



Palasino Holdings Limited 百樂皇宮控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2536



2024

ENVIRONMENTAL,
SOCIAL AND GOVERNANCE REPORT

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1. Introduction

1.1 LEADERSHIP MESSAGE

It is a pleasure to introduce Palasino Holdings Limited's first sustainability report. This report provides an overview of our sustainability performance and initiatives during this financial year, demonstrating our progress and improvements in the run-up to our successful listing on the Hong Kong Exchanges and Clearing Limited ("HKEX"). Our Group has been guided by the principles of sustainability since its inception 25 years ago; with our listing on 26 March 2024, we are now pleased to have the opportunity and means to better communicate this information to investors and the public in an official manner.

We have worked to prepare our Group for the future by ensuring sustainability is at the heart of our corporate strategy, developing a business model where profitability and investor value are combined with and complimented by environmental, social, and governance (ESG) considerations. This commitment to sustainability is also driven by changes in legislation, which provide an incentive for our Group to perform above compliance, embracing and embodying new changes to responsible behaviour.

This year has served as a return to normality following the challenges of the COVID-19 pandemic, and it is excellent to see our operations restored to their pre-pandemic status as the casino industry market leader in the Czech Republic. However, these positives are overshadowed by the impacts on energy prices and consumer spending of global conflicts and the increased effects of climate change. These issues, among other shifts in global supply chain dynamics, pose significant challenges for the future. We are committed to working together with stakeholders, organisations, and governments to address these multifaceted issues through sustainability, innovation, and responsible business practice.

As part of our commitment to sustainability, we have focused on initiatives related to energy and environmental conservation, helping us reduce our energy consumption. We have now installed photovoltaic power plants in all of our sites to improve our efficiency and reduce our greenhouse gas emissions. To further reduce our reliance on natural resources, we are planning on replacing our fleet of vehicles, preferentially purchasing hybrid or EV cars and trucks.

We continue to be a highly regarded employer in our areas of operation. Our employment policies, working environment, financial and non-financial remuneration, and provision of opportunities for growth make us an employer of choice locally and in the national gaming industry. We work to develop leaders who are committed to sustainability, dedicating themselves to creating a corporate culture of responsibility and accountability; these employees are the future of our company.

The Group's business and our relationships with stakeholders is changing. The communities in which our company operates – neighbourhoods, villages, towns, and regions – are increasingly expressing themselves through feedback on the Group's activities, and we endeavour to include their feedback in future plans. This year our focus was to place a greater emphasis on responsible gaming practices, helping us protect our valued customers. On that note, this financial year we achieved our ISO27001 certification, further demonstrating our high standards for client safety and security. We are committed to further improving our responsible practices, as well as creating positive social impacts through employee volunteering, charitable donations, and other social outreach activities.

In the upcoming years following our listing, our leadership and our company will be at the forefront of profound transformations. Understanding and embodying the principles associated with ESG factors is crucial for our company, allowing us to reach ever greater heights in a sustainable manner. Acting sustainably gives us more than a competitive advantage; it is the key to building our future, creating positive impacts, and ensuring sustained success in our complex and connected global marketplace.

Pavel Maršík

*Executive Director and Chief Executive Officer,
Palasino Holdings Limited*

1. Introduction

1.2 FY2024 SUSTAINABILITY HIGHLIGHTS

**Defended our data and IT security ISO27001:2014 certification:**

- Underwent a successful audit and recertification process, ensuring our information security policies, procedures, and controls continue to meet the rigorous requirements of this internationally recognised certification.

**Renewed our Czech Casino License for another six years:**

- This renewal supports the Group's strength of operations, adherence to regulatory requirements, and our position as a trusted and responsible gaming provider.

**Generated 31.5 MWh of renewable energy during the first three months of 2024:**

- This represents a positive contribution to our overall energy mix and supports the Group's corporate sustainability goals of reducing our environmental impact and reliance on fossil fuels.

**Reduced non-hazardous waste intensity by over 30% and energy intensity by nearly 9% compared to FY2023, despite the resumption of our operations:**

- These results demonstrate the Group's commitment to sustainable business practices and ability to drive continuous environmental improvements.

**Donated approximately CZK1 million to charity:**

- This contribution illustrates the Group's commitment to giving back to the communities in which we operate, creating a positive impact on the lives of those in need.

**Provided an average of 25 training hours to all employees:**

- These training programs cover a wide range of topics, enabling our employees to enhance their competencies and contribute more effectively to the Group's success.

1. Introduction

1.3 OVERVIEW OF PALASINO HOLDINGS

Palasino Holdings Limited (“Palasino” or “the Company”, together with its subsidiaries, “the Group”, “We”, “Our”) is a gaming and leisure group with a significant footprint in Europe. The Group’s operations are primarily carried out by Palasino Group, a.s. (“Palasino Group”), which comprises one integrated land-based casino and resort and two full-service land-based casinos operating in the Czech Republic primarily offering slot machines and table games, with plans to expand into the online gaming business in the first half of 2024. We also own and operate three hotels in Germany and one hotel in Austria offering accommodation, catering, conference, and leisure services. We are subject to all relevant laws and regulations in the Czech Republic, Germany, Austria, and Malta.

With over 25 years of operating experience in the gaming industry under the leadership of our senior management, we are well-positioned to capture market opportunities through our operational experience and strong industry knowledge accumulated over our quarter-century of operations. Our long operating history in central Europe can be traced back to the establishment of Palasino Furth im Wald (formerly known as Česká Kubice) in 1995. Since then, we have actively expanded our casino portfolio with the establishment of Palasino Excalibur City (formerly known as Route 59) in 1999 and Palasino Wulowitz (formerly known as Route 55) in 2004.

Our tagline, “at the heart of the game”, captures the essence of our casinos. Leveraging our robust facilities and market positioning, we are committed to providing a unique casino environment to fully embody our tagline. Our established presence in the Czech gaming industry is deeply rooted in our ability to cater for players of different risk appetites and gaming preferences by offering a wide variety of slot machines. To create an entertaining and memorable playing experience, we also provide a broad range of non-machine gaming options, including table games and poker, all of which are located within our contemporary-styled casinos.

We tapped into the hospitality business with the launch of Hotel Savannah in 2008, which, along with the interconnected Palasino Excalibur City, form our landmark resort, Palasino Savannah. Palasino Savannah offers a range of integrated gaming, hospitality, and catering services, including table and slot games, wellness and spa facilities, accommodation, conference and banqueting services, and food and beverage facilities, enabling us to cater beyond gaming patrons and serve as a get-away destination for friends and families. Over the years, we have built a portfolio of hotels in Germany and Austria through acquisitions, namely Hotel Columbus, Hotel Auefeld, and Hotel Kranichhöhe in Germany and Hotel Donauwelle in Austria. Our hotels in Germany and Austria primarily position themselves as business and leisure hotels targeting individuals and corporate clients organising business conferences. Our hotels offer various kinds of accommodation, high-quality food and beverage, and a variety of meeting and conference rooms.

1. Introduction

1.4 ESG STATEMENT

We are committed to being a responsible corporate citizen and to provide sustainable value for our stakeholders through significant efforts in environmental, social, and governance matters. Since the Group's inception, we have been guided by the principles of sustainability to achieve our operational excellence. The synergy between sustainability and business is considered by us as a key factor for the development of the Group and as a major value-driver.

1.4.1 Business environment and looking ahead

Our casinos and hotels are fully self-operated and self-managed, and we have direct control over the operation of our casinos and hotels. This model ensures consistency, guest satisfaction, and low implementation and maintenance costs, and provides significant upside from an improving market whilst giving us flexibility and resilience in potential downside scenarios. Unlike competing operating models, such as management agreements whereby the management company assumes the responsibility for operating and managing the casino or hotel on behalf of the owners, our operating model gives us full control over the entire operating process with no revenue or profit-sharing component against a stable and predictable cost structure.

With direct control over operations, the Group has a more personalised and tailored approach to customer services as we receive constant feedback from our customers. This enables us to promptly address their needs and preferences, leading to increased customer satisfaction and fostering long-term loyalty.

We will actively seek expansion opportunities in the Czech Republic, central Europe and other markets by way of acquisition of businesses and assets with full respect to our ESG strategies and Code of Conduct. Acquisition of assets provides us with immediate access to the erected properties and/or available gaming facilities, while acquisition of businesses provides us with casino licences and existing customer bases, allowing us to capture a greater market share. We are also considering bidding for new gaming licences to establish new gaming operations in order to expand our geographical footprint.

