage of total products sold subject to recalls for safety and health reasons	0%	0%

Inventory management

Our Company maintains a diligent approach to inventory management to mitigate the risk of inventory obsolescence. We employ a dedicated inventory control team that provides monthly reports, while our operations team conducts annual stock-takes to ensure optimal inventory levels. Slow-moving inventories, which refer to products that have not been sold within a designated timeframe, are identified by our inventory control and marketing teams. Our marketing team analyses the data and determines appropriate discounts for these products to facilitate their sale. These discounted items are prominently featured during our clearance sales campaigns or in a dedicated discount section. In terms of our inventory turnover, the number of days it takes for our inventory to be sold and replenished in 2023 and 2022 are approximately 64 and 69 days, respectively.

To mitigate the need for inventory write-offs, our operation support team regularly assesses products in poor packaging conditions or those nearing expiration, as applicable. Before initiating write-off requests, we first explore possibilities of product exchanges with our suppliers. Also, our inventory control team may request write-offs for slow-moving products that cannot be effectively sold through clearance sales or discounts. Considering the shelf life of most beauty products, which is typically around two to three years, the bulk purchases made in or before 2023 are still within their appropriate usage period and have not encountered any material issues related to expiration.

2023 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Labelling

During the Reporting Year, our Company engaged multiple suppliers based in Asia and North America to procure our products. We rely on the product descriptions, claims, and labelling provided by these suppliers. However, some products received from our suppliers may have defects, substandard quality, or insufficient descriptions, warnings, or labels.

We have implemented robust content monitoring processes to ensure product safety. Besides, we maintain product liability insurance to provide an additional layer of protection in the event of any incidents or claims. To address incidents and claims related to product description and warning that occurred between 2017 and 2023, we have taken proactive measures to enhance our internal control measures. These additional controls aim to prevent the recurrence of similar incidents in the future and uphold the highest standards of product quality and safety:

- 1) As advised by our US legal advisor, we have implemented measures to comply with the requirements of Proposition 65 in California. For customers intending to purchase products from our E-commerce platforms that contain chemicals falling within the scope regulated by Proposition 65, we have ensured that requisite compliant warnings are displayed. Additionally, we have provided clear guidance to our employees on the application of appropriate warning labels on certain products when necessary, under the laws of California;
- 2) Regarding the labelling and warning instructions on our products, our product team conducts an annual review of the updated product safety and consumer protection legislation. In response to any modifications or new requirements, we promptly update our internal control policies and operation protocols;
- 3) To provide accurate and reliable product information, we only publish information obtained from official sources and trusted suppliers;
- 4) We have implemented a vendor acknowledgement letter system to strengthen our legal protection regarding product information provided by our suppliers and displayed on our website. We have been and will continue to request our key product suppliers to sign these acknowledgement letters; and
- 5) We recognise the importance of ensuring compliance with our obligations on product description and warning under our commercial arrangements with product suppliers and customers. To strengthen our compliance efforts, we will engage legal advisers to conduct a thorough review of these obligations.

Throughout the Reporting Year, we did not encounter any significant claims related to product liability, product description, warnings and labelling, nor did we experience any material adverse impacts resulting from such claims. Additionally, our company remained unaware of any major violations of product responsibility laws and regulations related to labelling, including but not limited to the Fair Packaging and Labelling Act (“**FPLA**”) in the United States, the General Product Safety Directive 2001/95/EC (“**GPSD**”) in the European Union, and the Trade Descriptions Ordinance in Hong Kong, which could have had a substantial impact on our operations.

PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

Associated Aspect with the HKEx Guide:

B6 Product Responsibility

Connection with United Nations Sustainable Development Goals (UN SDGs):



As a company that offers products produced by third-party manufacturers, we acknowledge the possibility that some of our products may infringe the intellectual property rights of third parties if no proper authorization is obtained. To address this concern, we have implemented measures to minimise potential infringements. One of our key practices is incorporating relevant terms and conditions in our supplier agreements, which outline the requirement for our suppliers to ensure proper authorisation and compliance with intellectual property rights. Additionally, we conduct thorough background checks on new suppliers and review their track records for the past 3 years, focusing on brand owners and authorized distributors. When entering into agreements with our brand partners or suppliers, they usually grant us licenses that permit us to use their intellectual property to sell and promote their products. These licenses have expiration dates that align with the duration of the respective supplier agreements.

To address the intellectual property claims in 2019 and prevent similar incidents from occurring in the future, we have implemented the following additional internal control measures:

- 1) **Prompt Removal of Alleged Products:** Upon internal investigation, we have taken immediate action to remove the alleged products and any similar products from our websites. This ensures that potentially infringing products are no longer available for sale.
- 2) **Strengthened Control Measures for Product Information:** We have enhanced our internal control measures over product information displayed on our websites and mobile app. Suppliers are now required to provide product descriptions and photos, which undergo a thorough review by our product team and content team before being published on our E-commerce platforms and mobile app.
- 3) **Regular Checks for Copyright and Trademark Infringements:** We conduct regular checks on product information and images that are displayed on our E-commerce platforms and mobile app. These checks involve comparing the information against our internal database to identify any potential copyright or trademark infringements.
- 4) **Vendor Acknowledgement Letters:** We have implemented and will continue to request the signing of vendor acknowledgement letters with our key product suppliers. These letters enhance our legal protection by ensuring that our suppliers acknowledge and take responsibility for the accuracy and legality of the product information they provide which further strengthens our position in terms of product information displayed on our websites and mobile app.

2023 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Year, we were not involved in any material disputes or claims, regarding infringement of intellectual property rights with third parties. We also did not receive any intellectual property claims or make any such claims.

	2023	2022
Material disputes or claims, regarding infringement of intellectual property rights with third parties	0	0

Content monitoring

At our Company, we strive to deliver high-quality content across our websites, mobile app, and social media platforms. We use original photos and videos created by our team and materials from our trusted suppliers only.

To protect ourselves from potential legal claims, we have established a practice of requesting our suppliers to sign vendor acknowledgement letters for our key products. This process ensures that we are not held liable for any issues arising from promoting or selling their products, such as infringement of third-party intellectual property rights, non-compliance with applicable laws and regulations, or concerns related to product labelling and safety matters.

In addition, our platform allows registered users to upload various types of content, including user profiles and product reviews. However, before registration, we require users to confirm that their content complies with relevant laws and regulations and does not infringe upon the legal rights of others, including copyright. We have also established a dedicated content monitoring team that actively works to identify and prevent the public release of inappropriate or illegal content.

Insurance policies

To minimise the potential impact of intellectual property rights infringement, we have taken proactive measures by securing a cyber insurance policy, which provides comprehensive coverage against a range of legal issues related to intellectual property, including copyright, trademark, and domain name infringement. It also offers protection against liabilities associated with invasion of privacy, plagiarism, false light, and other media-related issues. This coverage helps provide financial support and protection if such issues arise, ensuring that we can address any claims or liabilities effectively.

