ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Responsible Beauty Turning commitments into action



MESSAGE FROM THE CHAIRS



2024 has been a year of unprecedented and extreme global temperatures, bringing climate-related disasters ever closer. This has strengthened Sa Sa's resolve to advance a sustainable beauty strategy. Through collaboration with all stakeholders, we are dedicated to harnessing the power and principles of ESG to create a brighter, more beautiful future for our planet, people, customers, and communities alike.



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

Ms KWOK Sze Wai Melody, мн, JP Chair of the Sustainability Steering Committee



OUR SUSTAINABILITY JOURNEY



Hong Kong Awards for Environmental Excellence (HKAEE)



Sustainability Framework established

Caring Company 15 years







2020/21

Stood with the community to fight the pandemic of the century

BDO ESG Award 2021



2021/22

Signatory to *Bye Bye Microbeads* Charter





2018/19

2017/18

Sustainability Steering Committee chaired by an executive director established leading to a more robust governance structure 66666666666

Our Vice-chair awarded in Asian Outstanding Leaders Awards for Women

2016/17

CECETORIE

Award for Corporate Governance Excellence and Award for Sustainability Excellence



2015/16

Glocal Greenovation Challenge: a three-day competition with cross-sector collaboration convened by Sa Sa seeking innovative solutions for environmental protection

2011/12

2012/13

2013/14

2014/15

Selected as a constituent

member of Hang Seng Corporate Sustainability Benchmark Index for the first time



Hang Seng Corporate Sustainability Index Series Member 2011-2012

Early adopter and first mover: our first ESG report

CCCCC

ESG Taskforce established

Participated in the Lai See Reuse and

Participated in the *Lai See Reuse and Recycle Program* organised by Greeners Action for the first time



Sa Sa Making Life Beautiful Charity Fund established



COCCOCC

Caring Company 10 years





2022/23

MSCI ESG RATINGS CCC B BB BBB AA AAA

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



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





MSCI ESG RATINGS



TVB ESG Special Recognition Award



Quality Merchant1 for 20 +years



Accredited by the Hong Kong Tourism Board under the Quality Tourism Services Scheme

2024/25 SNAPSHOT

Foundation

ESG Special Recognition Award (with Merit) at TVB ESG Awards 2024



2024 GS1 "Quality Food Scheme ESG" Award



'Best ESG Company (E)' awarded by HKIRA



Inno ESG Prize 2024 - ESG Co-Creation Award, co-granted by UNESCO Hong Kong Association Glocal Peace Centre, Rotary Action Group for *** Peace and Society Next



Caring Company 20 years



Received two awards including the "Best Sustainable Practices Award" and "Sustainable Retailer of the Year" at the Sustainable Restaurant and Retailer Award Ceremony by the Hong Kong Retail Technology Industry Association (RTIA) and the Hong Kong Smart Catering Association (SCA)





Scope 1 and scope 2 emissions 70% from base year, successfully achieved our target of a 70% reduction by 2025



Strategic Partner of **Carbon Reduction** organised Environmental Campaign Committee



MSCI ESG rating



Quarterly sharing of key consumption data at management meetings to track our performance



Approximately 2,600kg of red packets collected for

reuse in the Lai See Reuse and Recycle Program



96.6% of staff received training

180 hours of training (per employee)

Joined the Packaging Reduction Charter launched by the Environmental Protection Department ("EPD"), working with government and industry stakeholders to promote reduced packaging across all supply chain stages to report responsibly and transparently to the public

Satisfactory year-on-year reduction in the consumption of natural resources

- shopping bags consumption \$\frac{17.6\%}{}\$, reflecting effective environmental awareness and customer engagement
- use of carton boxes 1,32.4%, in which boxes for online business **1 37.8%**



OUR SUSTAINABILITY FRAMEWORK

Our Planet

Taking Climate Actions for 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 People

- Fostering Two-way
 Communication and Shared
 Development-making Life
- **Beautiful Together**
 - Invest in training and development
 - Develop women leaders in the retail industry
- Promote equality, diversity and inclusion







Our Customer

Serving with Heart, Caring with Purpose

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





Our Community

Empowering Our Community

- Invest in the community
- Collaborate to flourish



Bottom-up information flow

OUR GOVERNANCE STRUCTURE



Board of Directors

- Overall responsibility for ESG strategy, reporting and management of ESG risks.
- Monitors Company's ESG performance.

Sustainability Steering Committee (SSC)

- · Delegated with duties of formulating goals, targets and action plans for the Board's endorsement.
- Advised by the ESG team, makes recommendations to the Board based on regulatory requirements, sustainability trends, and outcomes from stakeholder engagement and materiality assessment.
- Supports the Board in review of ESG risks.

Top-down directions

Monitors progress achieved by working groups.

Working Groups

- Charged with execution duties for delivering goals and targets.
- May be an existing department or a newly formed working group.
- Led by an executive director, department head or his/her deputy.

ESG Team

- Liaison between the SSC and working groups.
- Assists with ESG reporting, benchmarking, communications and engagement.
- Advises the SSC on regulatory requirements and sustainability trends.
- Conducts engagement activities and awareness education.

Our Sustainability Framework defines our vision and strategy. 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.

Five board meetings were held in the financial year ended 31 March 2025 (the "**Financial Year**" or during the "**Year**") and deliberation of sustainability related issues was on the agenda in **three** of such board meetings. The matters considered include new climate related disclosure released by the Hong Kong Stock Exchange (HKEX), ESG strategy, performance and indicators. A directors' training on new climate disclosure requirement was also held in the Financial Year. The Group has engaged in discussions with various specialised third-party ESG experts regarding the appointment of new ESG disclosure standards. The aim is to enhance the objectivity of the related data and the comprehensiveness of disclosures. 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.



OUR PLANET



Taking Climate Actions for Our Planet



Preserve Our Planet - Our Commitments

- 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 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 and Opportunities

Transition to a low carbon economy is challenging but present opportunities as well.

Physical Risks

- Damage to assets in extreme weather, as has happened when typhoons struck flooding our inventory and damaging our shop front and 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.

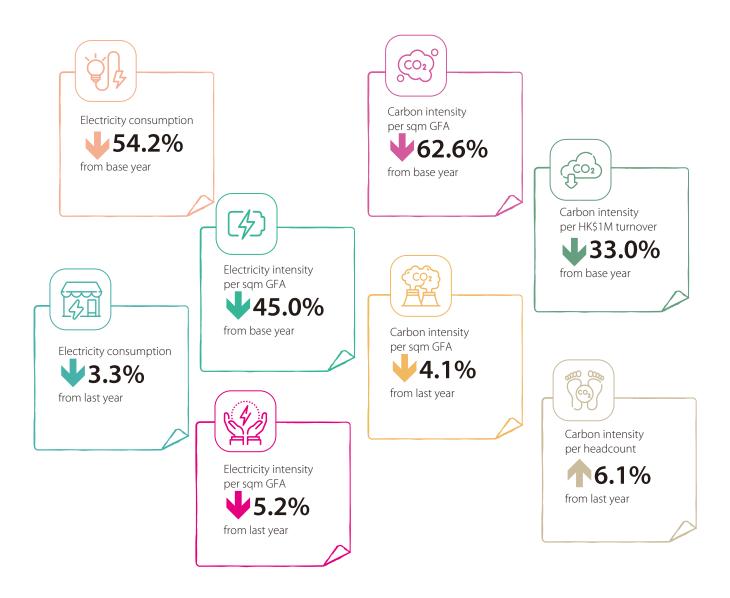


Our Opportunities

- Expand customer base and product offerings to meet growing demand for sustainable products.
- Innovate and optimise our use of resources to operate more efficiently.
- Accelerate our digital transformation.
- Embrace technological advancements.



Performance Overview: GHG emissions



As at 31 March 2025, we operated a total of 84 stores in Hong Kong and Macau, an increase of two from the last financial year. Our operations generated 5,956 tonnes of carbon dioxide equivalent (CO₂e), a decrease of 126 tonnes (2.1%) from the last financial year.