1.5 ABOUT THIS REPORT

This sustainability report covers the financial year ended 31 March 2024. The report fulfils relevant provisions of Rule 13.91 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules") and the ESG Reporting Guide in Appendix C2 to the Listing Rules.

1.5.1 Scope of ESG disclosure

This report focuses on the material ESG topics and events pertinent to our business and operations. The reporting scope encompasses the hotels and gaming entities where we hold significant operational control. This includes a total of eight key assets:

- One integrated casino and resort, and two casinos in the Czech Republic;
- Three hotels in Germany;
- One hotel in Austria; and
- One office in Malta, overseeing local online gaming operations.

For detailed information about the scope and data methodology for our ESG datasets, please refer to the Performance Tables.

1. Introduction

1.5.2 Stakeholder engagement and materiality assessment

This year we conducted a stakeholder engagement exercise to promote understanding between the Group and our various key internal and external stakeholders, including our Board of Directors, senior management, employees, shareholders, and investors, among other applicable groups.

The results of this exercise formed the basis of our ESG materiality assessment, including the identification of potential ESG-related risks and opportunities related to the Group's strategy and financial performance. Our materiality assessment was conducted via a three-step approach:

1. Identification: We identified 15 material topics from the three main ESG categories, "Environmental", "Social", and "Governance". Desktop research was conducted to identify these material topics, considering various factors relevant to our business and industry.
2. Rating: Our key internal and external stakeholders were invited to participate in an online survey to rate these topics based on their materiality and importance to them and the Group. They were provided with instructions to rate the topics based on various factors and quantifiable metrics, including the level of positive and/or negative significance, the severity of the impact caused by the topics, and the likelihood of risks related to the topics occurring to them and the Group. A total of 46 themes were evaluated, from which significant materiality was assessed for the overall evaluation.
3. Prioritisation: An analysis was conducted based on the results of our stakeholder engagement survey. Six main ESG issues were identified and prioritised as the primary material issues for our Group: Climate Change and Greenhouse Gas (GHG) Emissions, Energy Management, Human Rights and Employment Practice, Guest Health and Safety, Business Ethics and Integrity, and Responsible Gaming.

The prioritisation of these material topics informs our ESG strategy and business model for the near future. We will address and reprioritise these topics on a regular basis to ensure our compliance with stakeholder expectations and perspectives.



1. Introduction

Area S – important topics

Significant themes – identified impacts, risks and opportunities



| Topic | Impact assessment of significance | | Financial assessment of materiality | |
|---------------------------------------|--|--|--|--|
| | Positive impacts + | Negative impacts - | Opportunities + | Risks - |
| We are a good employer | Employee satisfaction due to high level of employee benefits compared to competitors and employer stability Uniform treatment of all employees across the Company and equal pay Professional and personal development of employees | X | Equal access communication for all employees | Labour shortage |
| We are accountable to our communities | Palasino makes a significant contribution to the state and municipal budgets through its significant tax levies, supporting the lives of its citizens Supporting employment in the regions where Palasino operates | X | We communicate our activities transparently | X |
| We value our clients | X | Gaming addiction, "irresponsible" gaming ★ Leakage of personal data of customers (and employees) and subsequent impact on customers (employees) | Implementation of a project for an internal communication tool for clients ★ | Leakage of personal data about customers (and employees) |

Area G – important topics

Significant themes – identified impacts, risks and opportunities



| Topic | Impact assessment of significance | | Financial assessment of materiality | |
|------------------------------|-----------------------------------|--------------------|--|--|
| | Positive impacts + | Negative impacts - | Opportunities + | Risks - |
| We face risks in legislation | X | X | Collaboration across our business sector ★ Lobbying | Legislation restricting marketing communications ★ Legislative changes in connection with the tightening of the gambling law (risk from the state) ★ Dependence on the decisions of the municipal council where the casino operates ★ Level of compliance with set changes in legislation across the market ★ |
| We are a good steward | Reliable and trustworthy partner | X | Due to the high demands on operational activity, the maturity and reliability of the technology ensures 365/24 operation in all conditions ★ | Financially and operationally demanding running, operation and servicing of systems in the plants ★ |

Area E – important topics

Significant themes – identified impacts, risks and opportunities



| Topic | Impact assessment of significance | | Financial assessment of materiality | |
|------------------------------------|-----------------------------------|--------------------|---|---------|
| | Positive impacts + | Negative impacts - | Opportunities + | Risks - |
| We are environmentally responsible | X | X | Spreading awareness of sustainable activities | X |

2. We Are Environmentally Responsible

We are committed to minimising our impact on the environment in the regions where we operate through sustainable building and energy initiatives, responsible waste management, and minimising our water use. These sustainability strategies are not only important for our planet, but also help create investment value for the Group and deliver long-term returns to our shareholders, customers, and other stakeholders.

2.1 SUSTAINABLE BUILDING INITIATIVES

We strive to embed sustainability throughout our operations, including the design and operations of our buildings.

Renewable Energy

One of our most significant green building initiatives since 2021 has been the installation of on-site renewable energy generating equipment on the roofs of all buildings owned by us in the Czech Republic. This initiative leveraged the National Renewable Plan Subsidy programme funded by the European Union, which covered 35% of project costs to help boost the expected payback period to around 42 months.

Utilising a photovoltaic (PV) power system provides multiple benefits, reducing operational costs, lowering our carbon footprint, and decreasing our reliance on the fossil fuel-powered electricity grid. Our portfolio of PV installations is expected to have a total capacity of 485 kWp once fully operational, and is planned to be completed by the end of 2024. We are also looking into the feasibility of covering our parking spaces with PV systems, providing the dual benefits of increased protection for vehicles and the enhancement of our renewable energy production.

This fiscal year, our PV systems have produced over 31 MWh of renewable energy to power our activities in the Czech Republic. In our Savannah and Much Hotel sites, our PV system is linked to cogeneration units, providing both renewable energy and heating during the winter.

Our rooftop PV installations include:

- 99 kWp in Česká Kubice (operational since August 2023)
- 72 kWp in Hatě (operational since August 2023)
- 215 kWp in Wulowitz (operational since March 2024)
- 99 kWp in Hotel Savannah (operational since March 2024)



2. We Are Environmentally Responsible

LED light replacement

In 2021, we made the decision to replace our outdated light sources and fluorescent lamps with modern LED lights. This change was implemented throughout all of our operations in the Czech Republic. By replacing our traditional light sources with energy-efficient LED lights, we aim to achieve estimated daily energy savings of 112 kWh and yearly savings of 40.4 MWh, while continuing to provide adequate lighting throughout our buildings. The light replacement is expected to be completed by the end of 2024, helping us reduce our energy use, save costs, and progress towards a more energy-efficient future.

Heat pump replacement

In December 2023, we replaced the 50 kW electric boiler for our facilities and offices in Česká Kubice, Czech Republic with a 25kW heat pump. This heat pump will serve the same purpose while reducing our energy consumption used for heating by 35%.

Management and Regulation System

In fiscal year 2024, we installed a cutting-edge Management and Regulation (MaR) system across all of our casinos and in Hotel Savannah. The MaR system collects an abundance of data from our properties, allowing facility managers to implement precise, intelligent temperature regulation controls to ensure optimal comfort for our guests while improving our energy efficiency. Additionally, the MaR system minimises temperature fluctuations and allows early detection of equipment issues, ensuring smooth and consistent heating throughout our operations.

Through our adoption of the MaR system, we have achieved energy savings for heating and cooling of 10% compared to our pre-MaR consumption.

Electric vehicles

We are committed to supporting the adoption of electric vehicles (EVs) to facilitate a cleaner, renewable future. To this end, we have installed 12 EV charging points across our key buildings in the Czech Republic, Austria, and Germany, providing easy access for our customers and employees who utilise EVs. Additionally, we have begun to implement a fleet renewal activity, working to replace our fleet of fossil fuel-powered passenger cards with hybrid models that can utilise our EV charging facilities.

2. We Are Environmentally Responsible

2.2 ENVIRONMENTAL OUTREACH

As part of our commitment to the environment and the sustainable hotel industry, we have partnered with the Hotels for Trees Foundation since 2018. Hotels for Trees is a non-profit foundation that partners with hotels to help reduce water and material use while directly contributing to reforestation projects across the globe. Guests staying multiple nights at our hotels are given the choice to skip their daily room cleaning, hanging the Hotels for Trees door hanger outside their room to indicate their participation in the programme. Every day, the total number of rooms that have 'skipped' cleaning are submitted to Hotels for Trees, who proceed to plant a new tree in one of the foundation's global reforestation projects for every room submitted.

