

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

# SUSTAINABLE BEAUTY





# MESSAGE FROM THE CHAIRS

In the year ended 31 March 2023, the focus on climate change and the risks and opportunities arising continued, both globally and locally.

Sa Sa supports the path to net-zero by 2050 and will remain steadfast in its sustainability journey building climate adaptation and resilience, joining forces with our stakeholders through innovation, engagement, experience sharing, collaboration and consistently measuring, managing and reporting our progress.

**Dr KWOK Siu Ming Simon, SBS, JP**  
Chair of the Board

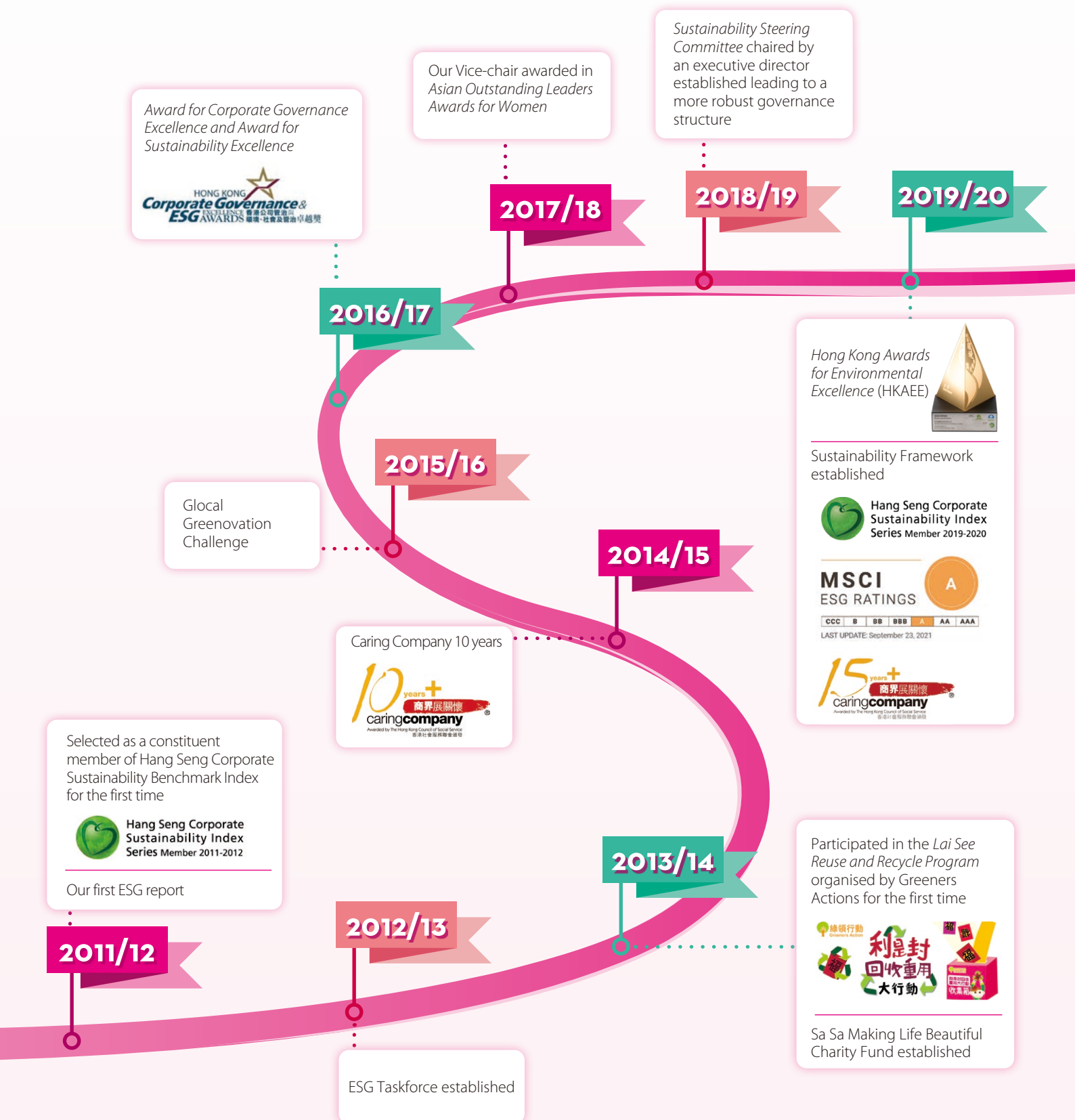


**Ms KWOK Sze Wai Melody, MH**  
Chair of the Sustainability Steering Committee





# OUR SUSTAINABILITY JOURNEY





2020/21

Stood with the community to fight the pandemic of the century

2021/22

Signatory to *Bye Bye Microbeads Charter*

Bye Bye Microbeads  
告別微珠!

MSCI ESG RATINGS  
BBB

2022/23

MSCI ESG RATINGS

A

CCC B BB BBB A AA AAA  
LAST UPDATE: September 23, 2021

- 10th anniversary in participation of Lai See Reuse and Recycle Program



- Special Mention, 2022 Best Corporate Governance and ESG Awards (HKICPA)



## 2022/23 SNAPSHOT

MSCI ESG rating upgraded to **A** from BBB



Stakeholders engagement and materiality assessment collecting and analysing the views of over **10,000** internal and external stakeholders



**Special Mention** in the Non-Hang Seng Index (Small Market Capitalization) Category, CG Awards, 2022 Best Corporate Governance and ESG Awards (HKICPA)



10<sup>th</sup> anniversary of our participation in the Lai See Reuse and Recycle Program, collecting a record breaking of **5.7** tonnes of red packets, equivalent to **97** trees



Independent reasonable **assurance** on key climate data



**29<sup>Note</sup>** stores signed up for a higher level of award from gold to platinum under the Charter on External Lighting



**Quarterly** sharing of our plastic shopping bags, paper and electricity consumption data at management meetings



**8** staff engagement on waste circularity, microbeads, personal data privacy and paper consumption



**Low carbon** lighting retrofit installed in selected stores



Note: Some of our shops do not have external lightings and therefore are not signatory to the Charter.



# OUR SUSTAINABILITY FRAMEWORK

## Preserve our Planet

- Take action on climate change by building a culture of sustainability and encouraging behavioural change
- Lower our carbon footprint
- Use resources responsibly
- Reuse and recycle to reduce waste



Our Planet

## Empower our People

- Invest in training and development
- Develop women leaders in the retail industry
- Promote equality, diversity and inclusion



Our People

Our Customer

## Serve with Heart

- Commit to product quality and safety
- Integrate consumer rights and protection into customer experience
- Make quality beauty accessible and affordable to all
- Manage environmental and social risks along the supply chain



Our Community

## Achieve Sustainable Growth Together

- Invest in the community
- Collaborate to flourish





# OUR GOVERNANCE STRUCTURE



Our board of directors has overall responsibility for our sustainability strategy, development, reporting and management of ESG issues and risks. Our sustainability steering committee, chaired by one of our executive directors and supported by our ESG team, is delegated with duties of formulating goals, targets and action plans for the Board's endorsement. Advised by the ESG team, the sustainability steering committee also makes recommendations to the Board based on regulatory requirements, sustainability trends, and outcomes from stakeholder engagement and materiality assessment. There is sufficient linkage between the Company's governance on ESG matters and corporate governance with alignment at the highest level. Six board meetings were held in the financial year ended 31 March 2023 and deliberation of sustainability related issues was on the agenda in four of such board meetings. The matters considered include (i) integrating ESG into business strategies; (ii) insights from stakeholders survey; (iii) insights from investors interviews; and (iv) way forward.

ESG-related risks have not been integrated into our company-wide enterprise risk management framework but are considered on a standalone basis along with strategies at board meetings. The Board reviews progress made against sustainability goals and targets and the accomplishment of KPIs before the publication of our ESG report every financial year.











# MATERIALITY ASSESSMENT

Driving change in sustainability is about influencing and empowering our stakeholders to act as we cannot do it alone. We regularly engage with our stakeholders through multi-channels communications and interactions. With the assistance of an independent consultant, a large-scale stakeholders engagement and materiality assessment was conducted during the year, laying a new foundation in furtherance of our sustainability strategies for the coming years.

## Stakeholders Engaged

Individuals from 12 stakeholder groups, including suppliers from overseas, were invited to participate in a materiality assessment survey.

 <b>Board</b>	 <b>Investors</b>	 <b>Management</b>	 <b>Trade Associations</b>
 <b>Landlords</b>	 <b>Customers</b>	 <b>Banks</b>	 <b>Employees</b>
 <b>Suppliers</b>	 <b>NGOs</b>	 <b>Service Providers</b>	 <b>Universities career services units</b>

50,527 stakeholders were successfully invited by email and SMS, and an overwhelming 10,379 of them responded (21% response rate), out of which 1,639 stakeholders provided free text feedbacks on top of answering the survey.

Separate one-on-one interviews were conducted with selected institutional investors.

## The Process

- Horizon scanning reviewing corporate vision, existing sustainability programmes, past materiality assessment processes and results.
- Bootcamp session to align directions and expectations and specifics to prepare for the materiality assessment.
- Peer analysis of material issues.
- Design of quantitative survey. Framing questions to avoid bias. Max-Diff approach for respondents to choose from a best-worst scale, which simulates real-world behaviour of making trade-off in constraints.
- Survey sampling, stakeholders identification and invitation.
- Conduct the survey.
- Data analysis and results reporting of the materiality survey.
- Design and development of discussion guide for in-depth one-on-one investors interview.
- Manage interview invitations.
- Conduct interviews.
- Consolidate findings into insights.
- Stakeholders survey analytic report and investors interview insights report presented separately for consideration by the Board and Management.

What We Learnt

Products and services related issues are the **top concerns** across all respondent segments

40% customers consider sustainable options as a necessary or important factor when choosing a shopping place

Waste reduction ranked **#3** material issue for customers and is an improvement area for Sa Sa

Sustainable product and operation innovation ranked **#1** material issue by internal stakeholders

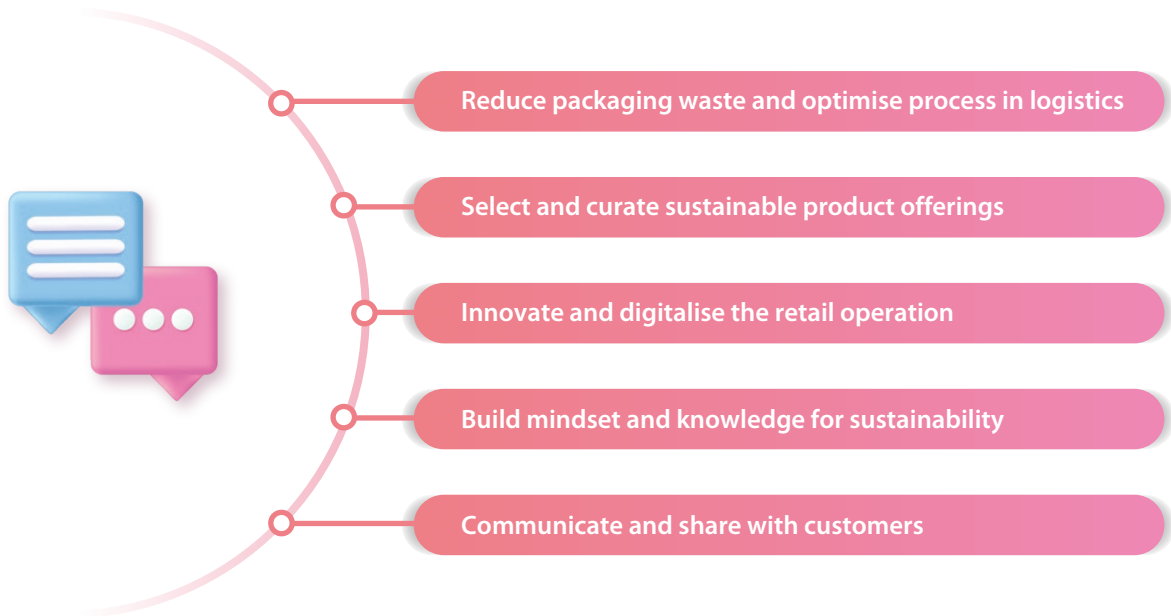
Only **2%** customers responded that sustainability is totally irrelevant to them