Employee Benefits and Welfare

Associated Aspect with the HKEx Guide:

B1 Employment

Connection with United Nations Sustainable Development Goals (UN SDGs):



As part of our human resources strategy, we provide competitive remuneration packages that include basic wages, variable wages, bonuses, and other benefits based on our business performance. Employees are eligible for discretionary performance bonuses and medical insurance coverage once they have completed their probationary period. The company ensures compliance with the Mandatory Provident Fund Schemes Ordinance in Hong Kong by providing a defined contribution to the Mandatory Provident Fund for eligible employees, calculated based on a percentage of their basic salary, helping employees build their retirement savings.

The Group aims to create a fair and supportive work environment where employees are aware of their rights and entitlements. The Employee Handbook outlines our policies and procedures, including recruitment and dismissal processes, benefits and welfare, working hours, rest arrangements, equal opportunities, anti-discrimination measures, and other rights and benefits for employees.

We aim to attract and retain talented individuals who contribute to our overall success. We regularly review employees' performance and use these reviews as a basis for discretionary performance bonuses, salary reviews, and promotions. Our corporate culture reflects the values instilled by our founders. We understand that the future prosperity of our business relies heavily on the dedication of our key personnel, particularly our founders. To ensure continued growth, we focus on attracting, training, and retaining qualified individuals, particularly in management, technical, marketing, and other operational roles across different geographic locations.

To foster a positive work environment, our management has nurtured a customer-centric corporate culture that values respect, dignity, teamwork, innovation, and high-quality work. These core values, combined with people development programs and incentive plans, have greatly inspired and motivated our employees. We ensure that all company events, activities, and policy updates are accessible to our employees. To promote team building and foster a positive work environment, we have organised various events such as Online Game Competitions, Enchanted Mid-Autumn Festival Activities, and World Cup FIFA Competitions across our offices in Hong Kong, Japan, and Korea. Many of our team members have chosen to stay with us for a long period, demonstrating their satisfaction and loyalty. As of 31 December 2023, the average length of employment for our senior and mid-level employees (at assistant manager rank or above) was more than 11.16 years.

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We are dedicated to complying with all relevant employment laws and regulations concerning compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. Throughout the Reporting Year, we were not aware of any significant violations of these laws and regulations that could have had a significant impact on our Group, including but not limited to the Employment Ordinance, the Sex Discrimination Ordinance (SDO), the Disability Discrimination Ordinance (DDO), the Family Status Discrimination Ordinance (FSDO), the Race Discrimination Ordinance (RDO), and other applicable regulations in South Korea and Japan.

Business development team in South Korea

In addition to our local product teams in South Korea, Japan, and Hong Kong, we have established a business development unit under our Korean product team. This dedicated team is focused on enhancing the sourcing capacity of our Korean product team by building and nurturing positive relationships with both existing and potential suppliers, as well as gathering valuable feedback. The members of the team possess strong proficiency in the Korean language and have an in-depth understanding of the South Korean market. Their expertise allows us to effectively navigate the local business landscape and identify strategic opportunities for our Group. Considering the current circumstances, we have no plans to expand the size of our Korean business development team. However, we recognise the value and importance of this team in supporting our operations and maintaining a strong presence in the South Korean market. We will continue to invest in their professional development and provide them with the necessary resources to ensure their success in driving business growth.

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The employee turnover rate and headcount as of 31 December of the relevant financial year are as follows:

	Number of people		Turnover rate ²	
	2023	2022	2023	2022
Total	454	489	26.9%	33.5%
Gender				
Male	141	147	18.4%	22.4%
Female	313	342	30.7%	38.3%
Employment type				
Full-time	442	473	24.2%	30%
Part-time	10	16	140%	138%
Fixed term/contract	1	–	–	–
Apprentices and Interns	1	–	100%	–
Age group				
18–24	27	53	74.1%	34%
25–34	204	217	35.3%	47.9%
35–44	102	120	16.7%	13.3%
45–54	98	82	9.2%	25.6%
55–64	23	17	13%	29.4%
Geographical region				
Hong Kong	431	466	27.6%	33.7%
Japan	6	6	0%	0%
South Korea	17	17	17.6%	41.2%
Employee level				
Senior management	27	27	3.7%	18.5%
Middle management	123	114	8.9%	10.5%
General staff	304	348	36.2%	42.2%

² Turnover rate = Number of employees resigned in sub-category / total number of employees in sub-category x 100%

Procurement and Supply Chain Management

Associated Aspect with the HKEx Guide:

B5 Supply Chain Management

Connection with United Nations Sustainable Development Goals (UN SDGs):



As a company based in Hong Kong, which serves as a prominent logistics hub worldwide, our Group maintains high levels of efficiency for our warehousing, fulfilment, and delivery functions. We have established local product teams in South Korea, Japan, and Hong Kong, responsible for sourcing products which align with our customers' needs.

Our suppliers are categorised into two groups: product suppliers and other suppliers. Product suppliers primarily provide fashion and lifestyle, beauty, and entertainment products, while other suppliers offer logistics services, payment gateway services, and online advertising services. To deliver our products, we collaborate with major local and international courier companies and utilise third-party couriers.

Maintaining strong relationships with both existing and new suppliers is a priority for our Group. We seek suppliers who can adapt to rapidly changing consumer preferences and offer attractive products. When selecting new suppliers, we rely on our industry knowledge, market research, and feedback from current customers about brands and products. We also conduct thorough inspections to ensure suppliers meet our standards for quality, safety, occupational health, training, and anti-corruption measures. Additionally, our product support team conducts random sample checks on new suppliers to ensure consistent quality.

To ensure the stability of our supply chain system, the Group conducts annual review to evaluate the quality, cost, delivery and service standard of the suppliers in meeting our requirements. Additionally, we have incorporated environmental and social performance as one of our evaluation criteria, which emphasises reducing plastic consumption, minimising paper usage, increasing the use of recycled content in packaging materials, and promoting other environmentally preferable practices. This reflects our commitment to working with suppliers and business partners who prioritise social and environmental risks. For beauty products that may involve the use of chemicals, we require testing reports or certificates from our product suppliers to ensure the products we sell do not contain harmful chemicals. Specifically, for beauty products sourced from South Korea, we ensure that they have not undergone any animal testing during their production processes. Suppliers who consistently fail to pass our yearly evaluation are required to take corrective action or they may face suspension or removal from our approved vendor list. In extreme cases, we may even consider blacklisting the supplier.

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Our Group follows a strategic approach that minimises dependence on any specific product or service supplier, enabling us to maintain flexibility and adaptability in our operations. We can easily adjust or terminate agreements with short notice if necessary and respond swiftly to changing business needs or unforeseen circumstances. We establish service agreements with a range of third-party providers to meet our various business needs. These providers include technology service providers, couriers, goods transition centres, contact centres, outsourced labour for our Hong Kong warehouses, and payment gateway service providers. This diversified approach allows us to leverage the strengths and capabilities of different providers, mitigating risks associated with relying on a single source.