By participating in this programme, we save water by minimising our linen washing and room cleaning, contributes to reforestation programmes around the world, and offers our valued guests more opportunities to make sustainable choices. Since we began partnering with Hotels for Trees, the Group has contributed to the planting of 330,931 trees across since April 2023. We look forward to our continued participation with Hotels for Trees, and continue to evaluate other organisations and programmes to increase our contributions to sustainability.

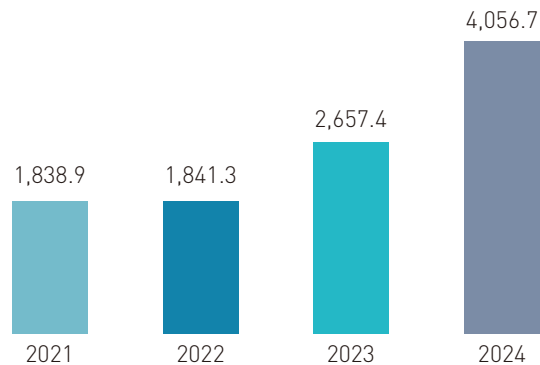


2. We Are Environmentally Responsible

2.3 GHG EMISSIONS AND ENERGY CONSUMPTION

Energy consumption through purchased electricity in our facilities was the main driver of our carbon emissions this year, representing approximately 57% of our total GHG emissions. Our Scope 1 emissions include the greenhouse gas (GHG) emissions from our facilities, stationary combustion sources, and passenger cars and lawnmowers, while the Group's Scope 2 emissions are predominantly composed of the GHG emissions from our purchased electricity and heating.

Total GHG emissions (tonnes CO₂e)



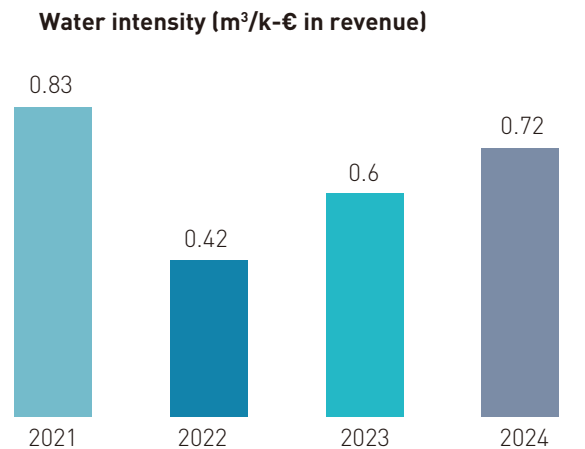
The Group's total energy consumption and total GHG emissions increased this year compared to the previous two years. However, this increase is mainly attributed to the resumption of operational activities as our business recovered from the COVID-19 pandemic. Our casinos and hotels experienced periods of closure during the previous two years, with an extended period of closure for the financial year ended 31 March 2021.

We continuously monitor our energy consumption and emissions, with the aim of steadily reducing our impact on the environment and achieving operational cost savings in the future. To this end, we have set quantitative targets for the reduction of our GHG emissions and energy consumption: a reduction of 3% for both metrics within three years after our initial listing. To achieve these targets, we have worked to implement innovative technology such as roof PV systems, and continue to replace outdated technology with newer, more energy efficient models such as LED lights and heat pumps.

2. We Are Environmentally Responsible

2.4 WATER

As a hospitality operator, our water consumption is dependent on our hotel occupancy rates and the number of clients at our gaming facilities. Resultingly, our water consumption intensity has increased since the recovery of business following the COVID-19 pandemic. Our water consumption intensity was approximately 0.72 m³ per thousand revenue in Euro this year.



Minimising our water use is a key focus for the Group. We have set a quantitative target for the reduction of our water consumption intensity: to achieve a 3% decrease in our water consumption intensity within three years post-listing.

2.4.1 Water saving initiatives

To achieve our water reduction target, we are constantly seeking opportunities to implement practices to enhance our water efficiency and reduce our water consumption, including:

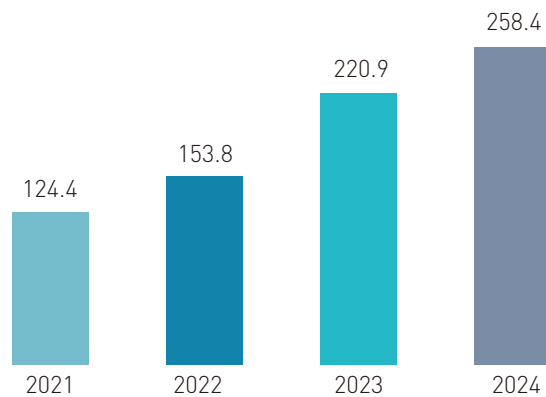
- Utilising water-saving nozzles for faucets throughout our operations: when purchasing new faucets, we specifically choose models equipped with nozzles that regulate water flow, ensuring efficiency without compromising functionality. We are also working to identify and replace older nozzles in our buildings that lack water-saving features, reducing our overall water consumption;
- Performing a feasibility analysis for the installation of smart water meters throughout our operations to monitor water consumption and reduce our long-term operating costs;
- Encouraging hotel guests to embrace the Hotels for Trees programme, choosing to skip room cleaning and linen replacement to save water and contribute to reforestation; and
- Obtaining our water from on-site facilities: Palasino Wulowitz uses water from an on-site well, reducing our reliance on public water utilities. This water is treated prior to use to ensure compliance with water safety standards.

2. We Are Environmentally Responsible

2.5 WASTE

Our non-hazardous waste generation increased over the past three years, with the majority of our waste coming from general waste collection and kitchen food waste generated during business operations. As with our energy consumption and water use, this increase is mainly attributable to the Group's post-COVID-19 recovery.

Non-hazardous waste generation (tonnes)



We track all waste produced through our operations via a central registry, and perform regular checks to ensure compliance with relevant laws and to track the progress of our waste reduction efforts. Waste is sorted directly within our facilities. We separate recyclables, the majority of which are paper, glass, and plastic, and organic waste, facilitating downstream sorting and recycling.

We have set a quantitative target for the reduction of our non-hazardous waste intensity: to reduce our non-hazardous waste intensity by 3% within three years after our listing. To achieve this target, we have implemented waste reduction policies, such as the banning of single-use plastic in our facilities and promoting paperless practices at our Czech Republic regional office. These actions are expected to reduce our total waste generation and long-term operating costs.

Due to the nature of our business, we did not produce a significant amount of hazardous waste this year. This year we were not subject to any material fines or penalties for non-compliance of any applicable environmental laws, nor were we subject to any material administrative penalties in relation to violations of applicable environmental laws.



2. We Are Environmentally Responsible

2.5.1 Single-use plastics reduction

We have implemented a ban on the distribution of drinking water and other soft drinks in single-use plastic bottles. Beverages are only distributed in reusable glass bottles, which are provided throughout our casinos and in our hotel rooms. Drinking water is obtained from our filtered water taps, and we have begun to adopt soda machines that mix beverages on-site, eliminating the requirement for pre-packaged bottles of soft drinks.

Whenever possible, we choose paper over plastic packaging, reducing our usage of plastic. We keep detailed records of our plastic waste through our waste segregation initiative, allowing us to identify key areas to target in order to further reduce our plastic waste in the future.



2.5.2 Waste management

Food waste makes up a large proportion of our non-hazardous waste. We believe effective food waste management starts from efficient ingredient management to minimise spoiling and excess. To this end, we purchase ingredients for food preparation in small quantities frequently, significantly reducing waste.

Unfortunately, some food waste is unavoidable. We employ two types of waste management to address this:

- Food waste produced prior to being served to customers is safely repurposed as animal feed. We ensure that any food waste suitable for animals is appropriately processed in line with appropriate laws and regulations.
- Legal guidelines prohibit the use of food waste previously served to customers for donation to foodbanks or as feed for animals. All other types of food waste, such as leftovers, is composted following ecological practices, which will eventually be used for growing herbs for our hospitality operations when there is sufficient scale.

By balancing legal requirements, sustainable practices, and efficiency, we aim to minimise our waste while ensuring the safety and satisfaction of our valued guests.

2. We Are Environmentally Responsible

2.6 CLIMATE CHANGE RISKS AND OPPORTUNITIES

Climate change is a global issue of paramount importance that presents various risks to the Group. Physical risks such as extreme temperature events, rising sea levels, and droughts have the potential to affect our daily operations, while transition risks such as stricter regulations, shifts in market expectations, and reputational risks could impact our operating costs. However, climate change also presents opportunities for the Group, including the adoption of innovative technologies to address climate change and benefits associated with addressing changing customer tastes.