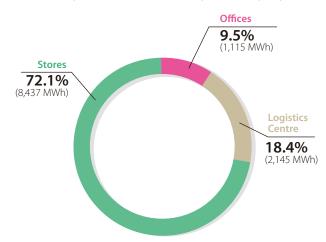


Energy consumption through purchased electricity (Scope 2 emissions) is the source of more than 96% of our total GHG emissions reported. Among our operation facilities, retail stores are responsible for most of the electricity consumed, accounting for 72% of the total, followed by our logistics centre (18%) and offices (10%). During the Financial Year, our absolute electricity consumption decreased by 3.3% and our carbon intensity (per sqm GFA) came down by 4.1% compared to the last financial year.

Scopes 1, 2 and 3 Emissions

Scope 3 2.6% (156 tCO₂e) Scope 1 1.3% (76 tCO₂e) Scope 2 96.1% (5,724 tCO₂e)

Electricity Consumption by Facility Type



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



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Our Initiatives: Climate Actions

In 2024, it has been officially recorded as the hottest year on record, with global temperatures surpassing the 1.5°C threshold above the pre-industrial level for the first time. Heatwaves driven by climate change have swept across the globe, bringing record-breaking temperatures and severe consequences. The Southeast Asia region has experienced unprecedented heat levels. Given that global warming continues to pose a serious threat through rising temperatures, extreme weather events, and severe flooding, it is imperative that we intensify our climate actions to prevent a full-scale climate crisis. We remain committed to supporting the path to net zero and aim to develop a carbon-conscious culture within the workplace, inspiring our people to make responsible decisions and adopt sustainable changes in both consumption patterns and business practices.

Packaging Reduction Charter



We joined the "Packaging Reduction Charter" organised by the Environmental Protection Department (EPD) to foster a waste reduction culture in commercial activities, and support Hong Kong's long-term goals of "zero landfill" and carbon neutrality.

Pledge to Act



During the Year, we pledged to implement action plans to improve ESG performance. "The ESG Pledge Scheme" is organised by The Chinese Manufacturers' Association of Hong Kong in cooperation with the Hong Kong Brand Development Council aiming to strengthen sustainable development among the business and public sectors to build a sustainable environment in future.

Low Carbon Lighting

Committed to energy efficiency, low carbon LED lighting with higher efficacy measured by lumens per watt with savings in energy consumption of more than 15% installed in 10 stores during the Year.

GS1 HK Quality Food Scheme ESG Award

Commitment to global traceability standards, and our dedication to the United Nations Sustainable Development Goals.



Energy Conservation

 $70\,$ fans, $9\,$ air-coolers and sun-blocking curtain installed at our logistics centre as companions to air-conditioning to reduce energy use.

Carbon Reduction Action

Under the "Carbon Reduction Action" campaign, Sa Sa hosted a hybrid Environmental Protection Seminar featuring insights from Mr Lam Chiu-ying, former Director of Hong Kong Observatory, and Mr Angus Ho, Executive Director of Greeners Action, on sustainability, waste challenges, and climate crisis awareness.





Greener Commuting

Employees shuttle service operating **9** morning routes and **5** evening routes to take our people to and from work to reduce the carbon footprint of our employees.



Energy Savings Measures in the Workplace

Office

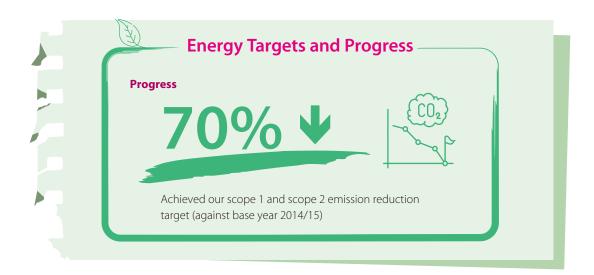
- 100% installation of LED lights
- Use of electrical appliances with energy efficiency label
- Time control for air-conditioners to ensure they are shut down after office hours
- Use real time smart meters to monitor energy use
- Delamping to maintain optimal illumination to under 500 lux
- Turning off idle lights at vacant areas during office hours
- Implementing last person out procedure requiring lights and airconditioners to be turned off when the office is vacated
- Clear zoning with reference to seating plans to facilitate proper lighting for staff who work overtime after office hours
- Proving energy saving tips and compliments to influence colleagues into changing daily habits like turning off electrical equipment not in use at own workstations

Logistics Centre

- Turning off the lights and air-conditioners in the "robotic operations" zone
- Sensors on conveyor belt to minimise energy use when idle
- 100% installation of LED lighting and motion sensors in areas that are not always occupied
- Interchangeable workstations: run only those in use to avoid energy wastage
- Electric forklifts and EURO V trucks
- Ceiling insulation to increase energy efficiency
- Ceiling fan to increase air circulation to reduce reliance on air-conditioners for cooling
- Zoning of interior space to enable independent control of temperature
- Participate in energy saving campaigns organised by electricity provider
- Provide reusable tableware for employees to use, and arrange collective cleaning of used utensils to reduce water wastage

stores

- LED and smart lighting
- Thermostat and air curtain
- Timer control
- Signatory to Charter on External Lighting committing to switching off external lighting at preset time to minimise light nuisance and energy wastage
- Switch off the skin and scalp analysis machines and other beauty equipment at stores when not using

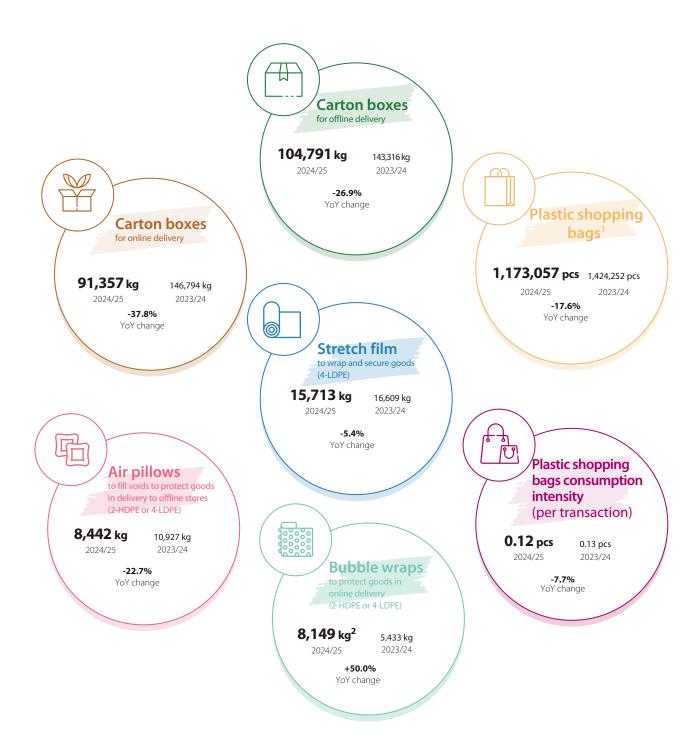


Thanks to the concerted efforts of different business unit of Sa Sa, we are pleased to announce that we have achieved our 2025 Scope 1 and Scope 2 GHG emissions reduction targets. In response to changes in the environment and broader climate conditions, the Group's Sustainability Steering Committee continues to evaluate and adapt our strategies, setting ongoing sustainability objectives aligned with our business development and operational strategies.



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Performance Overview: Packaging Consumption



Notes:

- 1. The paper used in our shopping bags is sourced from responsibly managed forests and certified by the Forest Stewardship Council (FSC). Reusable shopping bags are excluded.
- 2. The increased use of bubble wrap is to enhance the protection of glass products ordered by customers, so to reducing additional transportation cost (including shipping and packaging), as well as product costs caused by product breakage.



OUR PLANET



Our Initiatives: Resource Conservation

Governments are implementing regulations and financial penalties to reduce waste disposal. Meanwhile, public awareness regarding recycling is gradually increasing, leading to a greater understanding of how to responsibly manage waste, particularly plastic materials. To achieve long-term sustainable development, it is essential to strike a balance between economic growth and the use of finite resources, thereby extending the lifespan of these resources and effectively addressing global issues such as climate change, biodiversity conservation, and pollution. By reducing and recycling waste, we can lower the costs associated with packaging, waste management, and disposal.