Suppliers³ by geographic region and category

In 2023, we sourced our products mainly from brand owners and resellers in Asia and North America, either directly or through third-party e-commerce platforms. Our primary product suppliers were located in Japan, South Korea and the People's Republic of China ("PRC"). The number of suppliers by geographical region and number of suppliers where the practices relating to engaging suppliers are implemented during the Reporting Year are as follows:

	2023	2022
Total	24,322	18,662
Geographic region		
Hong Kong	188	97
Japan	169	52 ⁴
South Korea	448	373
PRC	23,452	18,107
Asia (except regions mentioned above)	59	27
Americas	6	6
Assessment criteria		
New suppliers	6,804	7,822
New suppliers assessed	6,804	7,822
Existing suppliers assessed	17,518	10,840
Numbers of suppliers relevant for corporate social responsibility assessment	181 ⁵	88 ⁶

³ For the purpose of this KPI (B5.1, 5.2), only product suppliers have been considered.

⁴ Includes consignment suppliers.

⁵ 181 South Korea beauty product suppliers provided us with cruelty-free and vegan products.

⁶ 88 South Korea beauty product suppliers provided us with cruelty-free and vegan products.

DIGITAL INNOVATION

Associated Aspect with the HKEx Guide:

B2 Use of Resources

Connection with United Nations Sustainable Development Goals (UN SDGs):



Innovation and technology are crucial factors driving the growth and improvement of the logistics industry. By harnessing the power of technology, companies like ours can adapt to the evolving needs of customers and build resilient supply chains that cater to rapidly changing markets. Besides, we can streamline processes, optimise efficiency, and improve overall performance across our logistics network. We recognise the importance of technology in providing sustainable solutions and taking a leading role in accelerating the transformation of the industry. Our group is ambitious in adopting new technologies and is committed to staying at the forefront of innovation to enhance our operations and deliver exceptional services to our customers.

Robotics & Automation

The Group has made significant strides in embracing technology and innovation by constructing a state-of-the-art Smart Robotics Warehouse in Tsing Yi, Hong Kong. Located at the renowned Goodman Interlink, this warehouse is one of the tallest facilities of its kind globally. We deployed 161 autonomous mobile robots (“AMRs”) at this Smart Robotics Warehouse that play a vital role in improving order processing efficiency. These AMRs are equipped with voice-picking technology, enabling seamless and accurate retrieval of items during the order fulfilment process. The facility also features enhanced storage racks, optimising inventory management and organisation.

The Goodman Interlink, one of the largest e-fulfilment warehouses in Hong Kong, primarily focuses on increasing accuracy, efficiency, and employee safety. The implementation of the AMRs has resulted in a considerable improvement in the accuracy and efficiency of the pick and pack process. These AMRs are capable to operate 24/7, facilitating the processing of e-commerce orders from different time zones. As a result, the Group can expedite delivery turnaround time and provide exceptional service to its global customer base.

Furthermore, the AMRs autonomously transfer goods to warehouse operators, contributing to an overall fulfilment process that is both accurate and efficient. This intelligent automation not only enhances productivity but also reduces the risk of errors, ensuring that orders are processed and shipped with precision.

Digital innovation in supply chain optimisation

Our Group is at the forefront of developing an AI-empowered operating system that revolutionizes supply chain management in the online retailing industry. This AI system navigates the internet to gather comprehensive insights on the latest consumer trends and features, and generates in-depth analyses with the use of advanced AI algorithms, that serve as a foundation for understanding market demands.

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To further enhance our understanding of consumer preferences, we actively engage with influencers through various interactive channels. These influencers have a direct connection with their fans and provide valuable feedback on their demands. We then shared it within our company and integrated it into the supply chain, allowing for quick adjustments in product design and development. Once the design is refined, our supply chain promptly acts on the feedback and passes the products to influencers for market testing. This approach allows us to gauge the market's reaction and make any necessary tweaks before the official launch. By leveraging pre-sale arrangements, our supply chain can minimise the need for heavy inventory stocking, reducing the risk of excess inventory and waste.

Compared to traditional online retailing supply chains, our flexible supply chain model enables faster responsiveness to market demands. With the ability to swiftly adapt to emerging trends, we can launch more trendy items while minimising the risk of product obsolescence or waste. This not only drives business growth but also promotes the sustainable development of the online retailing industry.

Through the integration of AI, real-time trend analysis, influencer feedback, and a flexible supply chain, our Group is at the forefront of innovation. We are dedicated to providing exceptional products that cater to evolving consumer preferences while minimising waste and ensuring a sustainable future for the online retailing industry.

OTHER STANDARD DISCLOSURES – ENVIRONMENTAL

DISCUSSION OVERVIEW

Our Group established an ESG policy with the primary objective of minimising our environmental impact. We identify and evaluate environmental risks based on relevant legal requirements and potential consequences.

During the Reporting Year, we are pleased to report that we did not receive any complaints from our customers, business partners, or any other parties regarding any ESG issues. This indicates that our efforts to address environmental concerns were effective. Furthermore, we did not experience any significant environmental incidents originating from our operations. Our commitment to best practices and adherence to applicable laws and regulations ensured that our operations remained environmentally responsible.

Regarding compliance with environmental laws and regulations, we confirm that our Group did not engage in any significant non-compliance matters. This includes adherence to the Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong), the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong), the Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong), and related regulations in Hong Kong, South Korea, and Japan.

Given the nature of our business as a practitioner in the E-commerce industry, which does not involve manufacturing, our operations are not considered a major source of environmental pollution. As a result, we have not encountered any direct air emissions, wastewater emissions, noise emissions, or significant waste generation. We are not aware of any relevant environmental laws and regulations that would have a significant impact on our business. We are proud to state that we complied with all applicable ESG-related regulations, ensuring our operations align with environmental standards. Additionally, we did not incur any direct ESG compliance costs, as there were no rectification expenses related to non-compliance matters.

ENVIRONMENTAL TARGETS

In our target-setting process, we took a collaborative approach involving our Working Group and external consultants to put forward a proposal for the quantitative and qualitative targets. These measurable and directional targets aim to reduce the carbon footprint of our operations, demonstrating our commitment to environmental protection and climate change mitigation. We carefully reviewed and assessed the proposed targets, making necessary amendments to align them with our specific needs and objectives. Before finalising the targets, we sought review and input from our top executives – the Chief Financial Officer and Chief Executive Officer. The approved targets were then presented to the Board for their final approval, ensuring that the targets were endorsed by our top decision-making body and provided a clear mandate for their implementation.

The papermaking process at an industrial level is known for its high water consumption. Additionally, the significant consumption of paper contributes to deforestation and results in a substantial portion of landfill waste when used paper is not recycled. To address these concerns, we have recognised the need to set short – to mid-term targets for paper recycling and waste reduction against a 2021 baseline, when we began collecting measurable data on paper usage. These targets will apply to the entire Group, encompassing all our business operations and sites.

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During the Reporting Year, we are pleased to report that we have successfully achieved our short-term target of establishing a paper usage reduction mechanism in our Hong Kong offices and warehouses, which had been the main source of paper consumption. Our upgraded Smart Robotics Warehouse has reduced the need for printing out documentation during the fulfillment process and transformed it into electronic data processing. This achievement reflects our commitment to responsible resource management and sustainability.