We are committed to continuing to explore pathways to mitigate the effects of climate change on our operations while embracing future opportunities, including investigating the possibility of integrating climate-related risks into the Group's risk management system.

3. We Are a Good Employer

Our people are the driving force behind our success, and we are committed to supporting our current employees and attracting new talent through competitive compensation packages, training and career development, and occupational health and safety programmes. All of our activities are underpinned by a commitment to equal opportunities and diversity, empowering our employees to perform to the best of their abilities and deliver quality services to our customers.

3.1 OCCUPATIONAL HEALTH AND SAFETY

As a gaming and hotel operator, we understand that the safety of our customers, employees, and assets, as well as the safety of our immediate neighbourhood, is crucial to creating a long-term sustainable business.

The Group adopts a comprehensive workplace safety policy, incorporating the principles of occupational health and safety to protect and maintain a safe and healthy working environment. The policy also helps ensure that our employees identify and report any workplace accidents or unsafe working conditions. We provide occupational health and safety training, including fire safety training, to increase our employees' understanding and implementation of our workplace safety policy.

Our casinos and hotels utilise a 24-hour surveillance system which is monitored at all times by our surveillance department to ensure the safety and security of our customers, employees, and assets.

3.2 STAFF ENGAGEMENT

We firmly believe that engaging and developing high-performing employees is the key to delivering an exceptional experience for our guests. To enhance engagement with and protect the interests of our staff, we have established a work council which represents the interests of our employees at Hotel Auefeld in Germany. This year, we have not experienced any material labour-related disputes or industrial action which has had a material impact on our business, and we believe that we maintain a good working relationship with our employees.

3.2.1 Attracting and retaining talent

As a gaming and hotel group, we employ a vast number of employees across diverse departments to provide our quality services. To continue to meet the high expectations of our customers, our employment policies are designed to attract and retain exceptional talent. These policies encompass a range of employment aspects, including recruitment, promotion, working hours, rest periods, benefits, dismissal, equal opportunity, and anti-discrimination, in adherence with all relevant laws and regulations. To align with our ongoing strategy to maintain and further consolidate our market presence, we continue to seek out and develop potential candidates who exhibit an interest in pursuing a profession in gaming and hospitality.

To attract and retain quality employees, we offer competitive remuneration packages that include a base salary, incentive bonuses, complimentary meals in our company canteen, access to our company shuttle bus, and on-site accommodation facilities. Our employees' salaries are determined based on their individual qualifications, position, and work performance, among other relevant factors. We also provide a wide range of leave entitlements as determined by relevant laws and regulations in our areas of operation, including sickness, holiday, maternity, and parental leave, all of which assist our staff in balancing their work and personal commitments. We are committed to continually innovating and adapting our compensation and benefits processes to provide further incentives for our staff to deliver their best work.

3. We Are a Good Employer

3.3 LEARNING AND DEVELOPMENT

We place great importance on providing support for the personal and professional development of our employees, who are our most important asset. To help our staff grow and develop with the Group, we offer a wide variety of training and career development programmes to all employees.

3.3.1 Training

We pay close attention to the ongoing professional growth and personal well-being of our employees, with the ultimate goal of helping our employees realise their full potential in a safe, sustainable manner. To protect the health, safety, and legal compliance of our staff and the Group as a whole, we provide mandatory training programmes on data privacy and security, GDPR compliance, anti-money laundering practices, and other topics relevant to our business. Our training programmes include both online and offline courses, providing a diverse array of experiences to enhance the competency of our employees. Our online training is administered through a learning management system application that enables our Human Resources (HR) department to assign, track, and manage all mandatory and optional training necessary for our employees. An audit of completed and non-completed training is reviewed on a monthly basis, facilitating the identification and resolution of any training-related issues.

We place great emphasis on employee satisfaction, and offers many opportunities for personal and professional development to enhance the competitiveness of our staff. Employee development has a great impact on the personal lives of individuals and their families: through quality training, we aim to develop each and every one of our employees, helping to increase their competitiveness in the job market.

3.3.2 Career development

We have a comprehensive career development in place to empower our employees in nurturing and advancing their careers. To gain deeper insights into our employees' career aspirations and to support them in reaching their full potential, our management conducts annual reviews to assess staff performance and establish targets for the coming year. We also regularly assess salary structures and promotional opportunities for our team members, helping to retain talented staff.

In addition to salary adjustments and promotions, outstanding employees who consistently demonstrate excellence or excel in certain events are recognised with employee achievement awards.

3. We Are a Good Employer

3.4 DIVERSITY, EQUITY, AND INCLUSION (DEI)

We foster inclusion and equality among employees from all backgrounds, regardless of gender, age, ethnicity, nationality, marital status, or religion, or any other personal characteristic. We believe that promoting diversity, including but not limited to gender diversity, is important for the Group's success and growth.

Adhering to the principle of equal opportunity, our recruitment decisions are based on the candidate's experience, competency, and qualifications. All job applicants are also mandated to provide age verification as a means of ensuring compliance with all applicable laws and regulations for our industry. Our employment policies outline the terms and conditions of employment, expectations for employees conduct and behaviour, and employee rights and benefits. The policy also contains the mechanisms for the employee resignation and retirement process. New employees are introduced to our employment policies as part of our new hire orientation programme.

Upholding our high standards of fairness and equal opportunities helps to eliminate any instances of discrimination and abuse within the Group. We strive to create a fair and inclusive workplace where everyone's rights and unique attributes are respected throughout all stages of employment, including recruitment. We promote equal opportunity and diversity in the workplace and do not tolerate any form of discrimination, and expect our team members to share the same commitment towards treating others with respect and gratitude. Our equality and diversity policies integrate inclusion and diversity into our company culture, with emphasis on treating all individuals fairly on merit and without prejudice.

Every employee is important to us, whether they work full-time or part-time. The Group employs part-time employees seeking work outside of normal working hours, such as holidays and weekends, so that they can better balance their personal and work lives.

4. We Are Accountable to Our Communities

We strive to forge beneficial relationships with local communities in our areas of operation, contributing to their health, welfare, and happiness through a variety of activities and programmes. These include community outreach initiatives and volunteering, donations, fostering local employment, and through our significant tax contributions.

4.1 PHILANTHROPY

The Group financially supports charities and organisations in the regions where we operate, giving back to our valued communities. This financial year, we have donated almost CZK1 million to support our communities.

Good Angel

We are a proud partner and sponsor of the charity foundation Dobrý Anděl (Good Angel). Good Angel provides a platform for companies and individuals to provide targeted monetary support to the families of children with serious illnesses. The donations help cover expenses associated with treatment and general income support for these families and their children.

This year, we donated CZK300,000 to support Good Angel's worthy cause.

"In the right direction" drug prevention event

This financial year, we were the general sponsor of an anti-drug event called "In the Right Direction". The event, held by the National Drug Control Centre of the Criminal Police and Investigation Service of the Police of the Czech Republic, included an anti-drug poster competition for primary and secondary school students. The best posters were awarded prizes and shown in a travelling exhibition promoting the event's themes around the country.

Selected employees from the Group were honoured to have been chosen as the judges for the "Palasino Group General Sponsor Award", choosing their favourite entry and awarding the prestigious prize to the winner. We will continue to support initiatives to improve social wellbeing in our operating areas, acting accountably towards our local communities.



4. We Are Accountable to Our Communities

Sharks wheelchair sports club

Supporting people with disabilities is a key focus for the Group. To this end, we are a firm supporter of the Sharks Wheelchair Sports Club, which provides a platform for club members to participate in sledge hockey, the official Paralympic version of ice hockey. Players sit in special sledges and manoeuvre and control the puck using two hockey sticks, resulting in a fast-paced, exciting game.



Since its founding in 2003, the Sharks Club has developed into one of the most successful wheelchair sports clubs in the Czech Republic, winning the Czech Para Hockey League six times and regularly representing the Czech Republic in international sledge hockey tournaments. We are proud that our donations are contributing to achieving the dreams of young people with disabilities, and look forward to continuing our partnership with the Sharks Club in the future.

Taekwon-do club, narama Pilsen

We are a long-time partner and sponsor of taekwon-do club NARAMA in Pilsen, Czech Republic. The club, which has operated since 1993, is a member of the International Taekwon-do Federation (ITF).

We provide club NARAMA with financial support for their activities, which primarily involves the teaching of the practical and moral principles of taekwon-do to children. Additionally, we promote the club internally, which has led to the children of some of our employees to join club NARAMA, improving their health and facilitating the growth of the organisation.