**95%** of internal respondents support the Company doing more in sustainability





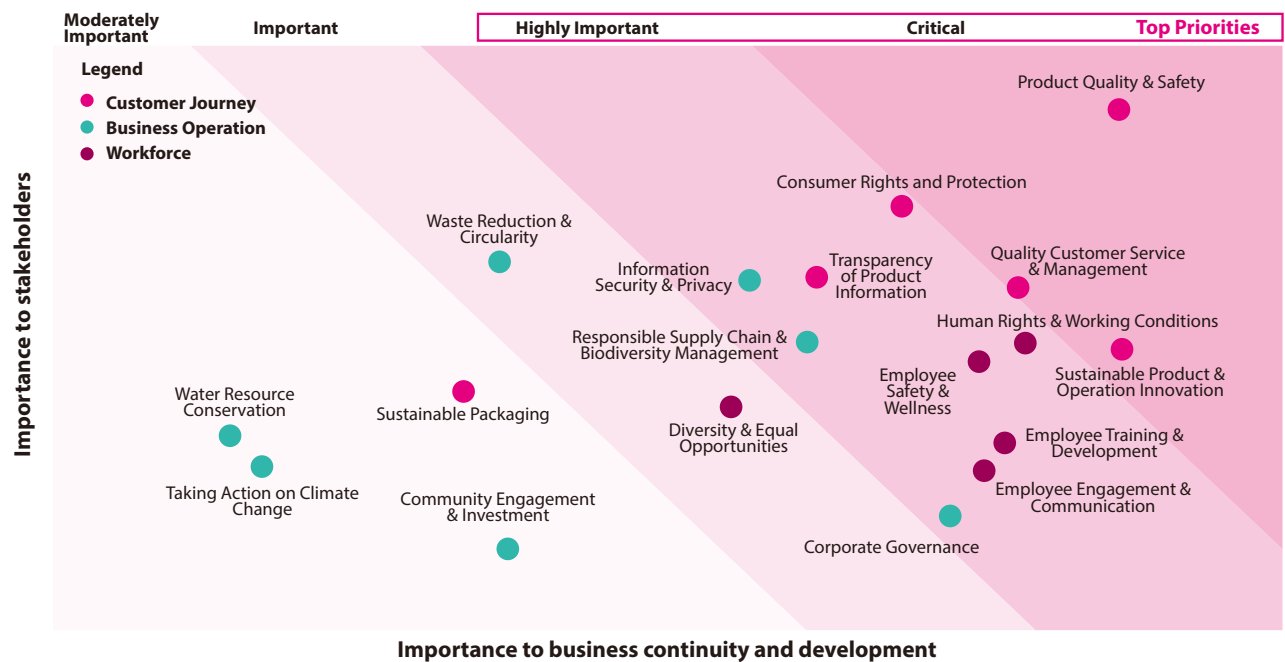
## What Our Stakeholders Are Telling Us



Our follow up actions are discussed in this report.



## Materiality Matrix





# OUR PLANET

## Step up our climate action.



### Preserve Our Planet – Our Commitments

- Take action on climate change by building culture of sustainability and encouraging behavioural change
- Lower our carbon footprint
- Use resources responsibly
- Reuse and recycle to reduce waste



Our commitment to minimise the potential negative environmental impacts of our operations is set out in our [Environmental, Social and Governance Policy](#) and our commitment to manage our greenhouse gas emission and waste is set out in our [Environmental Policy](#).



### Our Climate-related Risks

#### Physical Risks

- Damage to assets in extreme weather, as has happened when typhoons struck flooding our inventory and damaging our shop front or external signages.
- Increased insurance premium to cover our assets against climate-related losses.
- Loss of business and productivity in times of typhoons and rainstorms when stores need to be closed or employees are unable to travel to work.
- Increased cooling costs in rising temperature.
- Disruption to goods delivery whether from overseas or locally due to flooding or severe weather events.
- Knock-on effects affecting profitability of our business and the well-being of our stakeholders in the aftermath of severe weather.

#### Transitional Risks

- Higher electricity costs in the transition to a low-carbon economy.
- Costs of replacing petrol and diesel vehicles with electric vehicles.
- Costs of replacing electrical equipment with higher energy efficiency.
- Increased raw materials or product costs as legislation like plastic packaging tax or carbon levy are introduced.
- Increased costs to comply with local environmental laws and regulations like the waste charging scheme and producer responsibility scheme on glass beverage containers.

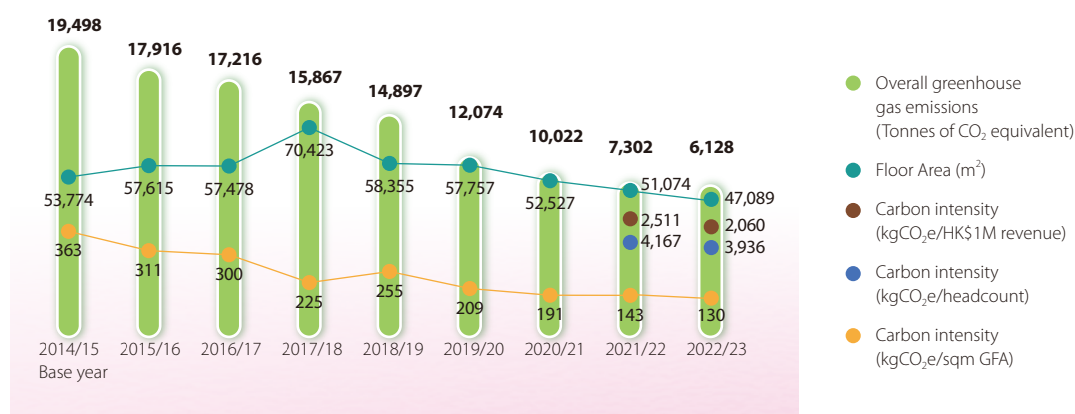




## Performance Overview: GHG emissions

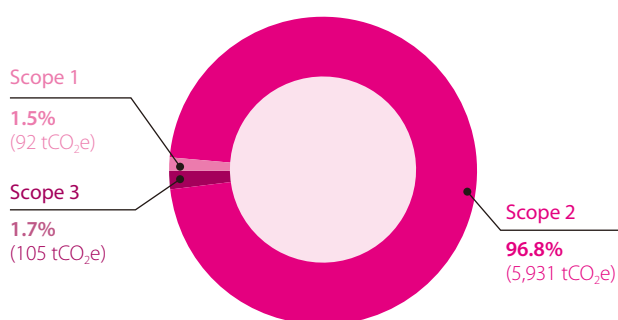
As at 31 March 2023, we operated a total of 79 stores in Hong Kong and Macau, a reduction of six from last financial year. Our operations generated 6,128 tonnes of carbon dioxide equivalent (CO<sub>2</sub>e), a decrease of 16.1% in absolute terms from last financial year. Compared to the emissions in our base year of 2014/15, our emissions have come down by 68.6%.

### GHG Emissions and Carbon Intensity



Energy consumption through purchased electricity (Scope 2 emissions) is the source of more than 97% of our total GHG emissions. Among our operation facilities, retail stores are responsible for most of the electricity consumed, accounting for 68% of the total, followed by logistics facilities (22%) and offices (10%). In 2022/23, our overall electricity consumption dropped by 10.03% compared to the previous financial year.

### Scopes 1, 2 and 3 Emissions



#### Scope 1: Direct GHG emissions

Company-owned trucks and private cars

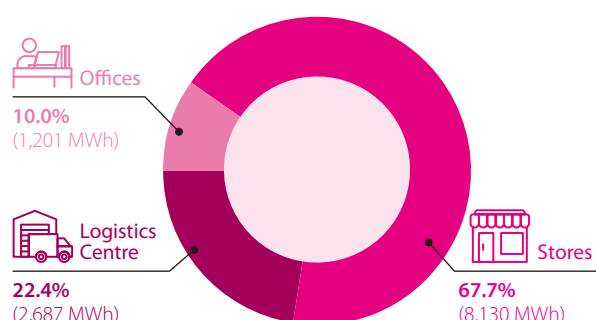
#### Scope 2: Electricity indirect GHG emissions

Purchased electricity used in our offices, logistics centre and stores

#### Scope 3: Other indirect GHG emissions

Business air travel, electricity used for freshwater processing and sewage treatment, trucks owned by external logistics service providers and waste disposal at landfill

### Electricity Consumption by Facility Type



2022/23  
Electricity consumption:

↓10.03%

YoY change

2022/23  
Electricity intensity  
(per sqm GFA):

↓2.6%

YoY change





2022/23 Initiatives: Climate Actions

Innovation

Partnering with a leading supplier of LED lamp technology, five<sup>Note</sup> of our stores were retrofitted with low carbon lighting with higher efficacy measured by lumens per watt, producing an expected savings in energy consumption of more than 15%.



Sun-blocking curtain was installed in our warehouse to lower indoor temperature and reduce air-conditioner usage.

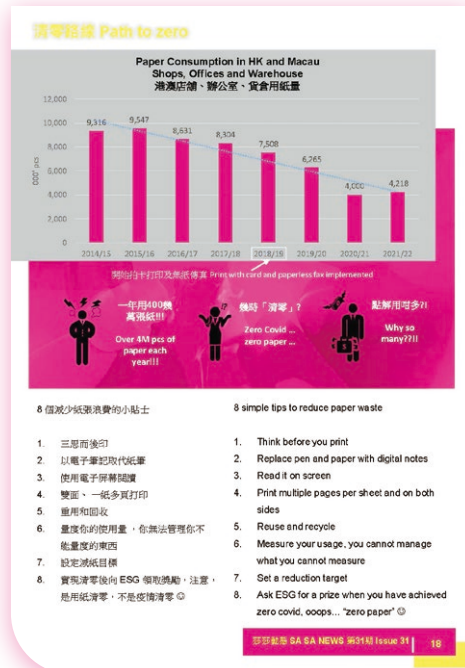


Note: One store during the reporting period and four more stores up to the date of publication of this report.



## Carbon-conscious culture in the workplace

Path to zero vision on paper consumption featured in one of our newsletters to all staff, providing both quantitative data and useful reduction tips.



To commemorate the 10th anniversary of the Company's participation in the Lai See Reuse and Recycle Program, a staff photo competition was organised.



All staff invited to participate in Green Low Carbon Day 2022 organised by The Community Chest of Hong Kong and sponsored by MTR. Participates were encouraged to "share, enjoy and cherish green".