Target type	Details	Achievement timeline
Quantitative targets	Reduce total paper usage intensity (by workforce) of the entire Group by 10% compared to 2021	By 2025
Quantitative targets	Reduce total paper usage intensity (by revenue) of the entire Group by 10% compared to 2021	By 2025

The table below outlines our progress in 2023. Compared with the 2021 baseline, the total paper usage of the entire Group has decreased by approximately 93.6%, which is a significant achievement in our efforts towards reducing paper usage. The paper consumption intensity by revenue and by the workforce of the entire Group has been reduced by around 95% and 91% respectively.

	2023	2022	2021 baseline
Total paper usage (ton)	1.18	5.67	18.57
Hong Kong offices and warehouses	0.67	5.26	17.90
Japan office	0.22	0.06	0.21
South Korea office	0.29	0.35	0.46
Total paper usage intensity by revenue (ton/USD)	5.93 x 10⁻⁹	4.41 x 10 ⁻⁸	1.15 x 10 ⁻⁷
Total paper usage intensity by workforce (ton/headcount)	0.0026	0.01	0.03

Since our business operations do not involve significant manufacturing or the extensive use of machinery and vehicles, we did not perform target-setting for energy use efficiency and water efficiency, as they are not deemed material to our operations in the current Reporting Year. It is worth noting that our Group's electricity consumption during the Reporting Year (1,232,099 kWh) has decreased compared to the previous year (2022: 1,466,318 kWh). This reduction is mainly due to the general decrease in electricity usage associated with warehouse automation, reduced usage of air-conditioning, and the terminated lease of one of our offices.

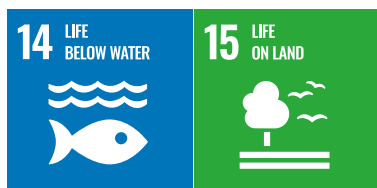
While energy and water efficiency targets may not be considered material in the current Reporting Year, we remain committed to continuously improving our energy management practices and exploring opportunities for further efficiency gains. As we move forward, we will assess the evolving landscape and adjust our priorities accordingly to ensure the effective management of energy and water resources and the reduction of our environmental footprint.

RESPONSIBLE PRODUCTION

Associated Aspect with the HKEx Guide:

A2 Use of Resources; A3 The Environment and Natural Resources

Connection with United Nations Sustainable Development Goals (UN SDGs):



We believe that our business operations have minimal direct impact on the environment and natural resources, given the nature of our business. We recognise the potential risks associated with inventory management and the implications for the environment throughout our business operations. Factors such as seasonality, new product launches, product life cycle changes, pricing, defects, and shifts in consumer spending patterns and tastes, can significantly impact the demand for our best-selling products. This creates a heightened risk of inventory obsolescence, declines in inventory values, and the need for inventory write-downs or write-offs in the E-commerce industry. To mitigate these risks, we have developed a business model that emphasises effective inventory control and optimised supply chain management. Our approach involves implementing a just-in-time inventory management strategy for most of the products we sell. We aim to have inventory on hand precisely when it is needed, minimising excess inventory and reducing the potential for obsolescence. However, we also recognise the importance of maintaining an optimal level of inventory for products that are anticipated to sell quickly to meet customer demand promptly without experiencing stockouts or delays in delivery. Therefore, we rely on demand forecasts to make purchase decisions and manage inventory effectively. These forecasts help us anticipate customer demand and adjust our inventory levels accordingly. Once we place purchase orders, our suppliers review their product inventory against our orders and provide us with an expected delivery schedule. For most products, our suppliers deliver goods to our Hong Kong warehouse, local offices, or third-party goods transition centres, after which, we arrange further delivery to our retail or wholesale customers worldwide.

E-commerce platforms

When a customer places an order, our order management system automatically initiates the processing of the order and performs an inventory check to determine the availability of the ordered products in our warehouse. In cases where our warehouse inventory does not have the ordered products, the system takes immediate action. It automatically generates a purchase order and sends it directly to the corresponding supplier responsible for those products.

Upon receiving the purchase order, the supplier will arrange the delivery of the requested products. Depending on the arrangement, the supplier may deliver the products directly to:

- 1) our Hong Kong warehouse, or
- 2) our relevant local offices, or
- 3) designated third-party goods transition centres

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To ensure efficient management, all products, regardless of the delivery location, are ultimately consolidated and shipped to our Hong Kong warehouse.

As an E-commerce company, we have implemented a real-time inventory monitoring system which allows our product team to procure most products on a back-to-back basis once we receive orders from customers. By adopting this approach, we effectively reduce our working capital needs and minimise the risk of inventory obsolescence.

To manage resource utilisation in our offices, we have implemented both a document management system and a paper management system. Our goal is to minimise paper waste used for record-keeping and avoid unnecessary printing, promoting a more sustainable approach.

Regarding resource utilisation in our warehouses, we employ a “just-in-time” procurement strategy. This involves careful inventory management to reduce overstocks and waste. When shipping products, we strive to fully utilise ordered carton boxes, plastic boxes and bags, paper tubes, wrapping, and cushioning materials, to minimise waste. Additionally, we aim to minimise packaging materials used for product fulfilment by ensuring that appropriate sizes of carton boxes are used for repacking to accommodate different product sizes.

Packaging material consumption

The table below shows the packaging material used during the Reporting Year:

	Total consumption		Total intensity, by revenue (per USD)	
	2023	2022	2023	2022
Plastic packaging material (metric tonnes)				
Total	187.54	157.01	9.42 x 10⁻⁷	1.22 x 10 ⁻⁶
Hong Kong offices and warehouses	187.31	156.81	9.41 x 10⁻⁷	1.22 x 10 ⁻³
Japan office	0.16	0.20	8.28 x 10⁻¹⁰	1.54 x 10 ⁻⁶
South Korea office	0	0	0	0
Paper packaging material (metric tonnes)				
Total	123	113.24	6.18 x 10⁻⁷	8.81 x 10 ⁻⁷
Hong Kong offices and warehouses	122.93	113.03	6.18 x 10⁻⁷	8.79 x 10 ⁻⁷
Japan office	0.074	0.21	3.72 x 10⁻¹⁰	1.63 x 10 ⁻⁹
South Korea office	0	0	0	0

SOLID WASTE TREATMENT

Associated Aspect with the HKEx Guide:

A1 Emissions

Connection with United Nations Sustainable Development Goals (UN SDGs):



The business activities of the Group do not generate hazardous waste. However, information regarding non-hazardous waste production, including waste disposed to landfills and recycling collection points, was not measured or recorded during the Reporting Year, thus it is unavailable.

Packaging boxes received from our couriers are one of the non-hazardous waste generated in our operations. To minimise their environmental and social impact, we ensure that these packaging boxes are delivered to nearby recycling companies or factories. Since the environmental and social impact of this waste is relatively low compared to other material ESG topics, we have not implemented an internal data collection system to monitor our performance in non-hazardous waste generation. However, we are committed to tracking and disclosing available information relating to this waste management arrangement. Furthermore, we will establish relevant performance targets when the impact of non-hazardous waste generation becomes significant, as considered by our Board or stakeholders in the future.

For detailed information about our performance and targets regarding paper usage and reduction, please refer to the 'Other Standard Disclosures – Environmental – Environmental Targets' section of this Report.