We are examining various segments of the supply chain to integrate sustainability and emission reduction goals into the business objectives of each department. This approach enables the Group to responsibly utilise resources, thereby reducing the use of plastic packaging and carton boxes, while enhancing our reuse and recycling rates. These initiatives include:

- In response to environmental concerns and cost savings during the Financial Year, the logistics department has invested in collapsible, reusable, and highly durable plastic boxes for transporting goods to other operational departments, replacing traditional carton boxes. This change is expected to reduce the consumption of carton boxes by 230,000 annually, resulting in a decrease of 37.8% in carton boxes usage for online operations and 26.9% for offline operations compared to last year. However, despite the transition to longer-lasting plastic boxes, the reuse rate of carton boxes has seen a decline of 14.7% compared to the previous year.
- Increased customer awareness of environmental issues has facilitated the Group's ability to effectively organise bag-free shopping initiatives or promote the use of eco-friendly bags, resulting in a 7.7% reduction in the plastic shopping bags consumption intensity per transaction during the Financial Year.
- We have a policy in place requiring our 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. The use of air pillows has decreased by 22.7%
 compared to last year.
- The use of bubble wrap increased by **50.0%**, as compared with last year aiming to enhance the protection of glass products ordered by customers, so to reducing additional transportation cost (including shipping and packaging), as well as product costs caused by product breakage.
- In alignment with the Group's commitment to reducing packaging and supporting sustainable development, we have introduced a new intelligent recommendation system. This system estimates the quantity and size of products in customer orders, allowing us to suggest the most appropriate box size for delivery. This initiative helps minimise the use of filler materials and enhances cost-efficiency in our shipping operations.
- The Group actively promotes a low-carbon lifestyle and raises environmental awareness among employees; during the Financial Year, our paper consumption has decreased by 13.2%.
- During the Financial Year, we recycled **225** pieces computer equipments through the E-waste collection organised by Environmental Protection Department.

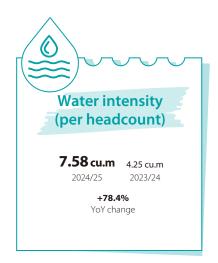






Performance Overview: Water Consumption





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 are aware nevertheless of the growing concern over water security and we are committed to doing our part to conserve water which we all depend on to survive. Starting from the financial year 2023/24, the increase in water usage is mainly due to a reduction in employees working from home after the pandemic.



Our Initiatives: Water Conservation

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. Each flow controller is estimated to save around 30% of water annually.

The reduction in our water consumption between 2019 and 2023 was due partly to the concessions granted by the HKSAR Government in the period from 1 December 2019 to 31 July 2023 as relief measures to support businesses, since our water consumption was calculated by reference to the water and sewage charges paid in each financial year. The end of the concessions on 31 July 2023 resulted in a significant increase in consumption in these two financial years.

The Group has implemented inspection and maintenance of the water supply system to ensure its reliable operation and to prevent water wastage caused by equipment failures to minimise our environmental impact.

Our target is to reduce water consumption every year compared to the previous year, at a reasonable extend, we also anticipate that, following the implementation of water savings measures, water consumption will be maintained at a similar level. There may even be a slight increase, as employees reduce purchases of bottled water and instead utilise the Company's water supply system. Nevertheless, overall, these measures are expected to bring benefits to water resource conservation and environmental protection.





Performance Overview: Waste^{Note}



Zero Landfill Vision

Our vision is to achieve zero landfill in line with the SAR Government's Waste Blue Print for Hong Kong 2035. In the financial year ended 31 March 2025, we disposed 11.2 tonnes less of solid waste and 1.8 tonnes less of liquid waste.

Our target is to increase waste diversion from landfills by reusing and recycling and to consume fewer office paper every year. Our progress is reported in the "Reuse and Recycle" section below. During the Year, we consumed 13.2% less paper. Paper use intensity per headcount dropped by 5.9%.

Note: Solid waste comprised mainly 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 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.



Performance Overview: Reuse and Recycle





Our Initiatives: Reduce, Reuse and Recycle to Minimise Waste

- 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 constantly engaging with our people to raise awareness and promote behavioural change which we believe are key drivers towards a greener future.
- 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 logistics centre for reuse after unpacking, we offer small rewards to our store staff for their good
 work.



Building Greener Communities and a Sustainability Mindset

Green Christmas

Christmas party free from single-use plastic tableware attended by hundreds of staff in the office.



Recycling of Mooncake Boxes

Mooncake boxes collection in the office and sending them to Green@Community for recycling.



Transform Food Waste to Fertiliser

The logistics warehouse office has introduced a "Food Waste Processor" to enable colleagues to recycle kitchen waste, which is then transformed into fertiliser for planting, creating a friendly food ecosystem.



Reduce Food Waste by Donating Excess Mooncakes

Collection of excess mooncakes in the office and sending them to Food Angel for distribution to the under privileged.





Lai See Reuse and Recycle

2,600 kg of Lai Sees (red packets) collected from our staff, customers and community in the Lai See Reuse and Recycle Program organised by Greeners Action which we have sponsored and participated for 12 consecutive years. The red packets collected are sent to Sheltered Workshops¹ for sorting, packing and transformation into "reborn" red packets that can be reused while creating job opportunities.

We believe that the aim of the campaign is to provide opportunities for the red packets to be reused, rather than focusing solely on the quantity collected. While this year's recycling figures was notably lower than that of last year, this change may be influenced by several factors. These could include increased public awareness of reused red packets and change the habit of giving red packets from a pair to only one, might lead to a decrease in the quantity collected.

Our aim remains to promote continuous awareness and understanding of the importance of recycling, fostering a sustainable attitude towards environmental responsibility in the long term.

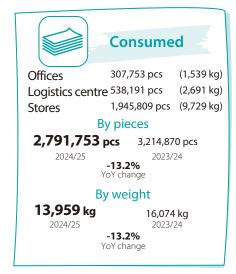


^{1.} Shelter workshops provide persons with illnesses or disabilities who are not able to enter into open employment with appropriate vocational training in specially designed environment through income generating work process to prepare them for open employment and community reintegration. We have collaborated with one more shelter workshop in this Financial Year to provide more job opportunities for the underdog in society.

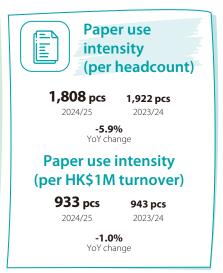




Performance Overview: Paper Consumption









Our Initiatives: Smart Packaging and Green Logistics

Advanced Smart Packaging Recommendation System

In alignment with the Group's commitment to reducing packaging and supporting sustainable development, we have introduced a new intelligent recommendation system. This system estimates the quantity and size of products in customer orders, allowing us to suggest the most appropriate box size for delivery. This initiative helps minimise the use of filler materials and enhances cost-efficiency in our shipping operations.

Recycled Packaging Materials from Supplier

We reuse packaging materials from our suppliers, (such as bubble wrap, carton boxes, and air pillow), to avoid using new packaging materials and enhance environmental benefits.

Sustainable Logistics Initiatives

To promote environmental sustainability and reduce costs, during the Financial Year, the logistics department has purchased collapsible, reusable, and durable plastic crates instead of traditional carton boxes for transporting goods to other operational departments. It is expected to reduce the use of 230,000 carton boxes annually.







Compliance with Laws and Regulations

We are committed to adhering strictly to all relevant environmental laws and regulations. During the Financial Year, we maintained full compliance, with no instances of non-compliance. We are committed to complying with or participating in the following charters and regulations:

Environmental Compliance & Regulation

- Air pollution regulations regulating volatile organic compounds (VOC) and the switching off of idling vehicle engines
- Chemical waste control scheme
- Laws relating to protection of endangered species
- Regulations of certain single-use disposable plastics effective 22 April 2024
- Plastic bag charging scheme

Voluntary Sustainability Initiatives & Charters

Beyond compliance, we undertake voluntary initiatives to promote sustainability and environmental stewardship, including:

- Charter on external lighting
- Bye Bye Microbeads Charter
- Producer responsibility scheme on glass beverage containers effective 1 May 2023



OUR PEOPLE

Fostering Two-way Communication and Shared Development - Making Life **Beautiful Together**



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.

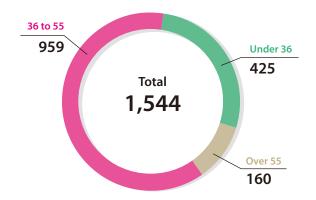
Our principal subsidiary in Hong Kong is also a signatory to the Mental Health Workplace Charter.