## Other measures

Since the use of electricity (scope 2 emissions) is the largest source of our total carbon emissions, our focus is on reducing our electricity consumption. Other measures we took throughout the year include:

Offices	Logistics Centre	Stores
<ul style="list-style-type: none"> <li>• 100% installation of LED lights</li> <li>• Use of electrical appliances with energy efficiency label</li> <li>• Time control for air-conditioning to ensure they are shut down after office hours</li> <li>• Monitoring energy use with the use of real-time smart meters</li> <li>• Delamping to maintain optimal illumination to under 500 lux</li> <li>• Turning off idle lights at vacant areas during office hours</li> <li>• Implementing last person out procedure requiring lights and air-conditioning to be turned off when the office is vacated</li> <li>• Clear zoning with reference to seating plans to facilitate proper lighting for staff who work overtime after office hours</li> <li>• Providing energy saving tips and compliments to influence colleagues into changing daily habits like turning off electrical equipment not in use at own workstations</li> </ul>	<ul style="list-style-type: none"> <li>• Turning off the lights and air-conditioning in the "robotic operations" zone</li> <li>• Sensors on conveyor belt to minimise energy use when idle</li> <li>• 100% installation of LED lighting, and motion sensors in areas that are not always occupied</li> <li>• Interchangeable workstations: run only those in use to avoid energy wastage</li> <li>• Electric forklifts and EURO V trucks</li> <li>• Ceiling insulation to increase energy efficiency</li> <li>• Ceiling fan to increase air circulation to reduce reliance on air-conditioners for cooling</li> <li>• Zoning of interior space to enable independent control of temperature</li> <li>• Participate in energy saving campaigns organised by electricity provider</li> </ul>	<ul style="list-style-type: none"> <li>• LED and smart lighting</li> <li>• Thermostat and air curtain</li> <li>• Timer control</li> <li>• Signatory to Charter on External Lighting and commit to switching off lighting at preset time to minimise light nuisance and energy wastage</li> </ul>



## Environmental Targets and Progress

	Target	Progress
Target set in 2019/20	38% reduction in total GHG emissions by 2025 against base year of 2014/15	Already achieved  Total GHG emissions ↓68.6% vs base year 2014/15
Revised target set in 2021/22 <sup>Note 1</sup> and Note 2	70% reduction in total scope 1 and scope 2 GHG emissions by 2025 against base year 2014/15	Total scope 1 and scope 2 GHG emissions ↓68.6% against base year 2014/15 and ↓16.1% against last financial year
Absolute electricity consumption ↓54% vs base year 2014/15	Electricity intensity per sqm of GFA ↓48% vs base year 2014/15	Absolute electricity consumption ↓10.03% vs last financial year

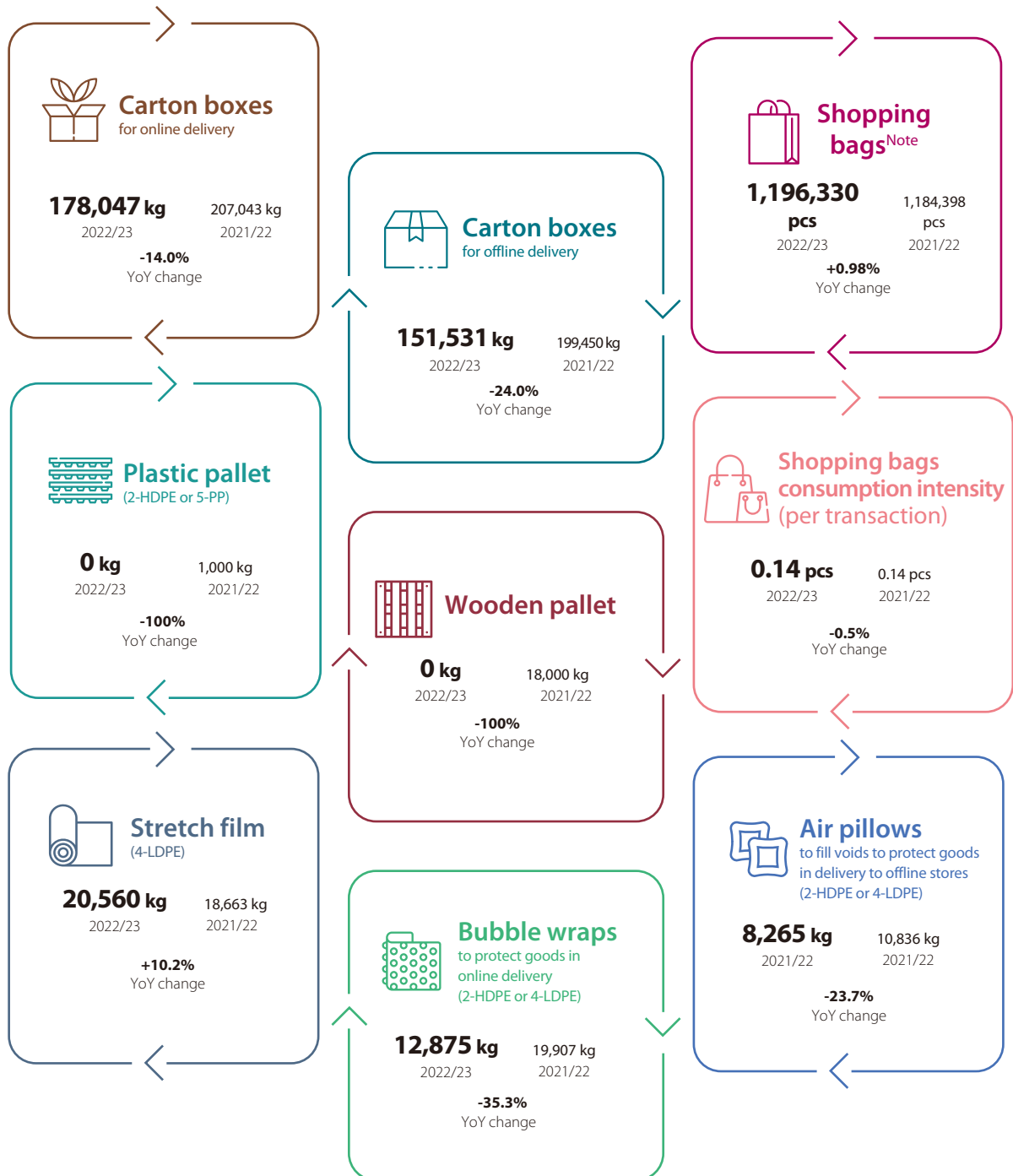
Note 1: Further revised to cover scope 1 and scope 2 emissions only as we intend to gradually expand the categories of our scope 3 emissions reporting from financial year 2023/24 onwards.

Note 2: As energy consumption through purchased electricity is the source of 96.8% of our total GHG emissions and 98.5% of our scope 1 and scope 2 emissions combined, this is our target for energy use efficiency too.





## Performance Overview: Packaging Consumption



Note: Our shopping bags are made of paper sourced from responsibly managed forests and certified by the Forest Stewardship Council (FSC). The plastic content of the shopping bags is made from oxobiodegradable material to lessen their impact on the environment.

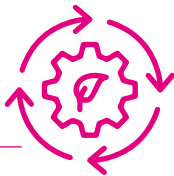




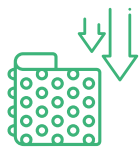
2022/23 Initiatives: Resource Conservation

Innovation-led logistics

Replacing single use plastic pallet wraps (stretch film) with reusable pallet wraps in our logistics operations.



Using bags instead of carton boxes for online delivery of small items to reduce carton boxes, air pillows and bubble wraps consumption. On average, the volume of the parcel reduced by 69% and there is a reduction of one air pillow and two sheets of bubble wraps per SKU, on top of the carton box saved in each transaction.



After extensive testing, reducing the standard number of layers of bubble wraps from four to two with average materials saving of up to 53%.



Redesigning our adhesive packing label for both online and offline delivery reducing its size by an average 63% to reduce plastic waste.



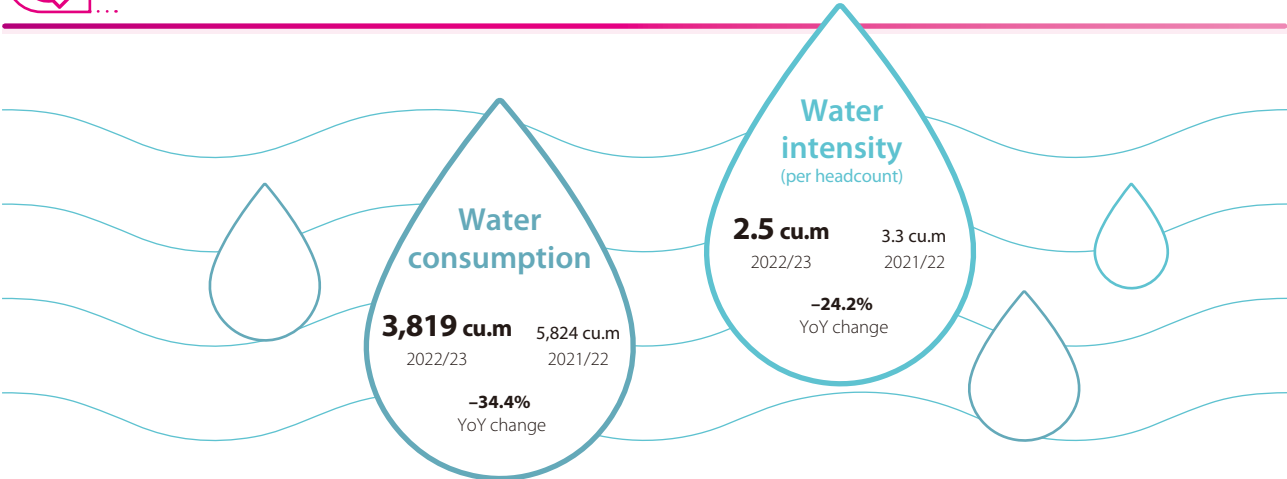


In an effort to conserve resources, we continuously strive for innovation and efficiency in our operational practices. Other actions we have taken include:

- Using double instead of triple wall corrugated carton boxes to reduce resources used. Although each box is 35.5% lighter, it still protects products well.
- Deploying pallet wrapping machines in the wrapping of loaded pallets for transportation to avoid waste from excessive or inaccurate manual wrapping.
- Replenishing our stores using the original carton boxes from our suppliers. This creates more of a logistical challenge as the sizes of the carton boxes may vary greatly between suppliers, but it avoids repackaging using additional boxes. We also have a policy in place requiring stores to seek replenishment of certain products in multiples of the quantity contained in one carton box to avoid having to fill voids in the boxes with air pillows.



### Performance Overview: Water Consumption



We do not have any issue sourcing water that is fit for purpose.

Water plays an important role in the extraction and manufacturing of cosmetic raw materials as well as the production of finished products. However, the water consumption disclosed in this report does not extend to the supply chain but captures only the tap water used for washing and cleaning purposes which we do not regard as material. Waste water discharge is not a material aspect in our operations.

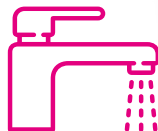
We ensure water conservation icons are placed next to the water faucets in our facilities, and flow controllers for water taps have been installed at our logistics facilities and offices to improve water efficiency. These steps will help us achieve our target of overall reduction in water consumption.