4. We Are Accountable to Our Communities

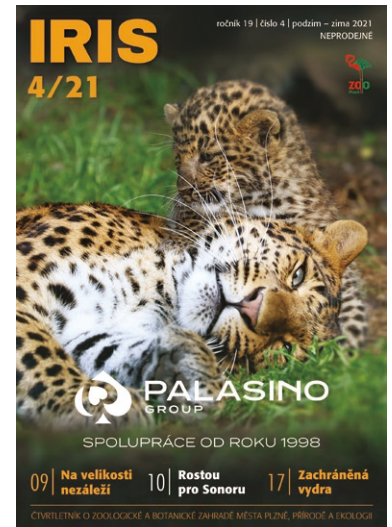
4.2 COMMUNITY OUTREACH PROGRAMMES

In addition to monetary donations, we also offer other types of support to local organisations, diversifying and amplifying our positive impact on society.

IRIS magazine

Palasino Group, a.s. has been a partner of IRIS, the official magazine of the Zoological and Botanical Garden of Pilsen in the Czech Republic, since it was first published in 1998. The magazine provides general information about the ZOO, including detailed information on the animals found there, as well as special events and activities. IRIS also provides a source of science news for children, encouraging them to learn more about the natural world and animal conservation.

We are proud to support this important publication and the Pilsen ZOO as a whole. In addition to our monetary and promotional support, we also regularly organise educational trips to the ZOO for the children of our employees, helping to cement our strong partnership with the organisation.



Nová Ves children's home

Since 1996, Palasino Group, a.s. has partnered with Children's Home Nová Ves Orphanage, in the Czech Republic, to support their work with children in need. The children's home provides care and accommodation for children who are unable to be brought up in their own family, and serves as an alternative educational institute for children and teenagers.

Every year, we visit the home to collect the Christmas wishes of the home's children. We then work to purchase those gifts, presenting them at the home's annual Christmas party. In FY2024, we donated almost CZK50,000 through the purchasing of gifts for the home's 39 children. This yearly tradition is of great importance to us and to the children, and we look forward to continuing our partnership in the future.



4. We Are Accountable to Our Communities

4.3 FOSTERING LOCAL EMPLOYMENT

As part of our effort to support our local communities and develop talent, we prioritise hiring locally. This practice provides new job opportunities for citizens in our region, and aids in the development of local professional and personal development. Palasino Group, a.s. offers above-average wages for the regions where we operate, leading to positive local impacts as a result of increased investment and support for regional businesses and developments by our employees. As of 31 March 2024, more than 65% of our employees are from local communities.

4.4 TAX LEVIES

The Group, as a gaming operator, makes a significant contribution to the state treasury budget through its operations. As part of the redistribution of the taxes paid by Palasino Group, a.s., the state directly allocates a portion of our gambling tax to the municipalities and towns where we operate.

These large sums to municipal budgets allow for capital projects and initiatives that would not have been possible without our contributions. Through our tax payments, local municipalities are able to provide superior services and support to their citizens, including the free provision of services and utilities, subsidised water rates, free waste collection, subsidies for home repairs, free internet, and support for education, culture, and sports.

5. We Value Our Clients

The health and safety of our clients is of the utmost importance to us. We are proactive in addressing our social responsibilities by promoting responsible gaming behaviour among our customers, following a comprehensive health and safety policy, and ensuring our employees follow our code of conduct.

5.1 GUEST HEALTH AND SAFETY

We employ a strict set of guidelines to protect the health and safety of our guests. All employees attend fire safety training, and fire safety measures are in place throughout our properties to ensure our preparedness in case of an incident. All employees also attend mandatory first-aid training, including learning how to use the automated external defibrillators that have been purchased and installed in all of our building.

We have a guest complaint system set up to effectively deal with any issues raised by our customers. Any complaint, whether verbal or online, is dealt with in a responsible manner.

5.2 RESPONSIBLE GAMING

As a responsible business operator, we fully acknowledge the importance of upholding ethical gaming practices, and we ensure the proper upkeep of all required regulatory licences, permits, approvals, registrations, orders, and authorisations pursuant to the relevant laws and regulations pertaining to our operations.

We believe a visit to our casinos is an opportunity to relax, have fun, socialise, and participate in a game of chance. Gaming is inherently associated with risk-taking and the thrill of the anticipation of winning; most customers enjoy this kind of entertainment and experience, but we are fully aware there may be customers who lose control of their behaviour and develop various problems such as addiction. In view of the inherent compliance risks in our industry, we uphold our long-standing commitment to fostering responsible gaming among our guests, employees, and the wider local community.

To this end, we have set up a responsible gaming programme to promote safe and responsible gaming behaviour among our customers. The programme includes various measures to ensure that gaming activities in our casinos are conducted in a fair and transparent manner, and that players are provided with the necessary information and resources to make informed decisions regarding their gaming behaviour.

We conduct age and identity verification for every visitor to our casinos. We have a responsible gaming programme leaflet at our reception with information on the programme and helplines and contacts for those in need of help with problem gambling or any gaming-related issues. Our staff, especially on-site representatives of gaming operations, have undergone training to identify players who may be experiencing gambling-related issues. This training ensures that timely support and intervention is provided to those in need. Assistance is extended to individuals who are adversely affected by gambling problems: for example, our representatives will assist guests in the voluntary self-exclusion application process. We also work with non-profit agencies and government bodies to responsibly address this important issue.

We also promote a healthy and responsible gaming culture among our employees. Our gaming staff follow employment policies which strictly prohibit employees from taking part in gaming activities on our premises. Additionally, we place a strong emphasis on responsible gaming education by providing training to all our gaming staff following recruitment, with a requirement to undertake regular refresher training. Through the implementation of these policies and processes, we have facilitated the creation of a strong responsible gaming culture among our staff.

5. We Value Our Clients

5.3 SUPPLIER ENGAGEMENT

The Group does not currently have a Code of Conduct for our suppliers. This is an area of focus for the future, and we are currently looking into the feasibility of implementing a supplier Code of Conduct and engagement programme. We aim to implement environmental and social risk monitoring along our supply chain, and will also look into the possibility of identifying and prioritising sustainable, responsible suppliers and practices wherever possible.

We do have a Code of Conduct for our employees, which has been fully adopted. The Code is applicable and binding for all employees when dealing with supplier contracts and terms and conditions. However, we do not insert the Code into contracts or present it to suppliers. Employees are monitored for compliance with this Code of Conduct when dealing with supplier contracts and activities and any deviations are dealt with immediately. Should a supplier become aware of any unfair practices by employees in the negotiation of contracts, the Group's "Ethics Line" application serves as a platform through which they can file a report anonymously.

6. We Are a Good Steward

As an operator of gaming and hospitality venues, we fully understand, respect, and embrace the crucial role we play in managing environmental, social, and governance issues related to our activities. To this end, we pledge to act as a good steward, employing a comprehensive ESG governance system that guides our actions in our areas of operation.

6.1 BOARD COMPOSITION/OVERSIGHT

The Palasino Board of Directors ("the Board") consists of six directors as at 31 March 2024, including one executive director, two non-executive directors, and three independent non-executive directors. The following table provides information on the roles and responsibilities of each board member:

| Name | Position | Responsibilities |
|--|--|--|
| Tan Sri Dato' David Chiu (丹斯里拿督邱達昌) | Non-executive Director and Chairman of the Board | Providing strategic advice in the formulation of business plans and major decisions of the Group |
| Cheong Thard Hoong (孔祥達) | Non-executive Director | Providing strategic advice in the formulation of business plans and major decisions of the Group |
| Pavel Maršík | Executive Director and Chief Executive Officer | Day-to-day management and strategic planning of the Group |
| Ngai Wing Liu (廖毅榮) | Independent non-executive Director | Providing oversight of the Board and independent advice on the operation and management of the Group |
| Kam Choi Rox Lam (林錦才) | Independent non-executive Director | Providing oversight of the Board and independent advice on the operation and management of the Group |
| Sin Kiu Ng (吳先僑) | Independent non-executive Director | Providing oversight of the Board and independent advice on the operation and management of the Group |

The functions and duties of our Board include convening shareholder meetings, reporting to shareholders at shareholder meetings, implementing shareholder resolutions, determining our business and investment plans, formulating our annual budget and final accounts, formulating proposals for our dividend and bonus distributions and for the increase or reduction of capital, as well as exercising other powers, functions and duties as authorised by our Articles of Association.

The Board meets at the top level quarterly. Appropriate Board committees has also been established to govern its functions and duties, including the audit committee, remuneration committee, nomination committee, and executive committee.