DISCHARGES INTO WATER AND LAND

Associated Aspect with the HKEx Guide:

A1 Emissions

Connection with United Nations Sustainable Development Goals (UN SDGs):



The daily operation of the Group does not involve any product manufacturing process in its daily operation. Therefore, no production of sewage is discharged to soil and water sources. There is no significant discharge of wastewater by the Group during the Reporting Year.

MITIGATION OF GREENHOUSE GAS (GHG) EMISSIONS AND CLIMATE CHANGE

Associated Aspect with the HKEx Guide:

A4 Climate Change

Connection with United Nations Sustainable Development Goals (UN SDGs):



GHG emissions performance⁷

During the Reporting Year, the Group emitted a total of approximately 510.43 tonnes of CO₂ equivalent (tCO₂e) of greenhouse gases, representing an decrease of approximately 98.6% as compared to the year ended 31 December 2022. The significant reduction in GHG emissions is mainly due to our huge effort to reduce the use of paper throughout our business operations.

Due to our business nature, our greenhouse gas emissions are considered insignificant. The primary source of greenhouse gas emissions is derived indirectly from the consumption of gasoline and diesel. This is attributed to the external transportation fleet engaged by the Group, responsible for delivering goods from suppliers to our warehouses and, ultimately, to consumers. Since we have outsourced our transportation arrangement to independent logistic service companies, the relevant data regarding these emissions is not available to us. However, we have established partnerships with logistics service providers who share our commitment to sustainability and prioritise reducing the environmental impact of their operations. We have specifically chosen providers who demonstrate a higher level of environmental awareness and have implemented measures to reduce direct GHG emissions from their transportation fleets, including the trucks used for transporting our inventories to and from our warehouses.

To align with our Group's dedication to environmental responsibility, we have ensured that the trucks used for our logistics operations are environmentally friendly. These commercial vehicles have been approved by the Environmental Protection Department and have lower emissions compared to traditional trucks. By employing these vehicles, we actively contribute to reducing our carbon footprint and minimising our environmental impact.

⁷ The calculation standards and methodologies for GHG emissions:

- Referenced the Guideline to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purpose) in Hong Kong (2010 edition) published by the Environmental Protection Department (EPD) and the Electrical and Mechanical Services Department (EMSD) of the Hong Kong Government.
- The Global Warming Potential ("GWP") rates from the IPCC Sixth Assessment Report (AR6).

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We strive to optimise our performance in reducing emissions and will actively review our internal monitoring measures and procedures to work towards achieving emissions reduction targets. Considering the relatively lower materiality of environmental impact compared to other material ESG topics, the Group has not yet established an energy efficiency target. However, we will continue to monitor our performance and set relevant targets when the impact of energy efficiency becomes more significant, as determined by our Board and stakeholders in the future.

Details on the specific types of emissions and corresponding data for the Group in 2023 are listed below:

	2023	2022
Total GHG emissions (Scope 1, 2 and 3)	510.43	35,982.81
Scope 1 – Direct		
Stationary combustion (tCO ₂ e)	2.50	0.87
Mobile combustion (tCO ₂ e)	15.43	20.38
Scope 2 – Energy indirect⁸		
Purchased electricity (tCO ₂ e)	482.23	573.72
Scope 3 – Other indirect		
Business air travel (tCO ₂)	5.93	0.93
Paper disposal (tCO ₂ e)	5.66	35,386.91
GHG emissions intensity by revenue		
Scope 1 – Direct (tCO ₂ /USD)	9.01 x 10⁻⁸	1.65 x 10 ⁻⁷
Scope 2 – Indirect (tCO ₂ /USD)	2.42 x 10⁻⁶	4.46 x 10 ⁻⁶
Scope 3 – Other indirect (tCO ₂ /USD)	5.16 x 10⁻⁸	2.75 x 10 ⁻⁴
GHG emissions intensity by workforce		
Scope 1 – Direct (tCO ₂ e/headcount)	0.04	0.04
Scope 2 – Indirect (tCO ₂ e/headcount)	1.06	1.17
Scope 3 – Other indirect (tCO ₂ e/headcount)	0.02	72.37
Air pollutants		
NOx (kg)	152,848.92	1,416,968
SOx (kg)	764.33	7,049.60
PM (kg)	0	0

⁸ For the calculation methodology of indirect GHG emissions due to electricity purchased, we referred to the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 edition). The emission factors for Hong Kong-based operations referenced the emission intensity published by CLP Power Hong Kong Limited in 2022, and the emissions factors for the Japan-based and Korea-based operations referenced the Climate Transparency Report in 2022.

Climate Change

Our Group places a strong emphasis on reducing the environmental impact of its business operations and addressing natural resource depletion. We are committed to protecting the environment and taking action to mitigate the effects of climate change. In line with this commitment, we adhere to relevant regulations and globally accepted standards that prioritise climate action, and we have integrated climate change principles into our internal management processes.

Our Directors have identified several categories of significant climate-related risks that have already impacted or may potentially affect our business, including:

1) Acute risk related to extreme weather events:

We recognise the potential disruptions caused by extreme weather events and take proactive measures to mitigate their impacts. We conduct both scheduled and ad-hoc inspections and maintenance of our warehouse facilities and servers to eliminate or reduce the impact of flooding. Additionally, we keep affected customers informed about any potential delays or disruptions to their deliveries.

2) Policy and legal risk associated with changes in national policies and regulations:

We closely monitor changes in national policies and regulations related to climate change to ensure compliance and adapt our operations accordingly to minimise any negative impact on our business.

3) Market risk due to changes in consumer preferences for eco-friendly products:

We recognise the growing consumer demand for eco-friendly products. We have introduced an eco-friendly, own-brand fashion collection, which enables us to engage with environmentally responsible suppliers and cater to the needs of eco-conscious consumers.

4) Reputational risk arising from inadequate performance in ESG aspects and ineffective stakeholder communication:

We understand the importance of strong performance in ESG aspects. Failing to demonstrate this adequately can result in reputational risk. To mitigate this risk, we have conducted stakeholder engagement exercises specifically focused on sustainability. This helps us to better identify and report ESG material issues, effectively communicate with stakeholders, and understand their expectations.

ENERGY MANAGEMENT

Associated Aspect with the HKEx Guide:

A2 Use of Resources

Connection with United Nations Sustainable Development Goals (UN SDGs):



Our Group highly values resource conservation, as it not only benefits the ecosystem but also enhances our competitiveness in the market by reducing operational costs through improved resource usage efficiency. We believe that environmental responsibility is crucial and extends beyond project implementation to daily operations. To address energy management concerns, our employees are required to follow resource-saving initiatives and utilise certified energy-efficient appliances and equipment. They are also expected to activate power-saving modes on devices and maintain air-conditioned room temperatures between 20°C and 25.5°C.

Our Group has a policy in place to reduce carbon emissions and conserve energy and other resources. We strive to adopt business practices that consider social and environmental needs for sustainability. Our primary energy consumption comes from electricity usage in our offices and warehouses, as well as IT servers maintained by our third-party service providers. Therefore, improving energy efficiency has been a key consideration in our operations. We have implemented measures to improve energy efficiency in our operations. For example, we have installed 242 LED lights in Hong Kong and carefully plan the use of forklift trucks at our Hong Kong warehouses to optimise energy usage. The data centres operated by third-party service providers are the main source of our indirect greenhouse gas emissions. While we have limited control over the energy usage in the data centres, we review the practices of our data centre operators periodically.