### 2022/23 Initiative: Water Conservation



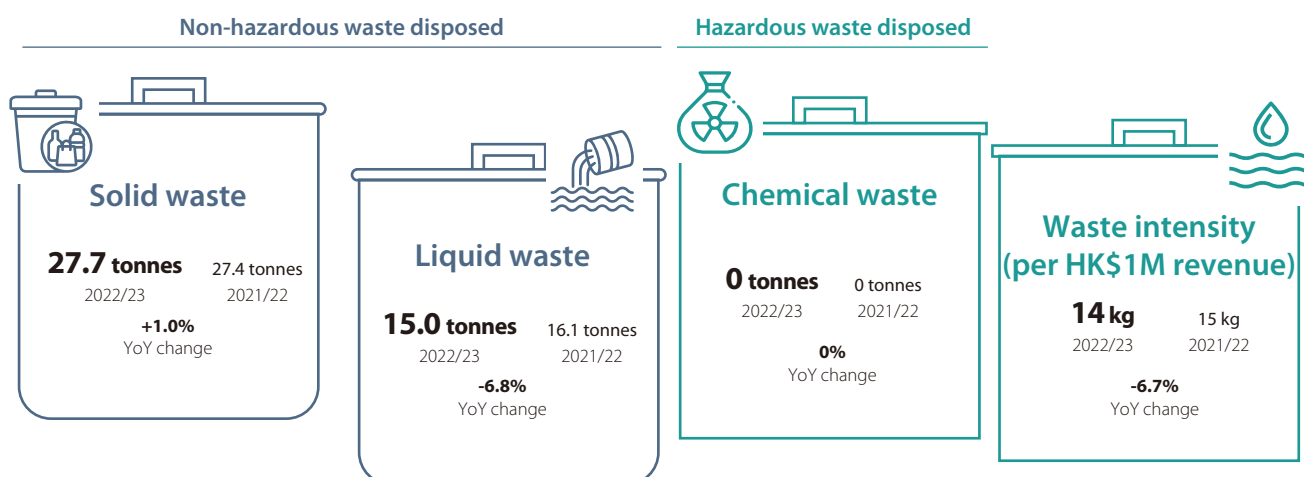
Flow controllers for water taps installed at our office pantry estimated to save 30% of water consumption annually.







## Performance Overview: Waste<sup>Note</sup>



## Zero landfill vision

Our vision is to achieve zero landfill in line with the SAR Government's Waste Blue Print for Hong Kong 2035.

The general waste collected in our offices and retail stores composed primarily of single-use lunch boxes, disposable paper towels and napkins as well as other consumables generated by our employees and customers. Some recyclables are sometimes wrongly discarded as landfill waste due to a lack of environmental awareness or conveniently accessible recycling facilities. Since the financial year 2021/22, we have prioritised our performance measurement and management on waste generated from our operations, which is where we have the biggest impact. Our target is to increase waste diversion from landfills by reusing and recycling. Our progress is reported in the "Reuse and Recycle" section below.

We continue to raise awareness among our stakeholders to encourage waste separation and recycling and to discourage the use of non-reusable items.

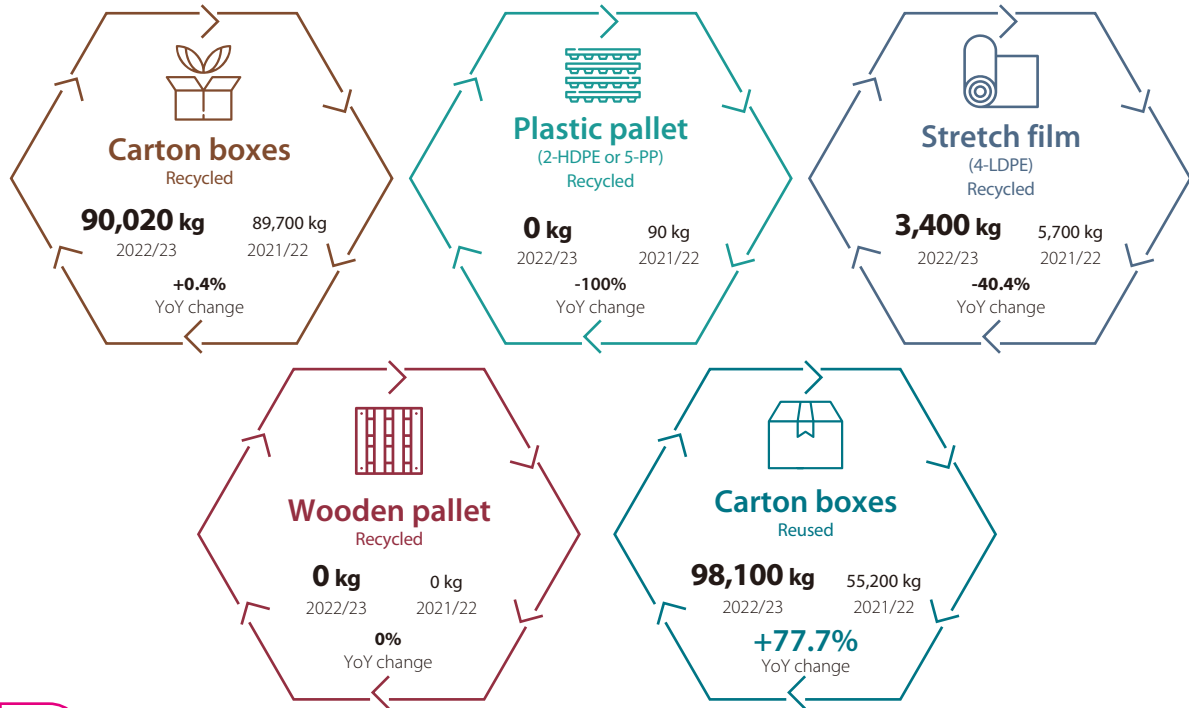
- We educate our staff on waste classification and use a carrot and stick approach to encourage recycling.
- We stopped using single-use utensils at corporate events like birthday parties and working lunches.
- We continuously improve our recycling facilities to make waste separation more convenient.
- Recycling facilities are usually provided for our stores located in malls by landlords. For street stores, we very often rely on cardboard collectors in the community. Previous studies conducted internally have revealed that stores with environmentally conscious staff do much better in waste separation and recycling than others. We are therefore a strong believer in education, awareness and behavioural change which we will continue to focus our efforts on.
- Carton boxes used in our store replenishment are reused as many times as possible, and to encourage our store staff to help return the carton boxes to our central warehouse for reuse after unpacking, we offer small rewards to our store staff for their good work.

Note: Solid waste comprised mainly of damaged, obsolete or expired products or materials as well as materials such as backing paper for adhesive labels which are not recyclable. Liquid waste comprised mainly of damaged or expired products containing liquid. Chemical waste consisted mainly of items such as expired or damaged perfumes, nail vanish and remover, which are flammable. As chemical waste needs special treatment, it is disposed of only when a minimum quantity has been reached which was not the case in 2022/23.





## Performance Overview: Reuse and Recycle



## 2022/23 Initiatives: Reuse and Recycle to Reduce Waste

Inspiring online workshop given by Greeners Action (an NGO focusing on promoting sustainable lifestyle particularly on waste reduction, plastic pollution and food waste issues) on waste circularity attended to by our office staff.



We continued to encourage reduction of food waste by collecting mooncakes after the Mid-Autumn festival from our office staff and sent them to Food Angel for distribution among low-income families.



## Lai See Reuse and Recycle Program

This is a program we have proudly sponsored for 10 years since 2014. This year's total collection points extended to over 300, 50 of which were selected Sa Sa stores. Red packets collected reached an all time high of 5.7 tonnes (last year: 2.3 tonnes\*), an increase of 151% compared to last year.



\* excluding carton boxes



In the 14 years since this program was first launched by Greeners Action in 2009, over 239 tonnes (around 80 million pieces) of red packets have been collected, equivalent to around 4,415 trees. Sa Sa has collected a total of 19.9 tonnes of red packets for reuse and recycle in the last 10 years, with customers, staff and school children near our stores supporting the program with enthusiasm.

In addition to being green, the icing of this program is that the red packets collected are sent to Sheltered Workshops<sup>Note</sup> for sorting, packing and transformation into "reborn" red packets that can be reused while creating job opportunities.

Carton boxes returned from our stores to warehouse for reuse after replenishment increased **77.7%** compared to last year, a testament to the success of our reward program.

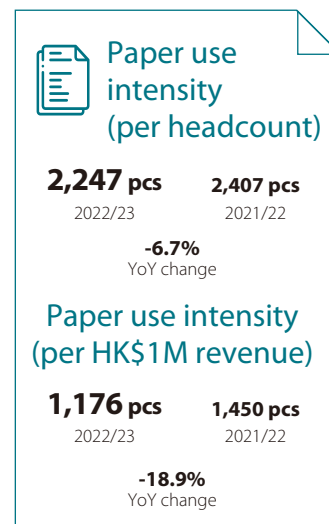
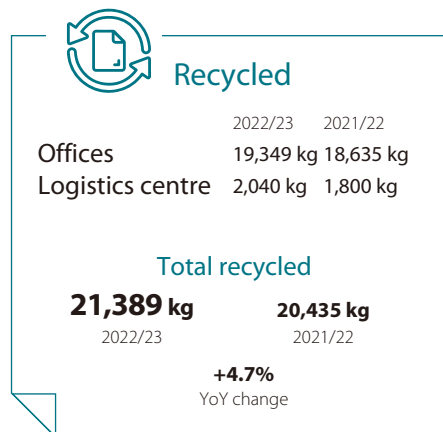
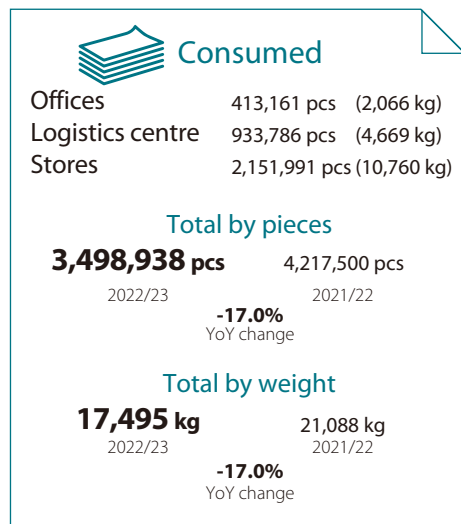


Note: Shelter workshops provide persons with illnesses or disabilities who are not able to enter into open employment with appropriate vocational training in a specially designed environment through an income generating work process to prepare them for open employment and community reintegration.





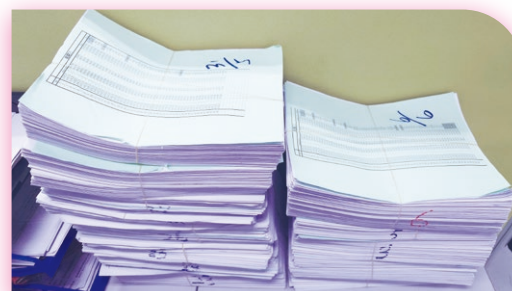
## Performance Overview: Paper Consumption



## 2022/23 Initiative: Invest in Technology

### ePOD (electronic proof of delivery)

Developing plan to introduce ePOD in our goods delivery process to replace piles of paper with electronic data.



## Compliance with Laws and Regulations

There has been no non-compliance with environmental related laws and regulations in the financial year. We regard the following (some of them being voluntary charters) as relevant but they do not have a significant impact on our operations.