6. We Are a Good Steward

6.1.1 Board diversity

The Board adopts a board diversity policy in order to enhance the effectiveness of our Board of Directors and to maintain a high standard of corporate governance. The Board Diversity Policy sets out the criteria for selecting candidates for the Board, including but not limited to gender, age, cultural background, educational background, professional experience, skills, knowledge, and/or length of service. The ultimate decision for appointment to the Board will be based on merit and the contribution that the selected candidates will bring to the our Board of Directors.

Our directors have a balanced mix of knowledge and skills, including business management, finance, accounting, and legal knowledge. They have obtained degrees in diverse subjects including hotel and tourism management, law, international trade, accounting, business administration, economics, and mechanical engineering. Board members encompass a wide range of ages, from 51 to 73.

We recognise that the gender diversity of the Board is a potential area for improvement given that the majority of our directors are male. To address this, the Group plans on identifying and selecting several female individuals with a diverse range of skills, experiences, and knowledge in different fields, and to maintain a list of such female individuals who possess qualities to become members of the Board. This list will be periodically reviewed by our Nomination Committee in order to develop a pipeline of potential successors to the Board to promote gender diversity.

In addition to the Board level, we are also committed to promoting gender diversity at senior management and all other levels of the Group by providing career development opportunities, knowledge and skills training, and succession planning support for female staff. The Board will also ensure that an appropriate balance of gender diversity is achieved with reference to the expectations of our investors, as well as international and local best practices.

The nomination committee is responsible for reviewing the diversity of our Board, periodically monitoring and evaluating the implementation of the Board Diversity Policy to ensure its continued effectiveness. The nomination committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

The Board is of the view that our current Board of Directors satisfies the requirements outlined in our Board Diversity Policy.

6. We Are a Good Steward

6.2 SUSTAINABILITY GOVERNANCE

The Board is responsible for establishing, adopting, and reviewing our ESG objectives, strategies, priorities, initiatives, and goals, as well as reviewing and approving our annual sustainability report. The Board also identifies key performance indicators (KPIs) and other relevant measurements used to evaluate and address our ESG-related risks in accordance with the European Sustainability Reporting Standards (ESRS). These risks are evaluated according to their materiality to the Group.

Our senior management oversees all matters related to sustainability and is responsible for managing our Group's sustainability policies and strategies including setting and monitoring targets, key initiatives, sustainability reporting, associated risks and opportunities, and other matters of significance.

The Board closely monitors the Group's compliance with ESG rules and regulations, informed by our materiality assessment. We are committed to establishing an ESG committee within one year after our listing to assist the Board in overseeing ESG governance, ensuring implementation of ESG policies, monitoring ESG-related performance and targets, adjusting ESG strategies, and preparing the Group's sustainability report. The ESG committee is expected to report to the Board periodically on the ESG performance of the Group and the effectiveness of our ESG systems.

Within our first year post-listing, ESG training sessions and education on pertinent market trends related to ESG will be held for the Board and the ESG committee. The ESG committee will work to aid the Board in staying abreast of HKEX's reporting mandates and associated listing regulations.

The Group does not currently have an environmental policy. The ESG committee, once formed, will identify areas of focus for the Group's environmental efforts and look into the possibility of forming an official environmental policy to guide our future ESG actions.

7. We Face Risks in Legislation

Gaming regulation in Central Europe is constantly evolving, with governments promoting responsible gambling practices and tightened legislation. We are committed to rising to the challenge of mitigating the risks associated with these legislative changes by implementing additional player protection measures, increasing investment in our infrastructure, and allocating capital towards our security deposits, among other actions.

7.1 ANTI-MONEY LAUNDERING MEASURES

As an operator of games of chance in the Czech Republic, Palasino Group, a.s. is, besides conditions specified in the Czech Gambling Act, obliged to comply with anti-money laundering (AML) regulations in the Czech Republic, which imposes strict obligations with respect to anti-money laundering protections. Rules and requirements related to AML are defined in Czech Act No. 253/2008 Coll. on Selected Measures against Legitimation of Proceeds of Crime and Financing of Terrorism (the "Czech Anti-money Laundering Act").

In line with these regulations, we have implemented appropriate procedures and control measures to fulfil our obligations against money laundering and the funding of criminal acts, complying with Czech Republic laws and regulations in all material aspects. These are outlined in our Anti-money Laundering Policy.

All of our employees receive AML training at the start of their employment and at least once every 12 months of employment to the extent required for their position and job classification. In FY2024, each employee received an average of six hours of AML training. Beyond this training, audit checks are periodically performed on the procedures and activities set by our internal policies. We regularly review and update our database of sanctioned persons and conduct "politically exposed person" (PEP) checks to prevent any potential issues. Going forward, we intend to focus on improving our PEP checks and on controls related to proving the origin of funds used for gaming.

7.2 ANTI-CORRUPTION AND ANTI-BRIBERY

The Group has a zero-tolerance policy towards any form of fraud or bribery, and is committed to the prevention, deterrence, detection, and investigation of all forms of fraud and bribery. These expectations and procedures are outlined in our employee Code of Conduct (the "Code").

The Code defines the standards of integrity and transparency with which our employees at all levels within the Group must comply. All employees must abide by all applicable laws, external and internal regulations, and guidelines of the Code, with a personal, non-transferable commitment to honesty, loyalty to the Group, and transparency in all work-related actions. Relevant training regarding anti-corruption and anti-bribery is provided to employees, helping to safeguard our operations.

We pride ourselves on the quality, loyalty, transparency, and integrity of our people, having built a strong reputation and standing among the communities in which we operate, with our commercial partners, and with representatives of governments. The way we conduct ourselves and our business is a testament to the values we represent, and it is imperative that all employees adhere to the highest standards of the Code.

7. We Face Risks in Legislation

7.3 WHISTLEBLOWING

We have imposed a whistleblowing procedure that allows our employees to report any actual or suspected wrongdoing without fear of repercussions. In the Czech Republic, this procedure is implemented via our "Ethics Line" application, which provides a platform for employees and any other persons with a non-employee relationship with the Group to anonymously submit violations of our policies. Any issues raised via our whistleblowing platform are dealt with in a responsible manner according to our relevant policies.

7.4 PRIVACY AND DATA SECURITY

Ensuring the protection of data collected from our clients and employees is of the highest priority to the Group. We have taken, and will continue to take, all possible measures to prevent possible data leakage or misuse. To this end, the Group invests in operational security, player account security, video surveillance, and backup systems, among other privacy and data security procedures.

We have implemented compliance measures to comply with the requirements and procedures of the European Union's General Data Protection Regulation (GDPR), including but not limited to:

- Preparing and updating our privacy policies for our customers and employees;
- Providing mandatory privacy and data security training to our employees;
- Establishing internal procedures and standards governing GDPR, data security, password request security, access security, data collection and backup, disaster recovery, and the use of mobile devices and their security; and
- Appointing a data protection officer to ensure our compliance with GDPR.

We have taken, and will continue to take, all possible and effective measures to prevent possible data leakage or misuse. This year, we successfully defended our ISO27001:2014 certification for the security of our information systems and processes.

The Group is in compliance with all relevant laws and regulations related to privacy and data security in the Czech Republic, Austria, Germany, Malta, the greater European Union, and Hong Kong. This year, the Group did not have any instances of non-compliance with relevant laws and regulations with respect to personal data privacy that had a material adverse impact on our business operations and financial performance.

The Group does not currently have a specific policy regarding intellectual property rights and copyright rules, as we do not foresee intellectual property-related issues as being material for the Group. However, we have incorporated guidelines related to it in our employee Code of Conduct.

7. We Face Risks in Legislation

7.5 HUMAN RIGHTS

Mitigating our employees' exposure to risks that could lead to human rights issues, child and forced labour, injuries, diseases, and fatalities in our operations is of the utmost importance to us. To control and eliminate these risks, we ensure the implementation of robust safety measures that align with industry standards, policies, and applicable laws and regulations.

In addition to these issues, we also strive to cultivate a positive work environment that fosters respect and politeness. We treat all employees equally, regardless of gender, sexual orientation, racial or ethnic origin, nationality, language, age, religion, and marital and family status, or any other personal characteristic. Our policies on equal treatment and non-discrimination, as well as workplace etiquette and conduct, are outlined in our Work Ethic and Appearance Policy.

Our operations fully adhere to all European Union labour laws, which have strict requirements regarding modern slavery, child labour, and human rights. Labour law within the Czech Republic and European Union have high levels of protection for worker rights, ensuring the legal, health, and social protection of all of our employees. If such practices are discovered, we respond in accordance with all applicable European Union and Czech Republic labour laws, as dictated by the Code.