Employees Profile

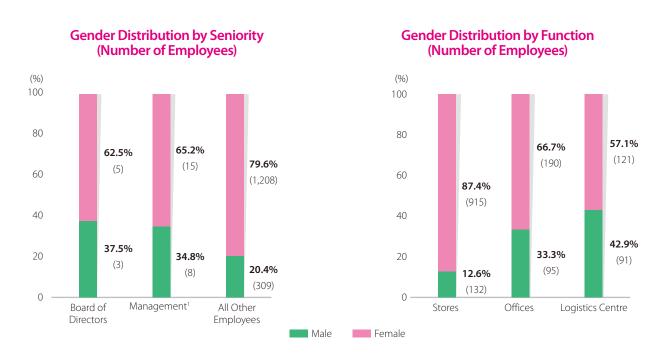
Number of Employees by Employment Type

Full-time 1,410 Part-time or Temporary Total 134 1,544

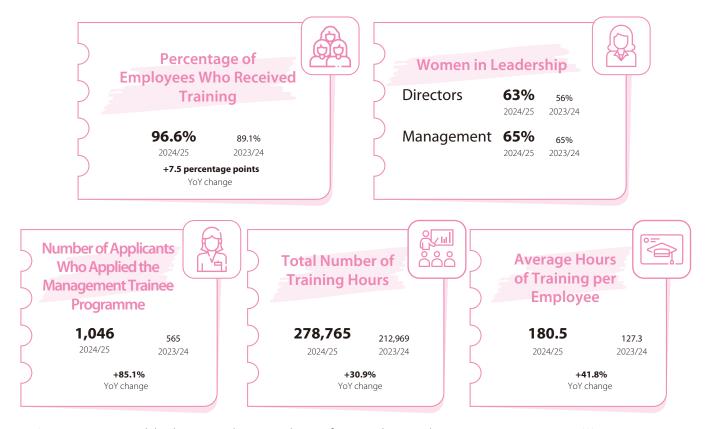
Number of Employees by Age Group







Performance Overview: Empowering Our People



Attracting, retaining and developing our talents are at the top of our agenda as people are our most important assets. We invest in training and developing our people to ensure they have the skills, knowledge and professionalism to deliver outstanding services to our customers.

[&]quot;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.





Our People Strategy

Invest in Training and Development to Enable Our People to Stay Ahead of the Curve

Interactive training, e-learning, field coaching, mentoring and external training are provided to support continuous development and acquisition of new skills and to ensure our people has the knowledge and expertise to excel in their job.

Competitive Remuneration and An Engaging Workplace to Attract and Retain Talents

Our remuneration and benefits¹ are benchmarked against market and industry average to ensure they remain competitive. We engage with our employees through regular communication and feedback and team building activities.

Performance Management

We conduct performance appraisals and assess key performance indicators at regular intervals and provide advancement opportunities with visible career path to our people.



Incentivise and Pay for Performance

We have performance linked bonus and shares options or awards to motivate our people. As a customer centric company, we reward store staff who receive praise and compliments from our customers.



Equality, Diversity and Inclusion

We operate an equal, diverse and inclusive workplace with no gender pay disparity. We have zero tolerance over discrimination and workplace harassment.

Respect Human Rights

We are committed to providing a workplace free from modern slavery, forced labour, child labour and all forms of exploitation while respecting freedom of association and collective bargaining.



Health and Wellness to Foster a Sustainable Work Life

Employees health and wellness are fundamental to the sustainability of our business. Work life balance improves productivity, physical and mental health. Different health and wellness programs are organised to foster a sustainable work life.



Occupational Health and Safety

While retailing is not a high risk industry with frequent workplace safety concerns, we can never be too careful when it comes to occupational health and safety.



We have been accredited as a Super Manpower Developer under the ERB Manpower Developer Award Scheme demonstrating our outstanding achievements in manpower training and development. The effectiveness of our manpower training and development strategies and practices are reviewed and evaluated in accordance with a set of objectives and assessment criteria established by an independent technical consultant of the Scheme. The effectiveness of our employment related policies and practices are also reviewed regularly to ensure they remain up-to-date and relevant to a future-ready workforce.

On top of statutory leave and benefits, we offer other benefits including sick leave, birthday leave, compassionate leave, marriage leave, annual leave, medical insurance, education subsidies, performance based discretionary bonus, share options or awards linked to performance, WFH arrangements and flexible working hours in special circumstances, staff discounts, purchase of festive food and household products at bulk purchase price, housing allowance or staff quarters for certain staff, leave work early on special festivals and free shuttle bus service to work.





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 Junior Beautician Trainee (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

Development and Advancement Opportunities for Our Frontline Staff



Junior Beautician Trainee

Total: 140 hours

We hire candidates with one to two years of work experience for this role, and provide four months of training which includes:

- Customer service
- Product knowledge
- Skin analytical techniques
- Make-up product knowledge and techniques
- Fragrance product knowledge
- Health food product knowledge
- Sales techniques

Our sales trainees and management trainees are also required to complete the JBT curriculum.

Beauty Consultant

Total: 38 hours

Continuous training for our Beauty Consultants:

- Advanced product knowledge
- Advanced customer service
- Sales techniques and customer psychology

Big Sister and Big Brother

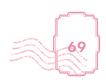
Total: 18 hours

There are more than 116 Big Sisters and Big Brothers in Sa Sa currently. This scheme aims to develop our experienced colleagues into coaches to train junior colleagues, thereby enabling the transfer of valuable knowledge and provisions of mentorships for the junior staff. Each Big Brother or Big Sister will guide one or two of their junior colleagues. Through coaching others, the Big Brothers and Sisters can also learn new skills to prepare themselves for shop supervisor role.

Outstanding Big Sister/Big Brother and Shop Trainer

Total: 40 hours

Big Brothers and Big Sisters can further develop their skills with the aim to becoming a team leader or shop supervisor at Sa Sa. They gain knowledge of personnel management in preparation for promotional or other opportunities.





Our People Development Initiatives

Engaging our People

121 morning/night meetings held during the Year, providing a two-way communication platform for operation managers and frontline colleagues to share best practices, success stories and challenges and for back office staff to learn and gain insights into store operations to better develop supporting and communication strategies so everyone can work more effectively and efficiently with well aligned business goals.



Encouraging Low-carbon Lifestyle





During November 2024, we shared tips on clothing, food, accommodation, and transportation weekly via our internal social platform, encouraging colleagues to practise a low-carbon lifestyle.

Multi-modal Training to Enrich Learning Experience

213 training modules available on the Company's e-learning platform and 209 interactive offline skill development trainings conducted by our inhouse training team during the Year, not including trainings (external or internal) on specific topics like fraud, cyber security, ethics, regulatory compliance or workplace safety which are disclosed in other parts of this report.









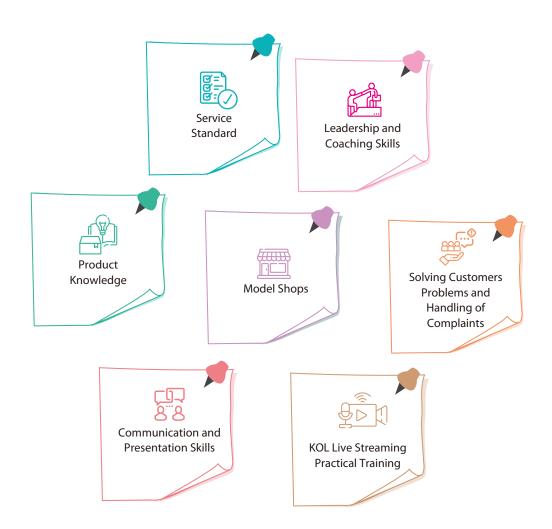
Long Service Award

We proudly celebrated a remarkable cohort of 122 colleagues from our frontline, office, and logistics teams, who have achieved significant milestones of service ranging from 10 to 40 years. We extend our heartfelt appreciation to all our beloved Sa Sa members, for their invaluable contributions to our success.





A Glimpse of Our Training and Development Courses







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 or mental problems is at the heart of our talent development strategy.

First-Aid Course to Assisting Others and Ourselves Sharing Love in "FOUR in LOVE" Charity Live Concert





In collaboration with Hong Kong St. John Ambulance, we organised Sa Sa First Aid Training. 27 Sa Sa colleagues joined the training to acquire essential first aid skills to help others and assist themselves in emergencies.