- Plastic bag charging scheme
- Charter on external lighting
- Bye bye microbeads charter
- Air pollution regulations regulating volatile organic compounds (VOC) and the switching off of idling vehicle engines
- Waste charging scheme
- Chemical waste control scheme
- Laws relating to protection of endangered species
- Producer responsibility scheme on glass beverage containers effective 1 May 2023



# OUR PEOPLE

**Diverse beauty products and quality service delivered by an engaging workforce in a sustainable way.**



## Empower our people – Our Commitments

- Invest in training and development
- Developing women leaders in the retail industry
- Promote equality, diversity and inclusion



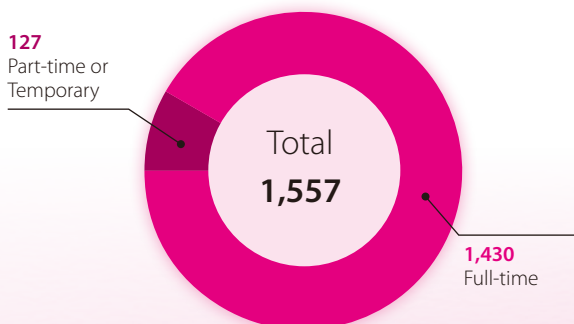
Our commitments to our people are set out in our [Employment Policy](#), [Training and People Development Policy](#), [Health and Safety Policy](#), and [Equal Opportunities Policy](#).

Our principal subsidiary in Hong Kong is also a signatory to the Mental Health Workplace Charter.

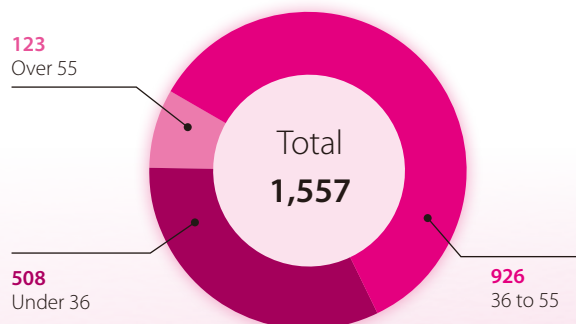


## Employees Profile

### Number of employees by employment type

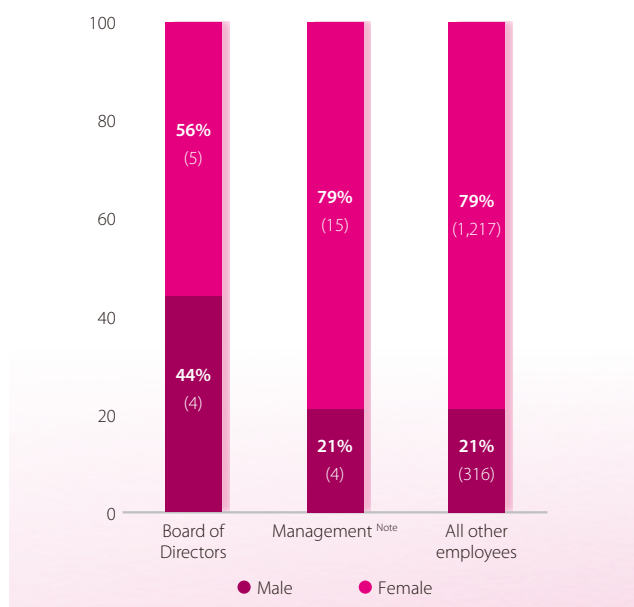


### Number of employees by age group

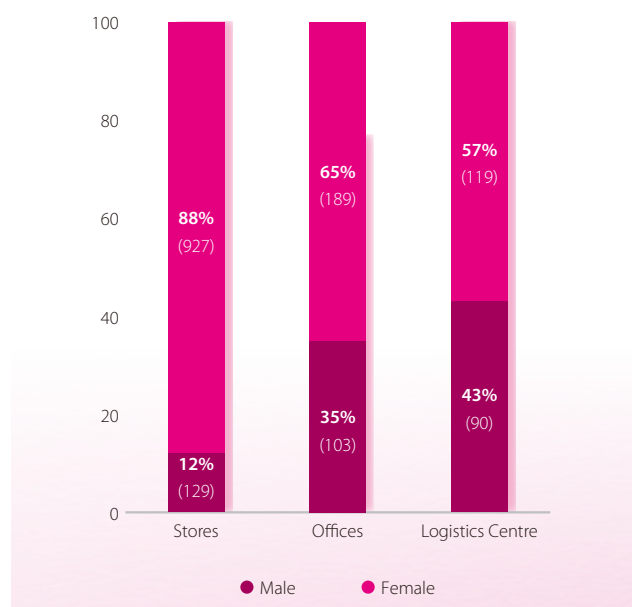




**Gender distribution by seniority  
(number of employees)**



**Gender distribution by function  
(number of employees)**



## Performance Overview: Empowering Our People



### Number of staff who completed the Junior Beautician Trainee (JBL) curriculum

**75** 87  
2022/23 2021/22  
**-13.8%**  
YoY change



### Women in leadership

**Directors** **56%** 50%  
2022/23 2021/22  
**Management** **79%** 62%  
2022/23 2021/22



### Total number of employees trained

**426** 767  
2022/23 2021/22  
**-44.5%**  
YoY change



### Total number of training hours

**58,585** 45,742  
2022/23 2021/22  
**+28.1%**  
YoY change



### Average hours of training per employee

**37.6** 26.1  
2022/23 2021/22  
**+44.1%**  
YoY change

Note: "Management" in this ESG Report refers to all senior vice-presidents, vice-presidents, department directors and associate directors located in Hong Kong but excludes the Company's executive directors who have been included under Board of Directors.



### Recognition of professional qualifications

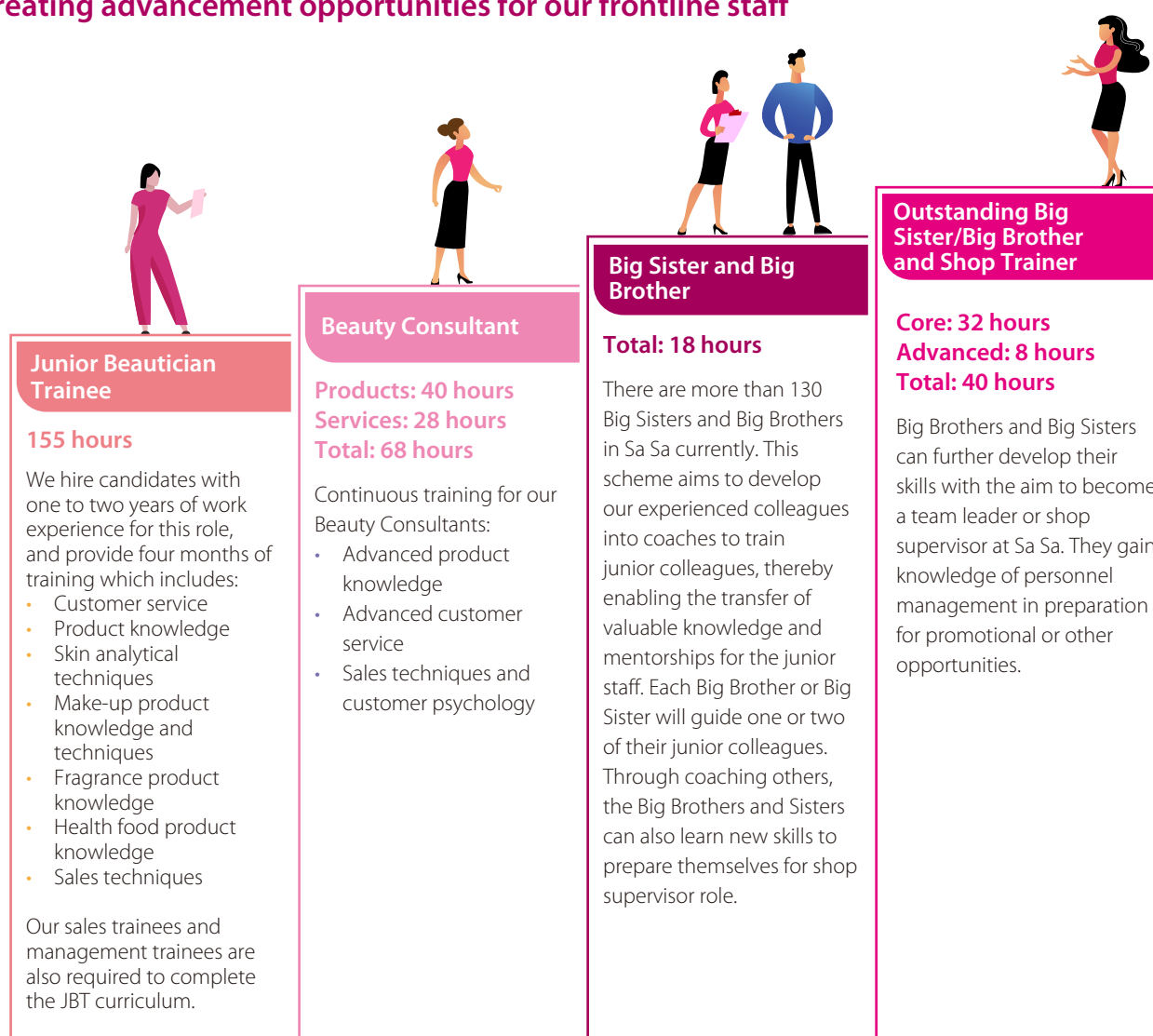
Some of our professional beauty consultants have served our customers for more than a decade. To better recognise their expertise in the beauty industry, Sa Sa has joined the Recognition of Prior Learning programme, a mechanism under the Hong Kong Qualifications Framework (HKQF). It provides an alternative route for beauty practitioners to obtain recognised qualifications based on their work experiences and enables them to facilitate their on-going professional development.

To further enhance the career potential of our talents, Sa Sa Beauty Academy ran by our in-house training and people development department has successfully applied for the HKQF accreditation recognised by the Hong Kong Council for Accreditation of Academic and Vocational Qualification in July 2019.

Four subjects of our JBT programme are now recognised under the HKQF's level-two programme:

- Identification of various types of skin and skin care
- Use of general cosmetic products and tools
- Building up relationship with customers
- Use of good communication skills to facilitate transactions

### Creating advancement opportunities for our frontline staff







## 2022/23 Initiatives: Upskilling and Re-skilling

### KOL Competition

Cultivating talent is one of our core passions. We prioritise equipping our people with the right skills for the ever-changing retail environment with tailor-made training initiatives. Seizing the opportunities arising from new retail, we empower our professional beauty consultants to become KOLs, by elevating their one-to-one service skills to one-to-many influencing power on social platforms. The internal KOL competition organised during the year was designed to inspire our beauty consultants to unleash their true potential by enhancing their presentation skills in interactive ways to engage with online audience, while instilling creativity in their delivery to drive impact and results but all the time acting with genuine authenticity.



## Employees Health and Wellness

The Company has always taken pride in being a Caring Company. Improving employees health and wellness to foster a sustainable work life and prevent burnout is at the heart of our talent development strategy.



## 2022/23 Initiatives: Building Workforce Resilience

Yoga Class improving both physical and mental health and well-being.



Talk on spine health and online health talk attended to by colleagues.