8. Performance Data Summary

8.1 ENVIRONMENTAL PERFORMANCE ¹

| Metric | Unit | FY2022 | FY2023 | FY2024 |
|---|---|---------|---------|----------|
| Air Emissions² | | | | |
| Nitrogen oxides | kg | 46.10 | 71.90 | 72.76 |
| Sulphur oxides | kg | 0.70 | 1.10 | 1.13 |
| Particulate matter | kg | 3.40 | 5.30 | 5.36 |
| Energy Consumption | | | | |
| Renewable electricity generated and consumed | MWh | – | – | 31.5 |
| Direct energy | | | | |
| Petrol | MWh | 3.5 | 19.8 | 116.6 |
| Diesel | MWh | 460.5 | 688.1 | 625.8 |
| LPG | MWh | 282.4 | 282.4 | 201.7 |
| Fuel oil | MWh | 202.1 | 224.6 | 171.9 |
| Natural gas | MWh | 1,180.8 | 2,675.8 | 6,607.2 |
| Indirect energy | | | | |
| Electricity | MWh | 2,846.0 | 4,183.0 | 6,038.5 |
| Heating | MWh | 152.8 | 0.0 | 2.8 |
| Total consumption ³ | MWh | 5,128.1 | 8,073.8 | 13,796.0 |
| Total intensity | MWh/thousand revenue Euros | 0.19 | 0.23 | 0.21 |
| Greenhouse Gas (GHG) Emissions^{4,5} | | | | |
| Scope 1 ⁶ | Tonnes CO ₂ equivalent | 465.8 | 860.3 | 1,708.5 |
| Scope 2 ⁷ | Tonnes CO ₂ equivalent | 1,375.4 | 1,794.5 | 2,332.1 |
| Scope 3 ⁸ | Tonnes CO ₂ equivalent | 0.1 | 2.6 | 16.1 |
| Total emissions | Tonnes CO ₂ equivalent | 1,841.3 | 2,657.4 | 4,056.7 |
| Total intensity ⁹ | Tonnes CO ₂ equivalent/ thousand revenue in Euros | 0.07 | 0.08 | 0.06 |
| Water consumption | | | | |
| Total consumption | m ³ | 11,172 | 20,969 | 46,659 |
| Total intensity | m ³ /thousand revenue in Euros | 0.42 | 0.60 | 0.72 |

8. Performance Data Summary

| Metric | Unit | FY2022 | FY2023 | FY2024 |
|--|---------------------------------|--------|--------|--------|
| Hazardous Waste Disposed¹⁰ | | | | |
| Total generation | Tonnes | 0.0 | 1.0 | 4.25 |
| Total intensity | Tonnes/million revenue in Euros | 0.00 | 0.03 | 0.07 |
| Non-Hazardous Waste Disposed¹¹ | | | | |
| Total generation ¹² | Tonnes | 153.8 | 220.9 | 258.4 |
| Total recycled or reused | Tonnes | 33.6 | 53.0 | 51.1 |
| Paper | Tonnes | 10.5 | 22.5 | 23.3 |
| Plastics | Tonnes | 9.6 | 13.9 | 12.3 |
| Glass | Tonnes | 8.5 | 13.6 | 14.5 |
| Construction and demolition waste for reuse | Tonnes | 3.0 | 2.0 | - |
| Mixed recyclables | Tonnes | 2.0 | 1.0 | 1.0 |
| Total intensity | Tonnes/million revenue in Euros | 5.76 | 6.37 | 3.99 |

Notes:

- The methodology used to calculate the FY2024 environmental KPIs is in line with FY2023, which includes the use of the latest available emission factors with reference to the Greenhouse Gas Protocol, IEA's Energy Statistics Manual, US EPA's Emission Factors for Greenhouse Gas Inventories, and Environmental Protection Department and the Electrical and Mechanical Services Department's Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 Edition) and HKEX's "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs.
- Air emissions are generated from petrol and diesel fuel combustion in stationary and mobile sources.
- The total energy consumption includes direct and indirect energy consumption, and the consumption of renewable electricity generated and consumed onsite.
- Global Warming Potential (GWP) values are referenced from the IPCC Sixth Assessment Report and the UK Department for Environment, Food and Rural Affairs.
- GHG emission calculations comprise carbon dioxide, methane, nitrous oxides and hydrofluorocarbons.
- Scope 1 emissions include direct emissions from combustion of fuel in stationary and mobile sources and fugitive releases from equipment and systems.
- Scope 2 emissions include energy indirect emissions from the generation of purchased electricity and heating, calculated based on location.
- Scope 3 emissions include other indirect emissions from business air travel by employees (Category 6).
- Calculation of the total GHG intensity covers Scope 1, Scope 2, and Scope 3 emissions.
- Includes hazardous construction waste (e.g. hazardous concrete, bricks, tiles and asbestos), fluorescent tubes, paints, solvents and battery.
- Refers to the production of waste from operational activities, which includes waste that is reused, recycled, landfilled, or processed by other waste management methods.
- Includes general waste, food waste, paints, cardboard, and metal.

8. Performance Data Summary

8.2 SOCIAL PERFORMANCE^{1,2}

| Metric | Unit | FY2024 |
|--------------------------------|--------|--------|
| Total workforce | | |
| By gender | | |
| Male | Number | 340 |
| Female | Number | 350 |
| By region | | |
| Czech Republic | Number | 507 |
| Non-Czech Republic | Number | 183 |
| By age group | | |
| 30 or below | Number | 174 |
| 31-40 | Number | 213 |
| 41-50 | Number | 159 |
| 51 or above | Number | 144 |
| By employee category | | |
| Senior management ³ | | |
| Male | Number | 16 |
| Female | Number | 5 |
| Middle management ⁴ | | |
| Male | Number | 42 |
| Female | Number | 24 |
| General staff ⁵ | | |
| Male | Number | 282 |
| Female | Number | 321 |
| By employee type | | |
| Full-time | Number | 555 |
| Part-time | Number | 135 |

8. Performance Data Summary

| Metric | Unit | FY2024 |
|---|----------------|--------|
| New Employees | | |
| By gender | | |
| Male | Number | 96 |
| Female | Number | 91 |
| By region | | |
| Czech Republic | Number | 122 |
| Non-Czech Republic | Number | 65 |
| By age group | | |
| 30 or below | Number | 95 |
| 31-40 | Number | 41 |
| 41-50 | Number | 31 |
| 51 or above | Number | 20 |
| Employee turnover rate⁶ | | |
| By gender | | |
| Male | Percentage (%) | 18.8% |
| Female | Percentage (%) | 21.8% |
| By region | | |
| Czech Republic | Percentage (%) | 22.7% |
| Germany | Percentage (%) | 41.2% |
| Austria | Percentage (%) | 42.5% |
| Malta | Percentage (%) | 16.7% |
| By age group | | |
| 30 or below | Percentage (%) | 16.1% |
| 31-40 | Percentage (%) | 7.1% |
| 41-50 | Percentage (%) | 10.7% |
| 51 or above | Percentage (%) | 2.8% |

8. Performance Data Summary

| Metric | Unit | FY2024 |
|---|----------------|--------|
| Health and safety | | |
| Work-related injuries | Number | 10 |
| Work-related injuries rate ⁷ | Percentage (%) | 1.5% |
| Lost days due to work-related injury | Days | 243 |
| Learning & development | | |
| Average training hours per employees ⁸ | Hours | 25 |
| By gender | | |
| Male | Number | 14 |
| Female | Number | 11 |
| By region | | |
| Czech Republic | Number | 14 |
| Germany | Number | 8 |
| Austria | Number | 9 |
| Malta | Number | 11 |
| By employee category | | |
| Senior management | Number | 28 |
| Middle management | Number | 23 |
| General staff | Number | 11 |
| Percentage of employees that received training⁹ | | |
| By gender | | |
| Male | Percentage (%) | 100% |
| Female | Percentage (%) | 100% |
| By region | | |
| Czech Republic | Percentage (%) | 100% |
| Non-Czech Republic | Percentage (%) | 100% |
| By employee category | | |
| Senior management | Percentage (%) | 100% |
| Middle management | Percentage (%) | 100% |
| General staff | Percentage (%) | 100% |
| Percentage of employee receiving regular appraisal | Percentage (%) | 98% |