As a supporting organisation of The Community Chest of Hong Kong, Sa Sa participated in the "FOUR in LOVE CHARITY LIVE 2025" concert, held on 18 January 2025 at the Kai Tak Stadium. This was the first concert held at the new Kai Tak Stadium.

All proceeds from the concert, after deducting costs, will be donated in full to The Community Chest of Hong Kong to support charitable causes and promote the development of local youth initiatives.



Celebrating Chinese New Year with Creativity



In partnership with Greeners Action, our Sa Sa Staff Recreation Club hosted a delightful CNY decoration workshop. Together, we transformed recycled red packets into beautiful festive decorations, showcasing our dedication to sustainability.

Natural Mosquito Repellent Workshop

To prepare for the outdoor activities in the summer, the Sa Sa Staff Recreation Club hosted two engaging sessions of Natural Mosquito Repellent Workshop to dive into the world of natural ingredients, blending essential oils and learning the art of crafting their custom repellents.





Occupational Health and Safety: Performance Overview





Work-related Fatalities

None in each of the past four years including financial year 2024/25

2

Occupational Health and Safety

Safety audit conducted by an independent registered safety auditor once a year at the warehouse. We attained an overall score of **93.8%** (last year: 92.5%) upon evaluation of **14** aspects in the implementation of a safety management system.

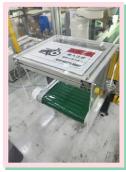
Regular safety inspections of the warehouse and annual safety assessment of outsourced contractors.

Safety committee comprising 10 committee members held **4** meetings during the year with safety representatives and representatives from warehouse management, workers and outsourced contractors.

4 occupational health and safety training organised during the year on, (i) Working Pressure; (ii) Prevention of Upper Limb Strain; (iii) Importance of exercise for workplace safety and (iv) Precautions and Prevention of Back Strain During Manual Labour.

Implement height restrictions for placing goods on the top shelf of the storage racks to prevent injuries.













OUR PEOPLE



Compliance with Laws and Regulations

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

- 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 Year.

We do not force our employees to work overtime or employ child labour. 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, Guidance on Prevention of Bribery Ordinance and Vendors Code of Conduct.

One seminar conducted by the Independent Commission Against Corruption was provided to general staff in the financial year ended 31 March 2021, and one training to the Company's directors on anti-corruption was conducted in the financial year ended 31 March 2023.

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 117-124 of this annual report for further details on how we guard against corruption, fraud and unethical business practices.



Annual Report 2024/2025

OUR CUSTOMERS







Serve With Heart - Our Commitments

- Commit to product quality and safety
- Integrate consumer rights and protection into customer experience



Manage environmental and social risks along the supply chain



As a leading go-to beauty store, we take pride in offering personalised beauty by our frontline professional beauty consultants with a complete range of beauty products across different price points to meet the evolving needs of today's customers.

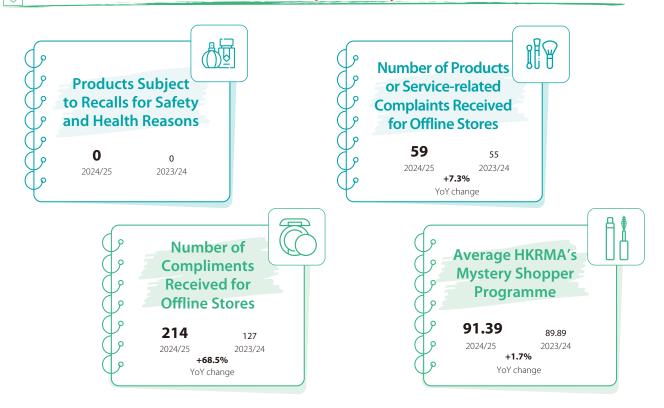
As an accredited merchant in more than 20 consecutive years under the Quality Tourism Services Scheme administered by the Hong Kong Tourism Board, our retail stores are assessed every year against objective measurements.

Additionally, our stores are regularly evaluated and graded by our training, customer service, and internal audit teams to ensure consistent excellence in both products and service. We also have an internal customer satisfaction measurement system and a rewards program for frontline staff who deliver outstanding service.

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



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.
- 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.





Adding More Sustainable Beauty Products to Our Offerings*

To combat climate change, products that we place on the market need to be more sustainable – durable, reusable, recyclable, energy and resources efficient, protect biodiversity and kinder to Mother Earth. With this as one of our guiding principles when sourcing for new and trendy products, our quest for sustainable products continued.

Clean beauty products free from chemicals that may be harmful

280 clean beauty products (or SKUs) across more than 30 brands available at our stores



Reusable shopping bags made from recycled plastic diverting plastic waste from both the ocean and landfills

18,002 pieces sold during the Year with over 9,722 pieces sold in the Christmas festive season alone



FSC certified paper packaging supporting sustainable forestry

> 37 of our exclusive products launched during the year used FSC certified paper packaging



Vegan products free Cruelty-free products not from animal-derived tested on animals substances

49 exclusive vegan products on shelves during the

of our newly launched exclusive products are not tested on animals



Marine friendly reef safe sunscreen with less threats to marine life and biodiversity

different brands to choose from this summer





Ocean friendly microbeads free products to protect marine biodiversity and avoid contamination of the food chain

of our exclusive brands are microbeads

What is Clean Beauty

Products formulated without the following ingredients

- · Alcohols (Ethyl-, Methanol-, Isopropyl, Benzyl-)
- Artificial dyes
- Chemical sunscreen (Octinoxate, Oxybenzone)
- Cyclic silicones (D4, D5, D6)
- Formaldehyde/Formaldehyde donors
- Hydroguinone
- Methylisothiazolinone/Methylchloroisothiazolinone MCI/MI/MIT
- Mineral oil/Petroleum/Paraffin
- Octoxynols
- Parabens (Ethyl-, Methyl-, Isobutyl-, Propyl-, Butyl-) Phthalates (DBP, DMP, DEP)/Ethyl acetate
- Sodium lauryl sulphate (SLS)/Sodium laureth sulphate (SLES)
- Synthetic fragrances (more than 1%)
- Triclosan



Only brands or products that have obtained relevant ingredients or official testing certifications are counted.



Engaging Our Stakeholders

Supports Community Safety via 'Scam Journey'

Serving as one of the corporate sponsors for the Hong Kong Police Force's "Scam Journey" Pop-up Experience, Sa Sa sponsored one of our flagship brand – Sasatinnie's product for this meaningful public education programme, which took place from 1 to 7 of December 2024 at YOLO Mall I, Yuen Long, which employs innovative interactive approaches to enhance fraud prevention awareness within our community.



Tailored Makeup Class for Corporate Staff

Our professional makeup artists have conducted makeup classes for staff from various corporations, tailored to meet the specific needs of different industries and workplaces.

Under the guidance and demonstration of our instructors, they learnt how to enhance their personal traits and strengths, resulting in a more professional and attractive appearance. The course fee can be fully redeemed as shopping vouchers, enabling participants to purchase selected Sa Sa products and enhance their beauty routines with ease.

"Al Makeup Genius" Everyday Makeup Challenge

In a proactive gesture of support for the "Hong Kong Happy Shopping Festival" organised by HKRMA, as a platinum sponsor, Sa Sa hosted the "Al Makeup Genius" 10-Minute Everyday Makeup Challenge. It aims to encourage the public to apply smart technology to gain different perspectives on themselves, thereby enhance their confidence and strengths.

Six participants were mentored by Sa Sa's expert makeup artist as they explored our innovative "AI MAKE UP GENIUS" APP to discover personalised makeup styles and identify the most suitable beauty products for themselves. The two winning participants each received HK\$1,000 in Sa Sa shopping vouchers.



Be Eco-Friendly, Be Beauty

We have launched the "Be Eco-Friendly, Be Beauty (環保出行,美麗隨行)" initiative to encourage customers to bring their own shopping bags. We sincerely invite customers to join Sa Sa in protecting the Earth, making every shopping experience more meaningful.







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 its 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.

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



Information Security Management

Ensuring the security of information assets is paramount. The Group has established a comprehensive information security mechanism to safeguard enterprise information assets especially consumers' personal information to maintain its privacy and security. We implemented a detailed Information Security Policy to provide clear guidelines for daily information security practices such as classifying information assets based on level of sensitivity and importance, password guidelines to reduce the risk of unauthorised access to sensitive information and systems and security incident response guidelines to raise awareness of potential IT security threats.