## OUR PEOPLE

### Fluid Art Workshop

A great way for participants to de-stress, unleash their creativity and bond with other colleagues in a calm and relaxing setting.



### Christmas Party

With both mouth watering festive food and prizes from lucky draw that everyone loves.



### Fundraising Movie Night

Chance for our staff to enjoy a joyous evening with family and loved ones while the Company supported charity.

### Orders of Festive Food and Purchase of Household Cleaning Products

These are organised by HR on regular basis, not just for colleagues to enjoy the benefits of bulk purchase but also to save time in pursuit of other leisure activities.



## Performance Overview: Occupational Health and Safety



### Work related injuries

**18 cases**

2022/23

14 cases  
2021/22

**+28.6%**  
YoY change



### Lost days due to work injury

**503 days**

2022/23

1,141 days  
2021/22

**-55.9%**  
YoY change

### Work-related fatalities

None in each of the past three years including financial year 2022/23





## Occupational health and safety measures

Health and safety guidelines are provided to newly-joined employees on commencement of employment and training provided from time to time throughout employment. In the Logistics Centre, workers are required to attend online occupational health and safety courses at least twice a year, while safety audit by an independent third party and safety assessment of our outsource contractors are conducted every year. In the year 2022/23, the health and safety committee met three times to review and consider:

- Covid-related arrangements
- Occupational health and safety measures
- Follow up actions required after the safety audit
- Results of the safety assessment of outsource contractors and follow up actions
- Work safety reports
- Injury cases
- Work process review



### 2022/23 Initiatives: Workplace Safety

#### AED

Installed at our logistics centre



#### Cut Resistant Gloves

Distributed to all logistics staff required to work with cutters



#### Safety Net

Safety net in our logistics center to prevent falling from height



#### Socket with Timer

Programmable timer to control on/off time for chargers to save energy as well as to enhance safety





### Compliance with Laws and Regulations

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The below laws and regulations are relevant to us but not regarded as having a significant impact.

- Employment and employees compensation legislation
- Occupational health and safety legislation
- Anti-discrimination legislation
- Anti-bribery and corruption legislation

There was no non-compliance with anti-discrimination or employment related laws or regulations during the financial year.

We do not force our employees to work overtime. We provide rest days, breaks during working hours, annual leave and sick leave over and above the statutory requirements. There were no cases of child or forced labour in the financial year.

Our Whistleblowing Policy provides the necessary mechanisms for employees to report misconduct within the company. Complaints are handled by our internal audit team and findings reported to the audit committee of the Company. To ensure ethical business practices, the Company and its employees are also guided by our Gifts and Entertainment Policy, Conflict of Interest Policy and Guidance on Prevention of Bribery Ordinance. A newly developed Vendors Code of Conduct was rolled out by the Company's internal audit in May 2023.

One seminar conducted by the Independent Commission Against Corruption was provided to general staff in the year 2020/21, and one training to the Company's directors on anti-corruption was conducted in this financial year. No legal case relating to anti-corruption was brought against the Company or any of our employees during the reporting period.

Please also refer to the section on Ethical Business Practice in the Enterprise Risk Management Report on page 89 of this annual report for further details on how we guard against corruption, fraud and unethical business practices.



# OUR CUSTOMERS

**Our core business is founded on a mission to enable our customers to discover beauty.**



## Serve With Heart – Our Commitments

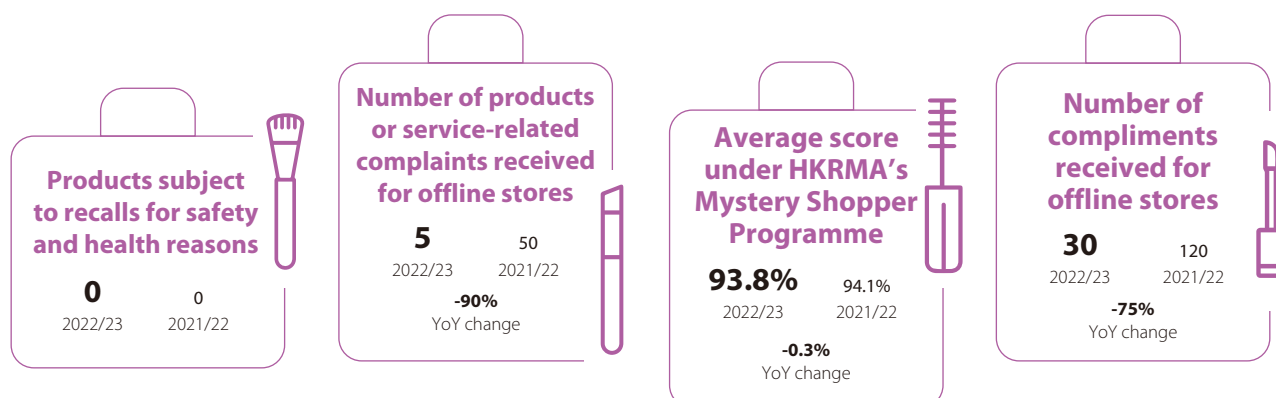
- Commit to product quality and safety
- Integrate consumer rights and protection into customer experience
- Make quality beauty accessible and affordable to all
- Manage environmental and social risks along the supply chain



## Commit to Product Quality and Safety

Our commitment to product quality and safety, responsible marketing and the protection of customers privacy are set out in our [Responsible Product and Supply Chain Policy](#) and our [Privacy Policy](#).

### Performance Overview: Product Responsibility



### Product and Service Excellence

Our persistence for excellence had, once again, earned us a number of awards during the financial year. Please refer to pages 18 to 21 of this annual report for more details.



## OUR CUSTOMERS

### Quality and Safety

Product quality and safety are at the core of our operations.

Please refer to the section on Supply Chain Management for more information on how we manage our suppliers to ensure that the products we source are free from quality and safety issues.

In addition,

- Although our logistics department no longer applies for ISO 9001:2015 (quality management system) certification, it continues to act as a gatekeeper to ensure that goods entering our warehouse pass quality control, are properly stored and the expiry dates managed.
- Except for food, pharmaceutical products, certain give aways and discounted products, we ensure the products we sell have a remaining shelf life of at least four months.
- Our buyers look out for prohibited or regulated ingredients when sourcing products.
- Our management directly participate in product safety or quality complaints and investigations. Before the investigation process is completed, we may err on the side of caution and proactively remove the product in question from the shelves.
- We offer a 30-day purchase guarantee to enable customers to return products that they are not satisfied with.
- We are recognised under the "Hong Kong Q-Mark Service Scheme", "The Quality Tourism Service Scheme" and have participated in the "No Fakes Pledge" for over 20 years.

As in previous years, there was zero product recall during the year.

### Clean beauty

Our search for sustainable clean beauty continued during the year, bringing the total number of clean beauty brands to 28 and the number of active SKUs to 181. Clean beauty corners have been set up in all our stores and labels have been created to assist customers to locate the products. This category of products has been trending up month-on-month.

Some of our clean beauty products:





## Marine life

Apart from human health, we also care deeply about marine health and marine life. Since 2010, we have banned shark fins from being served at corporate functions.

We committed in 2016 to eliminate microbeads from all cleansing and exfoliating products (rinse-off products) sold at our stores by 2018. And in 2021, we were among the first batch of signatories to the Bye Bye Microbeads Charter. During the financial year, one workshop to refresh the knowledge of our procurement staff was conducted, while a large number of our shop staff completed the online challenge under the Charter. Microbeads related education was also included in one of our newsletters which were distributed to all staff.



### Some of our microbead-free brands



## Integrate Consumer Rights and Protection into Customer Experience

We regard consumer protection legislation as having a significant impact on the Company and take active steps to ensure compliance with the standards laid down by such legislation. The three pieces of legislation highly relevant to our operations as a retailer are, the Trade Descriptions Ordinance regulating goods and services with false trade descriptions, forged trademarks and undesirable trade practices; the Personal Data (Privacy) Ordinance governing personal data and giving rights to data subjects; and the Consumer Goods Safety Ordinance and Regulations requiring consumer goods to be safe and labelled with certain information in certain circumstances.

Our staff are familiar with the rights and protection conferred to consumers through such legislation and regard them as imperative throughout the entire customer experience. Please refer to the section on Compliance with Laws and Regulations in our Corporate Governance Report for the steps that we take to ensure compliance.

In the financial year 2022/23, we were involved in two non-compliance cases.

In April 2022, seven pieces of foot mask were found in one of our stores to be without bilingual warning or caution as required under the Consumer Goods Safety Regulation. A warning letter was subsequently received in April 2023.

In January 2023, we were prosecuted and fined HK\$2,000 for selling a prepackaged food supplied by one of our local suppliers that had not been marked with a "best before" or "use by" date. After the incident, our procurement staff were immediately reminded to refer to the Company's compliance manual on "food" setting out in detail the labelling requirements for prepackaged food in Hong Kong.

There were no other instances of non-compliance with consumer protection legislation during the year.



## Make Quality Beauty Accessible and Affordable to All

Our OMO (online merge offline) business model and the multiple sales channels through which our products are offered means customers no longer need to go to the products, but rather, the products will be brought to the customers.

As a multi-brand retailer offering over 600 brands and more than 9,000 beauty related and other products with a price range of HK\$1 – HK\$5,000, from daily necessities to special occasion needs, mass market to premium brands, there is something for everyone.

Since the outbreak of the Covid-19 pandemic, we have been especially eager to provide quality but affordable products to fight the virus together with everyone in the community.



## OUR CUSTOMERS



### Supply Chain Management

#### Number of suppliers by geographical region



Hong Kong SAR

**273**

(57.0%)

Asia (excluding Hong Kong)

**130**

(27.2%)

Europe

**61**

(12.7%)

America

**12**

(2.5%)

Others

**3**

(0.6%)

#### Our practices

Before engaging a supplier or service provider, we ask for information on both the supplier/service provider and the product/service/solution sought to be supplied to conduct an initial assessment. We may ask for more information or screen information available in the public domain, our business intelligence system or network looking out for red flags throughout the process. The decision to engage the supplier or service provider is usually made after consideration or approval at different levels of seniority within the company ensuring there are checks and balances. We seek to identify commercial risks and environmental and social risks by watching out for:

- legality of the entity providing the product or service
- major regulatory or compliance issues in the past especially those involving trade descriptions, intellectual property infringement, personal data, consumer goods safety, and registration or labelling requirements
- employment issues especially if manual labour or foreign workers are involved in the provision of services
- safety and effectiveness issues, which were dominating factors in the last few years involving face masks and rapid antigen test kits
- ingredients that might be prohibited, limited or not illegal as such but undesirable such as microbeads

We mitigate our risks through contractual provisions, warranties and undertakings, and seeking additional supporting documents as assurance, or third-party certification as appropriate.

For both existing and new suppliers, we are guided by the selection criteria set out in our [Responsible Product and Supply Chain Policy](#). Through regular engagement and communication, we collaborate and exchange views with our suppliers on different matters including sustainability through which we may identify both risks and opportunities and potentially discover environmentally preferable products or services previously unbeknownst to us.

In the past, we have successfully identified and implemented sustainable innovation, for example “follow you printing”, from an existing supplier that provided a solution to printed waste from paper left uncollected at printers.

The above practices extend by varying degree to the majority of our suppliers except for those perceived to be of low risk because of their scale, reputation, market position or the length of time the products or services have already been available on the market.