8. Performance Data Summary

| Metric | Unit | FY2024 |
|---|--------|---------|
| Customer Relationship | | |
| Products and service-related complaints received | Number | 0 |
| Community Investment¹⁰ | | |
| Donation amount | | |
| Arts & culture | HK\$ | 8,250 |
| Environment | HK\$ | 153,503 |
| Community wellness | HK\$ | 113,392 |
| Youth education & development | HK\$ | 23,119 |
| Others | HK\$ | 11,218 |
| Number of volunteers | | |
| Arts & culture | Number | 4 |
| Environment | Number | 1 |
| Community wellness | Number | 20 |
| Youth education & development | Number | 0 |
| Others | Number | 23 |
| Volunteering hours | | |
| Arts & culture | Hours | 20 |
| Environment | Hours | 180 |
| Community wellness | Hours | 80 |
| Youth education & development | Hours | 0 |
| Others | Hours | 75 |
| Number of suppliers by geographical region | | |
| Hong Kong | Number | 10 |
| United Kingdom | Number | 5 |
| Europe | Number | 1,284 |

8. Performance Data Summary

| Metric | Unit | FY2022 | FY2023 | FY2024 |
|---------------------------------------|----------------|--------|--------|--------|
| Work-related fatalities ¹¹ | Number | 0 | 0 | 0 |
| Work-related fatalities rate | Percentage (%) | 0 | 0 | 0 |

- The social performance table only includes social data within the scope of ESG reporting. The total number of employees within the scope of ESG reporting is 690 as of 31 March 2024.
- The data includes full-time and part-time employees.
- Senior management refers to C-suites, general managers of regional offices and hotels, members of executive committees, department heads and directors, casino managers and assistant casino managers.
- Middle management refers to managers of departments, regional offices and hotels other than senior management, floor managers, pit bosses and heads of departments.
- General staff refers to employees other than senior management and middle management.
- Employee turnover refers to the total number of employees who left the Group in the year. It is calculated as "total number of employees who left the Group during the Reporting Period (1 April 2023 to 31 March 2024) divided by total number of employees as of the end of Reporting Period and then multiplied by 100%".
- The rate of work-related injuries is calculated as "Total number of recordable work-related injuries divided by number of employees (per 100 employees)".
- The average training hours per employee is calculated as "Total number of training hours provided to employees during the Reporting Period divided by total number of employees as of the Reporting Period".
- The percentage of employees trained is calculated as "Total number of trained employees divided by the total number of employees as of the end of Reporting Period and then multiplied by 100%".
- Exchange rate of 1 Czech Koruna = 0.33 Hong Kong Dollar used.
- The rate of work-related fatalities is calculated as "Total number of fatalities as a result of work-related injury divided by the numbers of employees (per 100 employees)".

9. HKEX Content Index

| Mandatory Disclosure Requirements | | Sections/Remarks |
|-------------------------------------|---|---|
| Governance Structure | <p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses. | <p>1.1 Leadership Message 6.2 Sustainability Governance</p> |
| Reporting Principles – Materiality | <p>The ESG report should disclose:</p> <ul style="list-style-type: none"> (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement. | 1.5 About This Report |
| Reporting Principles – Quantitative | <p>Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> | <p>1.5 About this Report 8. Performance Data Summary</p> |
| Reporting Principles – Consistency | <p>The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p> | <p>1.5 About this Report 8. Performance Data Summary</p> |
| Reporting Boundary | <p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report.</p> | 1.5 About this Report |

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| Comply or explain provisions | | Sections/Remarks |
|------------------------------|---|---|
| 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. | 2. We are Environmentally Responsible There were no reported incidents of non-compliance relating to emissions in this reporting period. |
| KPI A1.1 | The types of emissions and respective emissions data. | 8. Performance Data Summary |
| 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). | 2.3 GHG Emission and Energy Consumption 8. Performance Data Summary |
| KPI A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | 8. Performance Data Summary |
| KPI A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | 2.5 Waste 8. Performance Data Summary |
| KPI A1.5 | Description of emissions target(s) set and steps taken to achieve them. | 2.1 Sustainable Building Initiatives 2.3 GHG Emission and Energy Consumption |
| 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. | 2.5 Waste |

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| Comply or explain provisions | | Sections/Remarks |
|---|--|---|
| Aspect A2: Use of resources | | |
| General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials. | 2. We are Environmentally Responsible |
| 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). | 2.3 GHG Emission and Energy Consumption 8. Performance Data Summary |
| KPI A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility). | 2.4 Water 8. Performance Data Summary |
| KPI A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them. | 2.1 Sustainable Building Initiatives 2.3 GHG Emissions and Energy Consumption |
| KPI A2.4 | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them. | 2.2 Environmental Outreach 2.4 Water To our knowledge, there is no issue in sourcing water that is fit for purpose in our properties. |
| KPI A2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. | We primarily engage in gaming and leisure related services. The use of packaging materials for finished products is not material to our core business. For more information on packaging related to procurement of goods, please refer to 2.5.1 Single-use Plastics Reduction. |
| Aspect A3: The Environment and Natural Resources | | |
| General Disclosure | Policies on minimising the issuer's significant impacts on the environment and natural resources. | 2. We are Environmentally Responsible |
| KPI A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | 2. We are Environmentally Responsible |

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| Comply or explain provisions | | Sections/Remarks |
|-------------------------------------|---|--|
| 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. | 2.6 Climate Change Risks and Opportunities |
| 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. | 2.6 Climate Change Risks and Opportunities |
| B. Social | | |
| Aspect B1: Employment | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | 3. We Are a Good Employer There were no reported incident of non-compliance relating to employment in this reporting period. |
| KPI B1.1 | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region. | 8. Performance Data Summary |
| KPI B1.2 | Employee turnover rate by gender, age group and geographical region. | 8. Performance Data Summary |
| 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. | 3.1 Occupational Health and Safety There were no reported incident of non-compliance relating to occupational health and safety in this reporting period. |
| KPI B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. | 8. Performance Data Summary |
| KPI B2.2 | Lost days due to work injury. | 8. Performance Data Summary |
| KPI B2.3 | Description of occupational health and safety measures adopted, and how they are implemented and monitored. | 3.1 Occupational Health and Safety |

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| Comply or explain provisions | | Sections/Remarks |
|--|--|---|
| Aspect B3: Development and Training | | |
| General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | 3.3 Learning and Development |
| KPI B3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management). | 8. Performance Data Summary |
| KPI B3.2 | The average training hours completed per employee by gender and employee category. | 8. Performance Data Summary |
| 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. | 7.5 Human Rights There were no reported incident of non-compliance relating to child and forced labour in this reporting period. |
| KPI B4.1 | Description of measures to review employment practices to avoid child and forced labour. | 7.5 Human Rights |
| KPI B4.2 | Description of steps taken to eliminate such practices when discovered. | 7.5 Human Rights |
| Aspect B5: Supply Chain Management | | |
| General Disclosure | Policies on managing environmental and social risks of the supply chain. | 5.3 Supplier Engagement |
| KPI B5.1 | Number of suppliers by geographical region. | 8. Performance Data Summary |
| 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. | 5.3 Supplier Engagement |
| KPI B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. | 5.3 Supplier Engagement |
| KPI B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. | 5.3 Supplier Engagement |

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| Comply or explain provisions | | Sections/Remarks |
|--|---|---|
| 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. | 5.1 Guest Health and Safety 5.2 Responsible Gaming 7.4 Privacy and Data Security There were no reported incident of non-compliance relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress in this reporting period. |
| KPI B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | There were no instances of products sold or shipped being subject to recalls for safety and health reasons. |
| KPI B6.2 | Number of products and service related complaints received and how they are dealt with. | 8. Performance Data Summary |
| KPI B6.3 | Description of practices relating to observing and protecting intellectual property rights. | We respect intellectual property rights and copyright and complying with the relevant regulatory requirements. The employee Code of Conduct sets out our position and provides clear guidelines on intellectual property rights and copyright rules. |
| KPI B6.4 | Description of quality assurance process and recall procedures. | 5. We Value Our Clients |
| KPI B6.5 | Description of consumer data protection and privacy policies, and how they are implemented and monitored. | 7.4 Privacy and Data Security |

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| Comply or explain provisions | | Sections/Remarks |
|--|--|---|
| Aspect B7: Anti-corruption | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. | 7. We Face Risks in Legislation There were no reported incident of non-compliance relating to bribery, extortion, fraud and money laundering in this reporting period. |
| 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. | In FY2024, there were no concluded legal cases brought against the Group concerning corrupt practices. |
| KPI B7.2 | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored. | 7.3 Whistleblowing |
| KPI B7.3 | Description of anti-corruption training provided to directors and staff. | 7.2 Anti-corruption and Anti-bribery |
| 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 take into consideration the communities' interests. | 4. We are Accountable to Our Communities |
| KPI B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). | 4. We are Accountable to Our Communities 8. Performance Data Summary |
| KPI B8.2 | Resources contributed (e.g. money or time) to the focus area. | 4. We are Accountable to Our Communities 8. Performance Data Summary |