Energy consumption

Electricity is our major source of energy in our business. However, the Group has not set a specific energy efficiency target since the environmental and social impact related to energy efficiency is considered relatively lower compared to other material ESG topics. We will continue to monitor our performance in this area and set relevant performance targets when its impact becomes significant as considered by our Board or stakeholders in the future. The electricity consumption level of the Group during the Reporting Year was estimated as follows:

	Total consumption		Total intensity, by revenue (per USD)		Total intensity, by workforce (per headcount)	
	2023	2022	2023	2022	2023	2022
Total (MWh)	1,310.16	1,544.40	6.58x10⁻⁶	1.2x10 ⁻⁵	2.89	3.16
Indirect energy consumption						
Electricity purchased (kWh)	1,232,099	1,466,318	0.01	0.011	2713.87	2998.60
Direct energy consumption						
Diesel oil for Light Goods Vehicles (L)	5596.95	7,390	2.81x10⁻⁵	5.7x10 ⁻⁵	12.33	15.10
Liquified petroleum gas ("LPG") for Forklift (Kg)	828	288	4.16x10⁻⁶	4x10 ⁻⁶	1.82	0.59

SAVE WATER

Associated Aspect with the HKEx Guide:

A2 Use of Resources

Connection with United Nations Sustainable Development Goals (UN SDGs):



Given the nature of our daily business operations, which only involve small-scale domestic water usage by our employees, we consider our overall water consumption to be insignificant. To prevent the generation of plastic waste from plastic water bottles, we have installed water dispensers that filter tap water for drinking purposes throughout our premises. Moreover, we have no difficulties in sourcing water that meets the requirements for office use.

Therefore, the Group has not set a specific energy efficiency target since the environmental and social impact related to energy efficiency is considered relatively lower compared to other material ESG topics. However, we will continue to monitor our performance in this area and set relevant performance targets when its impact becomes significant as considered by our Board or stakeholders in the future.

During the Reporting Year, we significantly reduced our water consumption by 86% as compared to 2022. This is mainly because our new warehouse does not use water cooling system.

	2023	2022
Water consumption (m³)		
Total	268	1,865
Hong Kong offices and warehouses	268	1,865
Japan office	0	0
South Korea office	0	0
Water intensity by revenue (m³/USD)	1.35x10⁻⁶	1.50x10 ⁻⁵
Water intensity by workforce (m³/headcount)	0.59	3.18

OTHER STANDARD DISCLOSURES – SOCIAL

Fair Recruitment

Associated Aspect with the HKEx Guide:

B4 Labour Standards

Connection with United Nations Sustainable Development Goals (UN SDGs):



Our Group, an E-commerce platform headquartered in Hong Kong, boasts a diverse and multicultural workforce. Our employees hail from 14 different countries and regions, including Hong Kong SAR, South Korea, Japan, Singapore, Mexico, the United States, the United Kingdom, Canada, mainland China (excluding Hong Kong SAR), France, Germany, Italy, Indonesia and the Philippines. The diversity within our employee base is a tremendous asset, as it brings valuable insights and knowledge about the local markets represented. This diversity enables us to better understand and cater to the needs and preferences of our customers in different regions.

	2023	2022
Total employee headcount	454	489
Male	141 (31.1%)	147 (30.1%)
Female	313 (68.9%)	342 (69.9%)

Our Group upholds a policy of inclusivity, welcoming individuals of all ages, genders, and aspirations with equal opportunity. We are committed to employing a fair and performance-based approach when recruiting talented individuals. Through our transparent and rigorous hiring procedures, we evaluate applicants based on their experience, attitude, and potential. We highly value the skills and knowledge of senior staff, as well as the energy and adaptability of younger candidates.

We strongly condemn any unfair or unjust termination practices and strictly prohibit such actions within our Group. Employee terminations only occur when there is concrete evidence of criminal misconduct, severe misbehaviour, unethical or corrupt practices, or similar violations. Terminations are carried out on reasonable and legitimate grounds, and employees are provided with written notification of the termination of their employment contract.

Our procedures and policies prioritise the protection of human rights and explicitly prohibit all forms of child labour and forced labour within our operations. These principles are communicated to our staff members through induction programs and our staff handbook. To ensure compliance, we conduct an annual employment practice review, including due diligence exercises to identify any instances of child labour or forced labour. If any such malpractices are discovered, we will immediately terminate the employment contract and conduct detailed investigations to rectify the situation and implement systematic improvements. We guarantee that no employee is coerced into working against their will or subjected to forced labour or any form of work-related coercion. Recruitment of child labour or forced labour is strictly prohibited, and child labour or forced labour, if inadvertently employed, will be immediately terminated upon discovery.

During the Reporting Year, the Group complied with relevant laws and regulations relating to preventing child and forced labour. We were not aware of any major violations of laws and regulations relating to preventing child and forced labour that may have a significant impact on the Group, including but not limited to the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and relevant regulations in South Korea and Japan.

CORPORATE GOVERNANCE

Associated Aspect with the HKEx Guide:

B1 Employment

Connection with United Nations Sustainable Development Goals (UN SDGs):



Governance structure

Our Group aims to ensure accountability and transparency throughout our operations. We are committed to upholding high standards of corporate governance following the requirements of the corporate governance code (the “**Corporate Governance Code**”) as set out in Appendix C1 to the Listing Rules. To ensure compliance with the Listing Rules and other applicable laws and regulations, we have established several committees under the Board, including the Audit Committee, Nomination Committee, and Remuneration Committee. Additionally, we have set up the Tax Committee and Risk and Compliance Committee to further strengthen our corporate governance practices. These committees play a vital role in overseeing different aspects of corporate governance and ensuring compliance with relevant regulations. We are proud to report that in 2023, we fully complied with the provisions of the Corporate Governance Code, except for deviation from Code Provision D.2.5 regarding the establishment of an internal audit function. After reviewing the size, nature and complexity of the Group’s business, the Board believes there is no immediate need to set up an internal audit function within the Group, and would be directly responsible for internal control of the Group and reviewing its effectiveness. Furthermore, we are pleased to report that no legal cases related to corrupt practices were launched or brought against our Group or employees during the Reporting Year.

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To continually enhance our corporate governance practices, our Directors regularly engage in professional development activities. This includes participating in physical and e-learning programs. We leverage arrangements made by our legal counsel, attending seminars hosted by accounting regulatory bodies, and staying informed about updates to listing requirements on the HKEx and other applicable laws and regulations.

Our Directors conduct an annual review of our corporate governance policies and compliance with the Corporate Governance Code. We remain committed to the “comply or explain” principle and provide a comprehensive report on our corporate governance practices in our annual reports after listing. Our dedication to maintaining the highest standards of corporate governance is unwavering, and we will continue to work tirelessly to achieve this goal.