To maintain system sustainability, the Group periodically assesses and reviews its systems. During the Financial Year, the Group undertook an SAP cloud migration to enhance efficiency, scalability and security. The migration ensures better performance, streamlined operations and improved data protection. The IT department has developed disaster recovery and data backup plans with regular testings to guard against potential system failures. The transformation reflects the ongoing dedication to innovation and sustainable practices. No significant incidents related to information security or customer privacy are noted during the Financial Year.

For Information Security and Privacy Training details, please refer to Enterprise Risk Management Report on page 122 of this annual report.



Inclusive Beauty: Quality Products which are Accessible and Affordable to All

We believe in inclusive beauty.

As a multi-brand retailer offering over 600 brands and more than 9,000 beauty related and other products with a diverse price range of HK\$1 to HK\$5,000, from daily necessities to special occasion needs, mass market to premium brands, there is something for everyone regardless of his/her gender, age, nationality, skin tone and budget.

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





Supply Chain Management

Number of suppliers by geographical region

Hong Kong SAR	Asia (excludi	ng Hong Kong)	Europe	America	Others
247	147		69	13	4 (0.8%)
(51.5%)	(30.6%)		(14.4%)	(2.7%)	(

Supply chain 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 such as digital solutions or sustainable products. Please refer to the section on our sustainable offerings on page 77 for more details.

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.

For more information on how we manage product quality and counterfeit and ethical business practice in the supply chain, please refer to pages 117-124 of our Enterprise Risk Management Report.

Annual Report 2024/2025

OUR 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\$35.6 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.

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



HK\$2.0M

HK\$1.7M

2024/25

2023/24

+17.6% YoY change



(0)

Community Engagement



Caring Company Award for over 20 years

Launched by The Hong Kong Council of Social Service in 2002, the Caring Company Scheme aims to foster strategic partnerships between the business and social services sectors to promote good corporate citizenship and create a more inclusive society. We have been awarded under the scheme for over 20 years recognising our efforts in fostering a more caring, inclusive and sustainable community.



Nurturing Next Generation Retail Leaders

Dedicated to actively partnering with various academic institutions and organisations to nurture the next generation of retail leaders, we have been providing resources, mentorship, and real-world opportunities, aiming to equip students with the skills and knowledge needed to excel in the evolving landscape of new retail. Our collaborations focus on fostering innovation, applying cutting-edge technologies, and inspiring young talents to become industry pioneers.

Lingnan University Business Case Competition 2025

We had an exciting collaboration with Lingnan University for their Business Case Competition. Two of the student teams analysed and tackled real-world challenges faced by Sa Sa, delivering standout performances that earned them 1st runner-up and Merit Awards.



HKRMA Retail Reimagined Challenge 2025

We are proud of TEAM 10 from CUHK, mentored by Sa Sa management, for making it to the final round. Their marketing video was awarded the "Most Popular Award," achieving the highest number of likes and views among the top 15 submissions. Their project showcased a creative application of Al technology, marketing intelligence, and the trending experiential travel, merging our OMO strategy.



Sa Sa x Cambridge Consulting Network (Hong Kong) Project

In collaboration with the Cambridge Consulting Network, Sa Sa engaged a team of students over three months to address challenges related to Gen Z marketing strategies, and sustainable profitability.



Sa Sa Summer Internship Programme

We warmly welcome enthusiastic interns joining us from different institutions, bringing fresh perspectives to our team.





Providing Employment Opportunities for Disadvantaged Groups

Since 2023, the Logistics Department has outsourced basic packaging tasks to Fu Hong Society, creating employment opportunities for disadvantaged communities. As the partnership has matured, Sa Sa has further collaborated with another social welfare organisation, YMCA, to outsource additional value-added services for various products. Up to the date of this annual report, the partnership has handled over 20,000 items.







Promoting Health and Wellness

Online Wellbeing Seminar – Stress Management and Sleep Disorder

Online health seminar hosted by AIA for Sa Sa employees, providing insights into recognising the body's signs of stress and equipping staff with strategies to identify and address health concerns early.



Diabetes Risk Assessment for Better Health

Sa Sa collaborated with the Angel of Diabetic to provide free diabetes risk assessments and valuable health tips for our colleagues.



Fund Raising to Meet Critical Needs and Create Positive Impact

Non-profit organisations play a significant role in modern society providing a diverse range of services to vulnerable families and individuals. The NGOs we support rely on funds from the community to deliver those support and services. We encourage our people to do their part by volunteering and donating for worthy causes and have rewards and recognitions in place to promote participation.

2025 Standard Chartered Marathon

Our efforts supported the St. James' Settlement and the "Futuremakers' First Job Youth Employment and Subsidy Programme", which helps equip graduates with essential job training, employment support, and rapid career coaching to launch their careers successfully.



Dress Casual Day 2024 Wear to Care

With a special theme of "Wear to Care" in the Dress Casual Day, all proceeds from this event went to supporting more than 160 social welfare member agencies of the Community Chest. Our staff generously donated to the event and turned up for work in their casual outfit.





The Community Chest Walk for Millions – Charity Walk in Hong Kong & Kowloon, and the New Territories

Our Sa Sa volunteer team participated in the "Hong Kong & Kowloon Walk for Millions" and "the New Territories Walk for Millions", respectively, working to help build a brighter future for underprivileged communities in our local neighbourhoods.







Po Leung Kuk Charity Raffle 2024 and Girl Guides Charity Raffle 2025

Sa Sa actively participated in the Po Leung Kuk Charity Raffle Fundraising Campaign, aiming to support Po Leung Kuk's various charitable initiatives. Through this initiative, we hope to bring more care and resources to those in need and contribute to a more harmonious and compassionate society.

We also support the Hong Kong Girl Guides Association in nurturing young people's good character and sense of social responsibility, while bringing greater care and resources to those in need.

Amazing Greeners Fight for No Plastic – Kat O 2.0

As part of our ongoing commitment to sustainability through "Carbon Reduction Action" campaign, we joined the "Amazing Greeners – Fight for No Plastic" initiative organised by Greeners Action at Kat O.



Po Leung Kuk Flag Day

Our continuous support in the Po Leung Kuk Flag Day allow us to come together as a community to make a difference.







MATERIALITY ASSESSMENT



Our last materiality assessment was conducted in the financial year ended 31 March 2023. 18 issues across three categories – customer journey, business operation and workforce – were identified through peer benchmarking analysis and internal assessment. 11 local, regional and international cosmetic or retail companies were selected for the peer benchmarking analysis.

The assessment enabled us to better align our goals and priorities with stakeholders expectations. During the financial year ended 31 March 2025, we continued to engage with our key stakeholders, principally business partners, investors, customers and our employees through regular dialogues in different communication channels, and in both formal and informal setting like thematic forums and community activities. Key concerns of our stakeholders include packaging waste, sustainable product offerings, digitalisation of the retail operation, sustainability mindset and knowledge, and customers communication. 95% of internal respondents in the materiality assessment survey supported the Company doing more in sustainability which is of great assistance in our sustainability development journey.



Stakeholders Engaged



Banks





Customers



Employees



Management





Surveys sent to over 50,000

individuals from 12 stakeholder groups



Investors

Service Providers



Landlords

Suppliers





er services units

In-depth One-on-one

interviews with institutional investors

Materiality Assessment Process

Review corporate vision, existing sustainability initiatives, past materiality assessment process and results

Align directions and expectations to prepare for the materiality assessment

Peer analysis of material issues

Selection of material issues specific to Sa Sa

Survey design seeking to avoid biased survey questions. Use of best-worst scaling asking respondents what they prefer most and what they prefer least to simulate real-world behaviour of making trade-off in constraints.