### 2022/23 Initiative: Empowering Our Customers

Floral reusable shopping bags made from 100% rPET (recycled post-consumer polyester) launched in November 2022 to empower our customers to consume less single-use plastic shopping bags.





# OUR COMMUNITY

Connect to  
build a stronger,  
more cohesive  
community.



## Achieve sustainable growth together – our commitments

- Invest in the community
- Collaborate to flourish

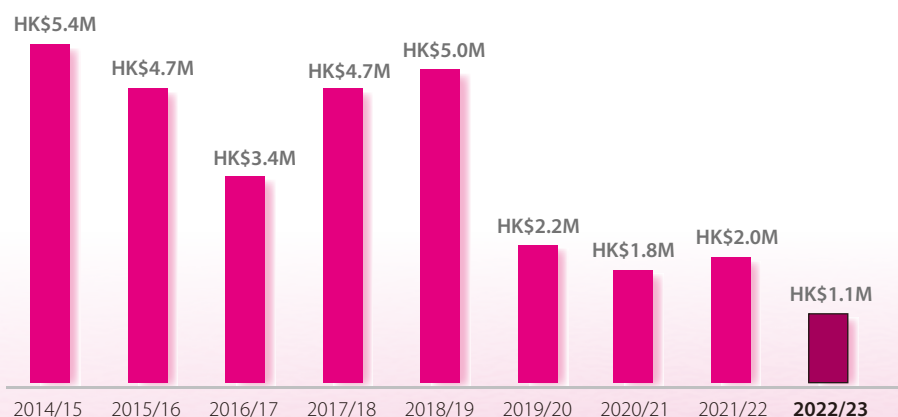


Our commitment to invest in the community and foster its development through support in the form of financial and human capital, with a focus on programmes and issues that we are most concerned with, is set out in our [Environmental, Social and Governance Policy](#).



## Community Investment

### Performance Overview: Amount Invested



Sa Sa has a long history of supporting the community. Since the establishment of Sa Sa Making Life Beautiful Charity Fund in 2013, we have given back a total of HK\$30.3 million to the community. Po Leung Kuk, The Community Chest of Hong Kong, The Hong Kong Girl Guides Association and Greeners Action are among the organisations that we support and collaborate with regularly, on top of other NGOs. Since the Covid-19 outbreak in 2020, we have provided both manpower and financial support to give out personal protective products to those in need. In the year ended 31 March 2023, 9,000 packs of skincare and other supplies were donated to the Kai Tak Community Isolation Facility, helping to make the quarantine experience less agonizing.



In addition, we have also provided sponsorships in kind or in cash to various charitable or community cause.

**HK\$1.04M**

2022/23

**HK\$1.60M**

2021/22

-35%  
YoY change





## 2022/23 Initiatives



### Caring Company Award for over 15 years

Recognising our ongoing commitment to fulfilling our corporate social responsibilities.



## Celebrate together with the community



### Sa Sa's 45th Anniversary

From humble beginnings operating a 40 square feet cosmetic counter to approximately 229,063 square feet of retail space in Hong Kong and Macau today, we celebrate our 45th anniversary this year together with the community. What's better than an ice cream treat on a hot summer's day.



## Caring for the community



### Old Phones New Eyes

In partnership with The Cosmetic & Perfumery Association of Hong Kong and Hong Kong Federation of the Blind and in support of the annual Global Accessibility Awareness Day, Sa Sa donated 100 iPhones to the visually impaired, bridging digital divide providing them with means to access digital content, products and services, and most importantly greater independence and integration into the community.





## Sa Sa Brings a Little Warmth to the Community amid Pandemic

Donating supplies to Kai Tak Community Isolation Facility.



## Promoting health and wellness

### Together Run for National Day 2022

Celebrating through sports and emitting positive energy and fostering inclusion and harmony.



### Pink Run

Aiming to promote risk awareness of hereditary breast, ovarian and prostate cancer as well as raising fund.



### Love Teeth Day 2022/2023

Reminder to everyone to take care of their oral health which is crucial to overall health. Sa Sa's employees participated and donated to enhance "Oral Health Services for the Needy" provided by the Community Chest's social welfare member agencies.





## Nurturing future leaders



### Sa Sa x HKU Industry Talk on Retail

Teaming up with The University of Hong Kong to share retail industry insights and market trends with university students, first step towards preparing the next generation of retail leaders.



### HKU-Sa Sa Joint University Case Competition 2023

Nurturing our next generation by providing a platform for students to learn and grow.



### CoCoon Foundation's Corporate Challenge 2022/23

Sharing our pain points and previous experiences in conversation with students participating in the 2022/23 Corporate Challenge organized by CoCoon Foundation, whose mission is enabling entrepreneurship. Combining design thinking, innovation and creativity, 66 students from 14 schools offered solutions to corporate challenges in the changing world of business.







## Retail Reimagined Challenge 2023

Sponsoring Hong Kong Retail Management Association Retail Reimagined Challenge case competition second year running reaching out to 180+ university students, connecting and inspiring them with the many possibilities and development pathways available in the fast-changing retail industry.



## Fund raising



### Hong Kong Lions Club 2022 Fundraising Movie Night

Fundraising and bringing 140 families in the community together.



## Sharing individuals uniqueness with others in special outfits

### The Community Chest's Dress Casual Day

Promoting "We Care We Wear Together for Good" encouraging participants to be gentle and kind, whether they come to work in work outfit or casual wear.



### Po Leung Kuk Dress Special Day

With the theme of Amazing Stage this year, aiming to encourage participants to express their own uniqueness and shine out with great brilliancy in special outfits.





## Creating collective memories – Walk for Millions



### The Community Chest New Territories Walk for Millions 2022

Set foot on the new landmark bridge, which is the first marine viaduct in Hong Kong with a carriageway, cycle track and footpath, and raise funds at the same time.



### Hong Kong & Kowloon Walk for Millions 2022/23

Held physically having gone virtual for two years.



### Po Leung Kuk Virtual Charity Walk

Through the online platform, participants recorded and uploaded their exercise distance to stay healthy and be part of the engaging community.





## 2022 Po Leung Kuk Charity Raffle

Raising funds to finance the development of social and educational services of Po Leung Kuk which provides multi-faceted social services to the community.



## 2022 Po Leung Kuk Flag Day

Proceeds of which are used to support various services of Po Leung Kuk or designated social groups.





# ABOUT THIS REPORT

This is our 12th ESG report. This report covers the Group's online and offline operations in Hong Kong and Macau which, together, contributed to more than 80% of the Group's total turnover in the year ended 31 March 2023. The reporting boundary remains the same as compared to previous years. It is in full compliance with the mandatory disclosure requirements and the "comply or explain" provisions as set out in Hong Kong Stock Exchange's Environmental, Social and Governance Reporting Guide.

We welcome your feedbacks. Please do not hesitate to write to us at [esg@sasa.com](mailto:esg@sasa.com) if you have any comments.

## SUSTAINABILITY DATA – SOCIAL

Description	Unit		2022/23	2021/22	2020/21
<b>Headcount</b>	<b>Total</b>	pers	<b>1,557</b>	1,752	2,001
	By gender				
	Male	pers	322 (20.68%)	366 (20.9%)	428
	Female	pers	1,235 (79.32%)	1,386 (79.1%)	1,573
	By age group				
	Under 36	pers	508 (32.63%)	643 (36.7%)	831
	36-55	pers	926 (59.47%)	978 (55.8%)	1,109
	Over 55	pers	123 (7.90%)	131 (7.5%)	61
	By employee type				
	Full-time	pers	1,430 (91.84%)	1,621 (92.5%)	1,850
	Part-time/ Temporary	pers	127 (8.16%)	131 (7.5%)	151
<b>Total no. of employees trained</b>		pers	<b>426</b>	767	1,422
<b>Total no. of training hours</b>		hr	<b>58,585</b>	45,742	27,014
<b>Average hours of training per employee (percentage of employees who received training)</b>	<b>Total</b>	hr	<b>37.6 (27.4%)</b>	26.1 (43.8%)	13.5 (71.1%)
	By gender				
	Male	hr	5.3 (31.7%)	7.4 (44.8%)	10.1 (51.2%)
	Female	hr	46.0 (26.2%)	31.1 (43.5%)	14.7 (69.8%)
	By Employee category				
	Management	hr	10.1 (79.2%)	3.6 (53.8%)	5.1 (50%)
	Managers	hr	33.1 (43.1%)	2.0 (35.4%)	2.1 (50.3%)
	All other employees	hr	39.0 (23.4%)	31.1 (45.2%)	23.7 (74.4%)
	By Function				
	Stores	hr	43.2 (9.2%)	24.6 (26.0%)	N/A
	Office	hr	8.7 (57.9%)	2.5 (55.4%)	N/A
	Logistics Centre	hr	50.0 (76.6%)	67.6 (124.8%)	N/A
<b>Fatality</b>		cases	<b>0</b>	0	0
<b>Work-related injuries</b>		cases	<b>18</b>	14	19
<b>Lost day due to work injury</b>		days	<b>503</b>	1,141	903
<b>Average days of sick leave taken by employee per month</b>		days	<b>0.43</b>	0.22	0.29

	2022/23		2021/22		2020/21	
	Overall	Excluding employees who left during probation period	Overall	Excluding employees who left during probation period	Overall	Excluding employees who left during probation period
<b>Turnover rate<sup>1</sup></b>	<b>39.6%</b>	<b>29.6%</b>	37.5%	28.0%	20.2%	19.8%
<b>By gender</b>						
Male	46.9%	34.0%	34.7%	25.8%	22.1%	21.0%
Female	37.6%	28.4%	38.2%	28.5%	19.6%	18.4%
<b>By age group</b>						
Under 36	59.1%	42.6%	59.5%	37.7%	20.0%	17.8%
36-55	26.9%	19.9%	23.4%	19.2%	15.2%	14.8%
Over 55	50.8%	48.8%	32.2%	31.2%	15.1%	15.1%