Board diversity

Our Group has implemented the board diversity policy (“**Board Diversity Policy**”) to ensure that our Board is diverse and effective in supporting our business strategy. The policy is designed to select Board members who possess the necessary skills, expertise, and perspectives to enhance the execution of our business strategy. When selecting new Directors, we consider various factors, including skills, professional experience, educational background, knowledge, expertise, culture, independence, age, and gender. To ensure the effective implementation of the Board Diversity Policy, our Nomination Committee will provide an annual report on our Board’s composition and regularly review the policy’s effectiveness. Any necessary revisions will be recommended to the Board for consideration and approval.

We believe that appointing Directors based on merit and contribution will enable us to best serve our Shareholders and other stakeholders. Currently, our Board comprises 9 members, including a balanced mix of Executive, Non-executive, and Independent Non-executive Directors. Our Directors bring a diverse range of experiences in management, strategic development, finance, and accounting. We maintain a good balance of new and experienced Directors who contribute valuable knowledge and insights to our Group.

We place importance on gender diversity and are committed to promoting it at all levels, including our Board. As of December 31, 2023, our Board consists of 8 male members and 1 female member, resulting in an 11% female representation. We are dedicated to maintaining gender diversity at the Board level and continue to promote it throughout the organisation.

Corruption preventive measures & whistle-blowing procedures

Our Group places great importance on corporate governance and operational integrity. To ensure that all employees, contractors, and subcontractors are aware of our expectations and guidelines, we distribute an employee handbook to everyone within the organisation. The handbook outlines various expectations, including the prohibition of engaging in any form of corruption and bribery and provides information on our whistle-blowing procedures, which should be followed in case any violations are discovered.

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Besides, we have established a comprehensive internal control manual that clearly outlines the procedures to be followed in case of suspected corruption or misconduct. It stipulates that team members should report directly and anonymously to our Audit Committee through dedicated whistleblowing channels. We take the confidentiality of whistleblower information seriously. Any information provided by whistleblowers is treated with the utmost confidentiality and handled with care. Our Group ensures that the identities of whistleblowers are protected throughout the investigation process. We conduct investigations into reported incidents with a fair and zero-tolerance attitude towards all types of violations, including bribery, fraud, corruption, and money laundering. These investigations are carried out diligently and impartially, ensuring that all parties involved are treated fairly. As part of our commitment to protecting whistleblowers, we ensure them against unfair dismissal and unwarranted disciplinary action.

During the Reporting Year, our Group did not receive any cases related to corruption or whistle-blowing issues. This applies to all departments, including our HR & Admin Departments and the Audit Committee. Furthermore, we were not aware of any major violations of anti-corruption laws and regulations such as bribery, extortion, fraud, and money laundering that could have had a significant impact on the Group, including but not limited to the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) as well as relevant regulations in South Korea and Japan. Additionally, there were no concluded or ongoing legal cases regarding corruption practices brought against the Group or its employees during the Reporting Year.

	2023	2022
Number of cases related to corruption or whistle-blowing issues received	0	0
Number of major violations of anti-corruption laws and regulations	0	0
Number of concluded or ongoing legal cases regarding corrupt practices brought against the Group or its employees	0	0

Anti-bribery briefing sections

Training is provided including orientation training and anti-bribery briefing sections for new joiners as part of our commitment to ensure that all employees are well-informed about their responsibilities in upholding ethical conduct and preventing corruption. During the sections, we explained the anti-corruption policy listed in our employee handbook. By providing knowledge and tools for preventing and addressing corrupt practices to our employees, we hope to raise awareness about the importance of anti-corruption and to create a transparent, integrity and compliance culture throughout our organisation.

ANTI-COMPETITIVE PRACTICE

Associated Aspect with the HKEx Guide:

B7 Anti-corruption

Connection with United Nations Sustainable Development Goals (UN SDGs):



As a brand-neutral E-commerce platform, we have the flexibility to source products from a wide range of brands and suppliers. This aspect of our business model makes us an attractive option for popular brands and their distributors, especially new and emerging Korean beauty brands, and suppliers looking to expand their reach in the international market.

Our innovative marketing approach and strong presence on social media allow us to offer a comprehensive one-stop service for these brands and suppliers. We provide various benefits, including free brand promotion, product marketing, customer-generated content, and relevant data analysis. This comprehensive package helps us build strong relationships with our suppliers and enables us to control the risk of supplier disintermediation.

While we occasionally receive complimentary product samples from our suppliers for brand and product promotions, we do not receive any form of compensation, monetary or otherwise, from these arrangements. Our focus is on providing a platform that benefits both our customers and suppliers without any bias or conflict of interest. In the Reporting Year, the 5 largest product suppliers and the 5 largest other suppliers we worked with were independent third parties. To the best of our knowledge and belief, none of our Directors or their close associates, or shareholders with beneficial ownership of more than 5% of the shares had any interest in these suppliers. Additionally, none of our 5 largest product suppliers or the five largest other suppliers (excluding product suppliers) were our customers during the Reporting Year.

COVID-19 RESPONSE

Associated Aspect with the HKEx Guide:

B2 Health and Safety

Connection with United Nations Sustainable Development Goals (UN SDGs):



Office and workforce arrangements

To maintain basic hygiene standards in the workplace, we have issued hygiene guidelines for all employees to follow. Furthermore, we have installed air purification systems in our offices and warehouses to eliminate volatile organic compounds that may pose health risks to our employees. We have also installed transparent plastic dividers between individual workstations to create a physical barrier and reduce the transmission of airborne viruses. Additionally, we have made virus protection kits available on-demand, which include surgical masks, to minimise the risk of infection.

COMPREHENSIVE TRAINING

Associated Aspect with the HKEx Guide:

B3 Development and Training

Connection with United Nations Sustainable Development Goals (UN SDGs):



Our Group prioritise the continuous development of our employees to ensure effective job performance, increased efficiency, and overall employee loyalty and retention. We offer a range of training and development opportunities, including technical and operational on-the-job training, and occupational health and safety training to equip our employees with the necessary skills and knowledge for their roles. This approach allows our employees to gain practical experience while enhancing their expertise in specific areas.

In addition to on-the-job training, we have implemented development programs that focus on enhancing various skill sets and competencies, covering areas such as leadership skills, corporate culture, and activity-based learning. By providing these opportunities, we aim to support the personal growth and development of our employees, while also fostering their skills and potential.

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This year, we focused on enhancing the soft skills of our employees. These trainings include enhancing leadership and collaboration skills, executive presence and performance management. Throughout the Reporting Year, a total of 802 team members participated in our training programs, accumulating over 1900 training hours. This reflects our commitment to investing in the growth and development of our employees.