Survey sampling. Stakeholders identification and determination of sample size

Survey invitation and managing response

Development of discussion guide for in-depth one-onone interviews with institutional investors

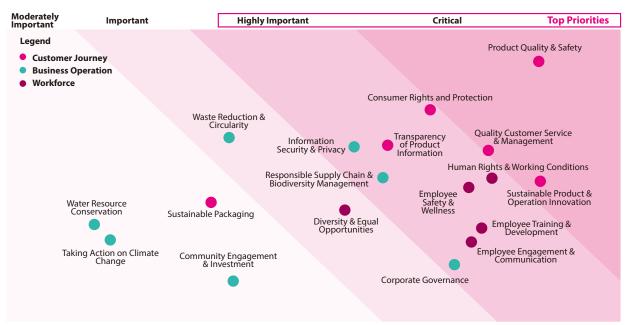
Interview invitation and conducting the interviews

Analysing survey results and findings from interviews

Survey analytic report and investors interview insight report prepared and presented to the Board and Management

Validation of the materiality assessment result and mapping of the material issues according to five levels of importance





Importance to business continuity and development

ABOUT THIS REPORT



This is our 14th ESG report. The report covers the Group's online and offline operations in Hong Kong and Macau conducted under two of our wholly-owned subsidiaries, Sa Sa Cosmetic Company Limited and Sa Sa dot Com Limited which, together, contributed to around 80% of the Group's total turnover in the year ended 31 March 2025. The reporting boundary remains the same as in previous years. All data reported are based on the principles of materiality, quantitative, balance and consistency. Any changes to the methodologies adopted or assumptions made are disclosed in the notes to the sustainability data to enable a meaningful comparison. The report 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. In this ESG report, insignificant decimals in the data have been rounded off while percentage changes are calculated based on original values leading to rounding differences in some cases.

We welcome your feedbacks. Please do not hesitate to write to us at esq@sasa.com if you have any comments.

SUSTAINABILITY DATA: SOCIAL

Description			Unit	2024/25	2023/24	2022/23
Headcount	Total		persons	1,544	1,673	1,557
	By gender	Male Female	persons	318 (20.6%) 1,226 (79.4%)	349 (20.9%) 1,324 (79.1%)	322 (20.7%) 1,235 (79.3%)
		геплаге	persons	1,220 (79.4%)	1,324 (79.1%)	1,233 (79.3%)
	By age group	under 36	persons	425 (27.5%)	598 (35.7%)	508 (32.6%)
		36-55	persons	959 (62.1%)	938 (56.1%)	926 (59.5%)
		Over 55	persons	160 (10.4%)	137 (8.2%)	123 (7.9%)
	By employee type	Full-time	persons	1,410 (91.3%)	1,484 (88.7%)	1,430 (91.8%)
		Part-time/Temporary	persons	134 (8.7%)	189 (11.3%)	127 (8.2%)
Total no. of employees trained			persons	1,491	1,491	426
Total no. of training hours			hours	278,765	212,969	58,585
Average hours of training	Total		hours	180.5 (96.6%)	127.3 (89.1%)	37.6 (27.4%)
per employee (percentage of employees who received	By gender	Male	hours	103.5 (91.2%)	55.9 (85.4%)	5.3 (31.7%)
training)	, 3	Female	hours	200.5 (98.0%)	146.1 (90.1%)	46.0 (26.2%)
	By Employee	Management	hours	28.9 (74.1%)	19.9 (60.0%)	10.1 (79.2%)
	category	Managers	hours	194.3 (91.7%)	140.9 (90.6%)	33.1 (43.1%)
		All other employees	hours	181.2 (98.0%)	126.7 (89.4%)	39.0 (23.4%)
	By Function	Stores	hours	241.8 (99.1%)	168.6 (88.6%)	43.2 (9.2%)
		Office	hours	24.1 (64.9%)	16.6 (55.2%)	8.7 (57.9%)
		Logistics Centre	hours	88.3 (126.4%)	62.2 (141.0%)	50.0 (76.6%)
Fatality			cases	0	0	0
Work-related injuries			cases	10	12	18
Lost day due to work injury			day	74	239	503
Average days of sick leave taken by employee per month			day	0.27	0.30	0.43

	202	24/25	2023	3/24	2022/23		
	Overall	Excluding employees who left during probation period	Overall	Excluding employees who left during probation period	Overall	Excluding employees who left during probation period	
Turnover rate ¹	23.2%	11.1%	29.6%	17.9%	39.6%	29.6%	
By gender							
Male	24.3%	11.9%	32.0%	15.7%	46.9%	34.0%	
Female	22.9%	10.8%	29.0%	18.5%	37.6%	28.4%	
By gender							
under 36	39.7%	22.1%	42.6%	24.4%	59.1%	42.6%	
36-55	15.6%	6.4%	21.7%	13.2%	26.9%	19.9%	
Over 55	23.4%	N/A	33.2%	25.4%	50.8%	48.8%	

Note to the Sustainability Data:

Full-time employees only.



SUSTAINABILITY DATA: ENVIRONMENTAL

Description			Unit	2024/25	2023/24	2022/23	Baseline	Base Year
GHG Emissions ¹	Total (GHG emissions)	tCO ₂ e	5,956	6,082	6,128	19,498	2014/15
	Total (Scope 1 and Sc	ope 2)	tCO ₂ e	5,800	5,966	6,023	19,200	2014/15
	Scope 1	Company-owned trucks and private cars ²	tCO ₂ e	76	83	92	137	2014/15
	Scope 2	Purchased electricity used in our offices,						
		logistics centres and stores ³	tCO ₂ e	5,724	5,883	5,931	19,063	2014/15
	Scope 3	Total (Scope 3)	tCO ₂ e	156	116	105	298	2014/15
		Business air travel	tCO ₂ e	28	10	2	143	2014/15
		Electricity used for fresh water processing						
		and sewage treatment	tCO ₂ e	8	5	2	18	2014/15
		Trucks owned by the external logistics	100/20	· ·	3	-		201 () 10
		service providers	tCO ₂ e	102	73	70	242	2016/17
		Waste disposal at landfills ⁴	tCO ₂ e	18	28	31	32	2021/22
		waste disposal at lananiis	-	10			J2	2021722
Carbon Intensity			kg CO ₂ e/sqm GFA kg CO ₂ e/HKD1m	130	136	130	363	2014/15
			turnover	1,991	1,784	2,060	2,663	2014/15
			kg CO₂e/headcount	3,857	3,635	3,936	4,167	2021/22
Energy consumption	Total (Energy consun	nption)	MWh	11,995	12,413	12,373	26,392	2014/15
	Electricity Consumption		MWh	11,697	12,090	12,018	26,392	2014/15
	(indirect)	Stores	MWh	8,437	8,594	8,130	23,105	2014/15
		Offices	MWh	1,115	1,187	1,201	1,407	2014/15
		Logistics centre	MWh	2,145	2,309	2,687	1,880	2014/15
	Non-renewable fuel cor	nsumption (Petrol and Diesel)	MWh	298	323	355	538	2021/22
Electricity intensity			kWh/sqm GFA	256	270	255	491	2014/15
,,			kWh/HKD1m turnover	3,909	3,546	4,040	2,604	2014/15
Water consumption ⁵			cu.m	11,696	7,117	3,819	30,691	2014/15
Water intensity ⁶			cu.m/headcount	7.6	4.3	2.5	3.3	2021/22
Vehicle Fuel Consumption	Total (Vehicle fuel co	nsumption)	L	67,482	59,278	61,156	140,458	2016/17
•	Company-owned truck	s and private cars	L	28,712	31,455	34,581	50,119	2014/15
	Trucks owned by extern	nal logistics service providers	L	38,770	27,823	26,575	81,800	2016/17
Vehicle fuel efficiency			L/sgm GFA	1.5	1.3	1.3	0.9	2014/15
·			L/HKD1m turnover	23	17	21	19	2014/15
Vehicle emissions	So _x		g	1,074	936	964	2,115	2016/17
	No _x (for trucks only)		g	375,480	831,578	798,485	798,485	2022/23
	PM* (for trucks only)		g	37,222	77,385	74,072	74,072	2022/23

Notes to the Sustainability Data:

- 1. 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 56. The global warming potentials used for calculation are adopted from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report.
- 2. 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 financial year 2021/22. Refrigerant and FM200 also excluded based on materiality.
- 3. Emissions associated with electricity purchased are calculated based on the latest available emissions factors provided by the power companies.
- 4. 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 the HKSAR Government.
- 5. Calculated by reference to the water and sewage charges paid in the Year.
- 6. Organisation-specific metrics for calculating water intensity changed from GFA and turnover to number of employees to reflect the amount of water used per person for washing and cleaning purposes.