### Note to the Sustainability Data:

1. Full-time employees only.



# SUSTAINABILITY DATA – ENVIRONMENTAL

Description			Unit	2022/23	2021/22	2020/21	Baseline	Base Year	
GHG Emissions <sup>1</sup>	Total (GHG emissions)		tCO <sub>2</sub> e	6,128	7,302	10,022	19,498	2014/15	
	Total (Scope 1 and Scope 2)		tCO <sub>2</sub> e	6,023	7,182	9,892	19,200	2014/15	
	Scope 1	Company-owned trucks and private cars <sup>2</sup>	tCO <sub>2</sub> e	92	142	122	137	2014/15	
	Scope 2	Purchased electricity used in our offices, logistics centre and stores <sup>3</sup>	tCO <sub>2</sub> e	5,931	7,040	9,770	19,063	2014/15	
	Scope 3	Total (Scope 3)	tCO <sub>2</sub> e	105	120	41	298	2014/15	
		Business air travel	tCO <sub>2</sub> e	2	0	0	143	2014/15	
		Electricity used for fresh water processing and sewage treatment	tCO <sub>2</sub> e	2	4	3	18	2014/15	
		Trucks owned by external logistics services providers	tCO <sub>2</sub> e	70	84	38	242	2016/17	
		Waste disposal at landfills <sup>4</sup>	tCO <sub>2</sub> e	31	32	NA	32	2021/22	
	Carbon Intensity			kg CO <sub>2</sub> e/sqm GFA	130	143	191	363	2014/15
kg CO <sub>2</sub> e/HKD1m revenue				2,060	2,511	5,012	2,663	2014/15	
kg CO <sub>2</sub> e/headcount				3,936	4,167	NA	4,167	2021/22	
Energy consumption	Total (Energy consumption)		MWh	12,373	13,896	16,419	26,392	2014/15	
	Electricity	Total (Electricity Consumption)	MWh	12,018	13,358	16,419	26,392	2014/15	
	Consumption (indirect)		Stores	MWh	8,130	10,016	12,576	23,105	2014/15
	Offices		MWh	1,201	1,306	1,304	1,407	2014/15	
	Logistics centre		MWh	2,687	2,036	2,539	1,880	2014/15	
	Non-renewable fuel consumption (petrol and diesel)		MWh	355	538	NA	538	2021/22	
Electricity intensity			kWh/sqm GFA	255	262	313	491	2014/15	
			kWh/HKD1m revenue	4,040	4,593	4,885	2,604	2014/15	
Water consumption <sup>5</sup>			cu.m	3,819	5,824	11,251	30,691	2014/15	
Water intensity <sup>6</sup>			cu.m/headcount	2.45	3.30	NA	3.30	2021/22	
Vehicle Fuel Consumption	Total (Vehicle fuel consumption)		L	61,156	85,288	59,926	140,458	2016/17	
	Company-owned trucks and private cars		L	34,581	53,558	44,556	50,119	2014/15	
	Trucks owned by external logistics service providers		L	26,575	31,730	14,400	81,800	2016/17	
Vehicle fuel efficiency			L/sqm GFA	1.3	1.7	0.9	0.9	2014/15	
			L/HKD1m revenue	21	29	19	19	2014/15	
Vehicle emissions	Sox	g	964	1,325	696	2,115	2016/17		
	Nox (for trucks only)	g	798,485	NA	NA	798,485	2022/23		
	PM* (for trucks only)	g	74,072	NA	NA	74,072	2022/23		

\* New disclosure in 2022/23

## Notes to the Sustainability Data:

- GHG emissions are calculated in accordance with the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings in Hong Kong (2010 Edition) issued by EMSD & EPD. See breakdown by facilities on page 99.
- Comprised of emissions from the delivery trucks and private cars owned by the company as in previous years, but emissions based on the petrol consumption of two employees paid for by the company excluded based on materiality since 2021/22. Refrigerant and FM200 also excluded based on materiality.
- Emissions associated with electricity purchased are calculated based on the latest available emissions factors provided by the power companies.
- Based on emissions factor derived from the latest available data on GHG emissions in the waste sector and total disposed waste at landfills in Hong Kong in 2019 published by HKSAR Government.
- Calculated by reference to the water and sewage charges paid in the period. The reduction was due partly to the concessions granted by the HKSAR Government as relief measures to support businesses.
- Organisation-specific metrics for calculating water intensity changed from GFA and revenue to number of employees to reflect the amount of water used per person for washing and cleaning purposes.



## SUSTAINABILITY DATA – ENVIRONMENTAL

Description		Unit	2022/23	2021/22	2020/21	Baseline	Base Year
<b>Paper consumption</b>	<b>Total<sup>1</sup></b>	'000 pcs (kg)	<b>3,499 (17,495)</b>	4,218 (21,088)	4,000 (19,958)	9,316 (47,056)	2014/15
	Stores	'000 pcs (kg)	2,152 (10,760)	1,933 (9,663)	NA	NA	NA
	Offices	'000 pcs (kg)	413 (2,066)	644 (3,218)	NA	NA	NA
	Logistic centre	'000 pcs (kg)	934 (4,669)	1,642 (8,208)	NA	NA	NA
<b>Paper use intensity</b>		pcs/headcount	<b>2,247</b>	2,407	1,999	2,872	2014/15
		pcs/HKD1m revenue <sup>2</sup>	<b>1,176</b>	1,450	10	19	2014/15
<b>Business air travel</b>		'000 km travelled	<b>31.83</b>	0	0	929	2014/15
<b>Business air travel intensity</b>		'000 km travelled/ headcount	<b>0.02</b>	0	0	286	2014/15
		'000 km travelled/ HKD1m revenue <sup>3</sup>	<b>0.01</b>	0	0	20	2014/15
<b>Packaging:</b>							
Carton box consumption <sup>4</sup>	<b>Total</b>	'000 pcs (kg)	<b>933 (329,578)</b>	1,161 (406,493)	874	305	2015/16
	Offline	'000 pcs (kg)	188 (151,531)	233 (199,450)	NA	NA	NA
	Online	'000 pcs (kg)	745 (178,047)	928 (207,043)	NA	NA	NA
Bubble wrap consumption		kg	<b>12,875</b>	19,907	NA	19,907	2021/22
Airpillow consumption		kg	<b>8,265</b>	10,836	NA	10,836	2021/22
Stretch film consumption		kg	<b>20,560</b>	18,663	NA	18,663	2021/22
Plastic pallet consumption		kg	<b>0</b>	1,000	NA	1,000	2021/22
Wooden pallet consumption		kg	<b>0</b>	18,000	NA	18,000	2021/22
<b>Shopping bag consumption</b>		'000 pcs	<b>1,196</b>	1,184	1,045	3,010	2014/15
<b>Shopping bag consumption intensity</b>		pcs/transaction	<b>0.14</b>	0.14	0.15	0.18	2017/18
<b>Resources recycled<sup>5</sup>:</b>							
Paper	Offices	kg	<b>19,349</b>	18,635	14,366	18,602	2014/15
	Logistics Centre	kg	<b>2,040</b>	1,800	95,600	232,600	2018/19
Plastic	Total	kg	<b>3,400</b>	5,790	4,400	20,996	2018/19
	– Plastic pallet	kg	0	90	NA	NA	NA
	– Stretch film	kg	3,400	5,700	NA	NA	NA
Carton box		kg	<b>90,020</b>	89,700	NA	89,700	2021/22
Wooden pallet		kg	<b>0</b>	0	NA	0	2021/22
<b>Resources reused:</b>							
Carton box		kg	<b>98,100</b>	55,200	NA	55,200	2021/22
<b>Non-Hazardous waste</b>	Solid	tonnes	<b>27.7</b>	27.4	13.9	19.2	2019/20
	Liquid	tonnes	<b>15</b>	16.1	21.1	15.7	2019/20
<b>Hazardous waste<sup>6</sup></b>	Chemical	tonnes	<b>0</b>	0	3.5	3.9	2015/16
<b>Waste Intensity</b>		kg/HKD1m revenue	<b>14.3</b>	15	NA	15	2021/22

Notes to the Sustainability Data:

- Total may not add up due to rounding.
- The denominator changed from kg CO<sub>2</sub>e to pcs since 2021/22.
- The denominator changed from kg CO<sub>2</sub>e to km travelled since 2021/22.
- The carton box consumption for offline and online were disclosed separately since 2021/22.
- Aluminium cans and plastic containers for personal use recycled by employees in the offices no longer disclosed since 2021/22.
- Personal waste generated by employees replaced by waste from operations from financial year 2021/22.



# HKEX ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Page No.
<b>A. Environmental</b>		
<b>Aspect A1: Emissions</b>		
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.	p.98, p.109
KPI A1.1	The types of emissions and respective emissions data.	p.99, p.129
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).	p.99, p.129
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	p.106, p.130
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	p.106, p.130
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	p.102
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.	pp.106-108
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	p.98
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).	p.99, p.129
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	p.105, p.129
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	p.102
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.	p.105
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	pp.103-105, p.130
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	p.98
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	pp.98-109, p.119
<b>Aspect A4: Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	p.98
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.	p.98, pp.100-102
<b>B. Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1: Employment</b>		
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.	p.110, p.116
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	pp.110-111, p.128
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	p.128
<b>Aspect B2: Health and Safety</b>		
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.	p.110, p.116
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	p.114, p.128
KPI B2.2	Lost days due to work injury.	p.114, p.128
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	pp.113-115



Subject Areas, Aspects, General Disclosures and KPIs	Description	Page No.
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	p.110, pp.112-113
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	p.128
KPI B3.2	The average training hours completed per employee by gender and employee category.	p.111, p.128
<b>Aspect B4: Labour Standards</b>		
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.	p.110, p.116
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	p.110, p.116
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	p.110, p.116
<b>Operating Practices</b>		
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	p.117, p.120
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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.	p.120
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	p.120
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	p.120
<b>Aspect B6: Product Responsibility</b>		
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	p.117, pp.119-120
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	p.117
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	pp.117-118
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	p.120
KPI B6.4	Description of quality assurance process and recall procedures.	p.118
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	p.117, p.119
<b>Aspect B7: Anti-corruption</b>		
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.	p.116
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.	p.116
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	p.116
KPI B7.3	Description of anti-corruption training provided to directors and staff.	p.116
<b>Community</b>		
<b>Aspect B8: Community Investment</b>		
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.	p.121
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	pp.121-127
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	p.121



# HKQAA – VERIFICATION STATEMENT



## VERIFICATION STATEMENT

### Scope and Objective of Verification

Hong Kong Quality Assurance Agency (“HKQAA”) has been engaged by Sa Sa International Holdings Limited (“Sa Sa”) to undertake an independent verification of “Sustainability Data Statement – Environmental” (“SD Statement”) for Sa Sa International Holdings Limited (Stock Code: 178). The scope of HKQAA’s verification covers the data and information of Greenhouse Gas (GHG) emission (scope 1 and 2), energy consumption and vehicle fuel consumption for Sa Sa in the period of 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023 for its major operations in Hong Kong and Macau (i.e., offices, logistics centre and retail shops), as disclosed in the “SD Statement”.

The aim of this verification is to provide a reasonable assurance on the reliability of the content in the “SD Statement”, which has been prepared in accordance with World Resources Institute’s The Greenhouse Gas Protocol (GHG Protocol) – A Corporate Accounting and Reporting Standard (revised edition).

### Level of Assurance and Methodology

The process applied in this verification was based on the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. Our evidence gathering process was designed to obtain a reasonable level of assurance as set out in the standard for the purpose of devising the verification conclusion. The extent of this verification process covered the criteria set in the GHG Protocol.

The verification process included verifying information relevant to the management system and process for collecting, collating and reporting environmental performance data in terms of GHG emission, energy consumption and vehicle fuel consumption. Raw data and supporting evidence of the selected representative samples were also thoroughly examined during the verification process.

### Independence

Sa Sa is responsible for the collection and presentation of the information in the “SD Statement”. HKQAA does not involve in compiling or in the development of the “SD Statement”. Our verification activities are independent from Sa Sa. There was no relationship between HKQAA and Sa Sa that would affect the independence of HKQAA for providing the verification service.

### Conclusion

Based on the verification results, HKQAA has obtained reasonable assurance and is in the opinion that:

- The “SD Statement” has been prepared in accordance with the GHG Protocol;
- The data and information disclosed in the “SD Statement” are reliable.

Nothing has come to HKQAA attention that the selected sustainability performance information and data contained in the “SD Statement” has not been prepared and presented fairly and honestly, in material aspects, in accordance with the verification criteria.

### Signed on behalf of Hong Kong Quality Assurance Agency

A handwritten signature in black ink, appearing to read 'Jorine', is placed above the name and title of the signatory.

**Jorine Tam**  
Director, Strategic Business  
June 2023