The table below shows the percentage of employees who attended training and the average training hours completed during the Reporting Year:

	Percentage of employees trained ⁹		Average training hours of employees ¹⁰	
	2023	2022	2023	2022
Total	97.4%	45.2%	N/A	N/A
Gender				
Male	32.1%	31.2%	4.93 hrs	3.79 hrs
Female	67.9%	68.8%	3.88 hrs	3.56 hrs
By employee category				
Senior management	6.6%	5.8%	5.07 hrs	4.48 hrs
Middle management	31.3%	25.0%	6.94 hrs	6.55 hrs
General staff	62.1%	69.2%	3.02 hrs	2.60 hrs

⁹ Number of trained employees in sub-category / Total number of trained employees x 100%

¹⁰ Total training hours of employees in sub-category / Total number of trained employees in sub-category

CARING FOR THE COMMUNITY

Associated Aspect with the HKEx Guide:

B8 Community Investment

Connection with United Nations Sustainable Development Goals (UN SDGs):



The Group is dedicated to engaging in corporate social responsibility and actively engages in initiatives that benefit the surrounding communities. We encourage our team members to actively participate in volunteer services and community projects. Going forward, we remain dedicated to continuing our participation in various community projects and generating positive impacts on society.

We take great pride in the recognition we have received for our efforts in promoting corporate social responsibility. For 17 consecutive years, from 2007 to 2023, we have been honoured with the ‘Caring Company’ award by the Hong Kong Council of Social Service (HKCSS).

Furthermore, our Employee Assistance Program (EAP) volunteers have partnered with the Hong Kong Family Welfare Society (HKFWS) to support children from low-income families, providing them with social opportunities and enhancing their interpersonal skills.

During the Reporting Year, we have contributed 165 hours of voluntary work for social good and donated approximately US\$10,000 to the community. In addition to charity run and elderly visits, we have also actively contributed to the community by donating various resources. These donations include our products, educational materials, clothing and financial support to local organisations and initiatives that align with our commitment to social responsibility. These efforts reflect our commitment to creating a positive impact beyond our business operations and reinforce our dedication to corporate social responsibility.



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UNICEF Charity Run 2023

On November 5, 2023, our Volunteer Team have participated in the UNICEF Charity Run held at Hong Kong Disneyland Resort and Sunny Bay. Their event aimed to raise the awareness of the United Nations Sustainable Development Goal (SDG) 3: Good Health and Well-being for every child. Additionally, 5 staff members represented our company in the 15km Corporate Relay (Mixed Group) category and achieved the impressive feat of securing the 2nd runner-up position in the race. We express our sincere appreciation for their dedication and outstanding performance.

Furthermore, during the event, our company made a generous donation, totaling HKD \$75,800, to contribute to the cause. This contribution reflects our commitment to supporting initiatives that promote the well-being and health of children, as outlined by the United Nations Sustainable Development Goals.



YesAsia Holdings Limited Participated and won 2nd runner-up in the 15km Corporate Relay (Mixed Group) category at the UNICEF Charity Run 2023

Numbers of volunteers	19
Volunteering hours	108 hours

Mid-Autumn Festival Home Visit to the Elderly

We have partnered with the Hong Kong Family Welfare Society to co-organise a community service event to visit elderly living in Kwun Tong District.



Numbers of volunteers	18
Volunteering hours	57 hours

FEEDBACK

If you have any suggestions or comments on the content of this Report, please email ir@yesasiaholdings.com to enable us to further improve our overall performance and maintain the quality of the Report applying up-to-date standards.

THE STOCK EXCHANGE ESG REPORTING GUIDE CONTENT INDEX TABLE

HKSE ESG Reporting Guide	Description	Chapter
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	<ul style="list-style-type: none"> • Solid Waste Treatment • Discharges into water and land • Mitigation of Greenhouse Gas (GHG) Emissions and Climate Change
KPI A1.1	The types of emissions and respective emissions data.	<ul style="list-style-type: none"> • Solid Waste Treatment • Discharges into water and land
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	<ul style="list-style-type: none"> • Mitigation of Greenhouse Gas (GHG) Emissions and Climate Change
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	The business operations do not produce hazardous waste.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	<ul style="list-style-type: none"> • Solid Waste Treatment
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	<ul style="list-style-type: none"> • Other Standard Disclosures – Environmental
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	<ul style="list-style-type: none"> • Solid Waste Treatment
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	<ul style="list-style-type: none"> • Save Water • Energy Management • Digital Innovation • Green Logistics

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HKSE ESG Reporting Guide	Description	Chapter
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	<ul style="list-style-type: none"> Energy Management
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	<ul style="list-style-type: none"> Save Water
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	<ul style="list-style-type: none"> Energy Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	<ul style="list-style-type: none"> Save Water
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	<ul style="list-style-type: none"> Responsible Production
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	<ul style="list-style-type: none"> Responsible Production
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	<ul style="list-style-type: none"> Responsible Production
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact the issuer.	<ul style="list-style-type: none"> Responsible Production
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	<ul style="list-style-type: none"> Responsible Production
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: <ol style="list-style-type: none"> the policies; and 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. 	<ul style="list-style-type: none"> Employment & Benefits Corporate Governance

HKSE ESG Reporting Guide	Description	Chapter
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	<ul style="list-style-type: none"> • Employment & Benefits
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	<ul style="list-style-type: none"> • Employment & Benefits
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	<ul style="list-style-type: none"> • Safety First • COVID-19 Response
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	<ul style="list-style-type: none"> • Safety First
KPI B2.2	Lost days due to work injury.	<ul style="list-style-type: none"> • Safety First
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	<ul style="list-style-type: none"> • Safety First • COVID-19 Response
Aspect B3: Developing and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	<ul style="list-style-type: none"> • Comprehensive Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	<ul style="list-style-type: none"> • Comprehensive Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	<ul style="list-style-type: none"> • Comprehensive Training
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	<ul style="list-style-type: none"> • Employment and Benefit • Fair Recruitment

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HKSE ESG Reporting Guide	Description	Chapter
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	<ul style="list-style-type: none"> Fair Recruitment
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	<ul style="list-style-type: none"> Fair Recruitment
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	<ul style="list-style-type: none"> Procurement and Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	<ul style="list-style-type: none"> Procurement and Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	<ul style="list-style-type: none"> Procurement and Supply Chain Management
KPI 5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	<ul style="list-style-type: none"> Procurement and Supply Chain Management
KPI 5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	<ul style="list-style-type: none"> Procurement and Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	<ul style="list-style-type: none"> Customer Service Quality First Cybersecurity and Personal Data Protection Protection of Intellectual Property Rights
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	<ul style="list-style-type: none"> Quality First
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	<ul style="list-style-type: none"> Customer Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	<ul style="list-style-type: none"> Protection of Intellectual Property Rights

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HKSE ESG Reporting Guide	Description	Chapter
KPI B6.4	Description of quality assurance process and recall procedures.	<ul style="list-style-type: none"> Quality First
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	<ul style="list-style-type: none"> Cybersecurity and Personal Data Protection
Aspect B7: Anti-corruption		
General Disclosure	Information on: <ul style="list-style-type: none"> (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. 	<ul style="list-style-type: none"> Corporate Governance Anti-Competitive Practices
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	<ul style="list-style-type: none"> Corporate Governance
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	<ul style="list-style-type: none"> Corporate Governance
KPI 7.3	Description of anti-corruption training provided to directors and staff.	<ul style="list-style-type: none"> Corporate Governance
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities consider the communities' interests.	<ul style="list-style-type: none"> Caring for The Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	<ul style="list-style-type: none"> Caring for The Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	<ul style="list-style-type: none"> Caring for The Community