Description		Unit	2024/25	2023/24	2022/23	Baseline	Base Yea
Paper consumption⁵	Total ¹	'000 pcs (kg)	2,792 (13,959)	3,215 (16,074)	3,499 (17,495)	9,316 (47,056)	2014/1
	Stores	'000 pcs (kg)	1,946 (9,729)	1,963 (9,817)	2,152 (10,760)	1,933 (9,663)	2021/2
	Offices	'000 pcs (kg)	308 (1,539)	386 (1,928)	413 (2,066)	644 (3,218)	2021/2
	Logistic centre	'000 pcs (kg)	538 (2,691)	866 (4,330)	934 (4,669)	1,642 (8,208)	2021/2
Paper use intensity		pcs/headcount	1,808	1,922	2,247	2,872	2014/1
		pcs/HKD1m turnover	933	943	1,176	1,450	2021/2
Business air travel ⁵		'000 km travelled	276	160	32	929	2014/1
Business air travel intensity		'000 km travelled/					
		headcount	0.18	0.10	0.02	286	2014/1
		kg CO₂e/HKD1m turnover	9.28	3.1	0.7	20	2014/1
Packaging:							
Carton box consumption ⁵	Total	'000 pcs (kg)	713 (196,148)	793 (290,110)	933 (329,578)	874 (329,653)	2020/2
	Offline	'000 pcs (kg)	130 (104,791)	178 (143,316)	188 (151,531)	305 (261,082)	2015/1
	Online	'000 pcs (kg)	583 (91,357)	615 (146,794)	745 (178,047)	661 (157,972)	2020/2
Bubble wrap consumption		kg	8,149	5,433	12,875	19,907	2021/2
Airpillow consumption		kg	8,442	10,927	8,265	10,836	2021/2
Stretch film consumption		kg	15,713	16,609	20,560	18,663	2021/2
Shopping bag consumption ^{2,5}		'000 pcs	1,173	1,424	1,182	3,010	2014/1
Shopping bag consumption intensity		pcs/transaction	0.12	0.13	0.13	0.18	2017/1
Resources recycled ³ :							
Paper	Offices	kg	18,747	18,886	19,349	18,602	2014/1
	Logistics Centres	kg	89	174	2,040	232,600	2018/1
Plastic	Total	kg	4,000	3,900	3,400	20,996	2018/1
	– Plastic pallet	kg	0	0	0	90	2021/2
	– Stretch film	kg	4,000	3,900	3,400	5,700	2021/2
Carton box		kg	89,000	91,960	90,020	89,700	2021/2
Resources reused:							
Carton box		kg	176,234	206,663	137,174	55,200	2021/2
Non-Hazardous waste ⁴	Solid	tonnes	14	25.2	27.7	19.2	2019/2
	Liquid	tonnes	11	12.8	15	15.7	2019/2
Hazardous waste	Chemical	tonnes	0.1	0	0	3.9	2015/1
Waste Intensity		kg/HKD1m turnover	8.4	11.2	14.3	15.0	2021/2

Notes to the Sustainability Data:

- 1. Total may not add up due to rounding.
- 2. Excluding reusable shopping bags.
- 3. Aluminium cans and plastic containers for personal use recycled by employees in the offices no longer disclosed since financial year 2021/22.
- 4. Personal waste generated by employees replaced by waste from operations from financial year 2021/22.
- 5. Rounded to the nearest thousand.



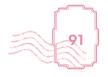
HKEX ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Page No.
A. Environmental		
Aspect A1: Emissions	Information or	- F4 - CF
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.54, p.65
KPI A1.1	The types of emissions and respective emissions data.	p.56, p.88
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.56, p.88
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	p.62, p.89
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	p.62, p.89
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	p.58
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.	p.62-63
Aspect A2: Use of Reso		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	p.54
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.56, p.88
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	p.61, p.88
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	p.57-58
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.	
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	p.59, p.89
•	nment and Natural Resources	
General Disclosure KPI A3.1	Policies on minimising the issuer's significant impacts on the environment and natural resources. Description of the significant impacts of activities on the environment and natural resources and	•
Aspest A4. Climate Cha	the actions taken to manage them.	
Aspect A4: Climate Cha General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	p.54
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.54, p.57-58
B. Social	mpocy are issue, and the details taken to manage them.	
Employment and Labo	ur Practices	
Aspect B1: Employmer		
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.66, p.68-69, p.74
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	p.66-67, p.87
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	p.87
Aspect B2: Health and	·	
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.66, p.74
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	p.73, p.87
KPI B2.2	Lost days due to work injury.	p.73, p.87
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	p.72-73





Subject Areas,		
Aspects, General Disclosures and KPIs	Description	Page No.
Aspect B3: Developme	ent and Training	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	p.66, p.68-71
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	p.67, p.87
KPI B3.2	The average training hours completed per employee by gender and employee category.	p.67, p.87
Aspect B4: Labour Sta	ndards	
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.66, p.68, p.74
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	p.66, p.68, p.74
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	p.66, p.68, p.74
Operating Practices		
Aspect B5: Supply Cha	in Management	
General Disclosure	Policies on managing environmental and social risks of the supply chain.	p.75, p.80
KPI B5.1	Number of suppliers by geographical region.	p.80
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.80
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.80
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.77, p.80
Aspect B6: Product Re	sponsibility	
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.75, p.77, p.79-80
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	p.76
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	p.76
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	p.76, p.80
KPI B6.4	Description of quality assurance process and recall procedures.	p.76
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	p.75, p.79
Aspect B7։ Anti-corrup	otion	
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.74
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.74
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	p.74, p.80
KPI B7.3	Description of anti-corruption training provided to directors and staff.	p.74
Community		
Aspect B8: Community	v 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.	p.81
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	p.81-84
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	p.81



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 the "Sustainability Data: Environmental" ("Sustainability Data") for Sa Sa International Holdings Limited (Stock Code: 178). The scope of HKQAA's verification covers data and information related to Greenhouse Gas (GHG) emissions (Scope 1 and 2), energy consumption, and vehicle fuel consumption for Sa Sa's major operations in Hong Kong and Macau (i.e., offices, logistics centre, and retail shops) during the period from 1 April 2024 to 31 March 2025, as disclosed in the "Sustainability Data".

The aim of this verification is to provide reasonable assurance regarding the reliability of the "Sustainability Data," which has been prepared in accordance with the World Resources Institute's Greenhouse Gas Protocol— A Corporate Accounting and Reporting Standard (revised edition) ('GHG Protocol').

Level of Assurance and Methodology

The verification process was conducted in accordance with 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 procedures were designed to obtain a reasonable level of assurance, as defined by the standard, to support the verification conclusion. Also, the scope of this verification covered the criteria set forth in the GHG Protocol.

The verification included reviewing information related to the processes for collecting, collating, and reporting environmental data on GHG emissions, energy consumption, and vehicle fuel consumption. Raw data and supporting evidence for the selected representative samples were also thoroughly examined during the verification.

Roles and Responsibilities

Sa Sa is responsible for the organization's information system, including the development and maintenance of records and reporting procedures, as well as the calculation and compilation of the environmental data presented in the "Sustainability Data." Our verification team is responsible for providing an independent verification opinion on the "Sustainability Data." The verification was conducted based on the scope, objectives, and criteria agreed upon by both Sa Sa and HKQAA.

Independence

HKQAA was not involved in compiling or developing the "Sustainability Data." Our verification activities are independent of Sa Sa. There is no relationship between HKQAA and Sa Sa that could compromise HKQAA's independence in providing the verification service.

Limitation and Exclusion

The following limitations and exclusions apply to this verification due to the scope of the service, the nature of the verification criteria, and the characteristics of the verification methodology:

- Our verification scope is limited to examining the raw data or information for the selected samples in order to assess the overall reliability of the "Sustainability Data". However, the raw data or information may be subject to inherent uncertainty due to incomplete scientific and technical knowledge.
- The verification of raw data or information is based on a sampling approach and relies on the client's representations. As a result, errors or irregularities may occur and remain undetected.

Conclusion

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

- The "Sustainability Data" has been prepared in accordance with the GHG Protocol.
- The data and information disclosed in the "Sustainability Data" are reliable.

Signed on behalf of Hong Kong Quality Assurance Agency

Connie Sham Head of Audit June 2025

Reference No.: 14967624

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