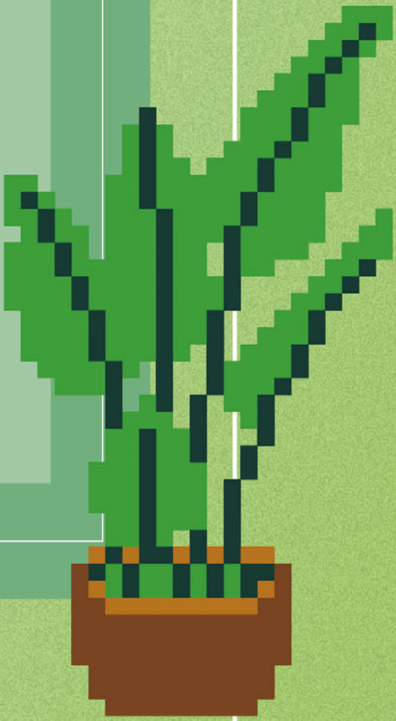
Sa Sa International Holdings Limited
STOCK CODE: 178

2025/26

Environmental, Social, and Governance Report

Responsible Beauty

Contents



MESSAGE FROM THE CHAIRS

As a leading beauty retailer in the market, Sa Sa has continued to explore sustainable business growth and bring long-term value to our stakeholders during the Financial Year. By expanding our collaboration with the government and our industry stakeholders, we deepen our dedication to drive a sustainable value chain and optimise value to our stakeholders. Looking forward, we will continue our sustainability journey guided by the four pillars in our sustainability framework: Our Planet, Our People, and Our Customers and Our Community – to deliver long-term environmental stewardship, social value, and responsible business practices.

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

Mrs CHAN KWOK Sze Wai Melody,
MH, JP
Chair of the Sustainability Steering Committee

ABOUT THIS REPORT

Reporting Scope:

The report covers the online and offline operations of Sa Sa International Holdings Limited (the "Company" or "Sa Sa") and its subsidiary (the "Group" or "we") in Hong Kong and Macao 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 2026 (the "Financial Year"). The reporting boundary for the Group includes its major operations in Hong Kong and Macao.

Financial Year:

1 April 2025–31 March 2026

Reporting Standard:

The report is prepared in accordance with Appendix C2 to the Main Board Listing Rules on Hong Kong Exchanges and Clearing Limited ("HKEX"), the Environmental, Social and Governance ("ESG") Reporting Code (formerly known as the ESG Reporting Guide).

Reporting Principles:

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. In this 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 feedback. Please do not hesitate to write to us at esg@sasa.com if you have any comments.

OUR SUSTAINABILITY JOURNEY

SNAPSHOTS IN 2025/26

Our Planet

Achieved an **89%** of waste diversion rate (recycled and reused)

Reduced **23%** in greenhouse gas ("GHG") emissions (tCO_2e/HK$1M turnover), compared to the previous year

Our People

Women in leadership
- Directors: **56%**
- Management: **60%**

Provided an average of **189.6** hours of training to all employees (including frontline staff), fostering professional growth, leadership, and cultural alignment through customised learning programmes

Our Customers and Our Community

Providing **220** eco-friendly products at our stores

Supported **101** charity service events, encouraging individuals to embrace positive lifestyles to cultivate a beautiful life together

External Recognitions and Charters in 2025/26

Received the "Best ESG (E)" Award from the Hong Kong Investor Relations Association for two consecutive years

Received
- "Outstanding ESG Environmental Performance Award"
- "Outstanding ESG Social Performance Award"
- "ESG Commendation Certification"

jointly presented by Sing Tao News and The Hong Kong Polytechnic University

Received the "Best Corporate Governance and ESG Awards" by the Hong Kong Institute of Certified Public Accountants (HKICPA)

Joined the "Packaging Reduction Charter" organised by the Environmental Protection Department

Received the "ESG Special Recognition Award – with Merit" by TVB in "TVB ESG Awards 2025"

Clinched three awards for the second consecutive year
- Good MPF Employer
- e-Contribution Award
- MPF Support Award

by Mandatory Provident Fund Schemes Authority

Accredited as "Super MD" from 2023 to 2026 in the "ERB Manpower Developer Award Scheme" by Employees Retraining Board (ERB)

OUR SUSTAINABILITY FRAMEWORK

Our Planet

Protecting Our Planet for a Sustainable Future

- 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

Building a Caring Workplace through Communication and Development

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

Our Customer

Promoting Responsible Products and Customer Wellbeing

- 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

Connecting with Our Community to Create Positive Impact

- Invest in the community
- Collaborate to flourish

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

In our latest materiality assessment, 18 issues across three categories – customer journey, business operation and workforce – were identified through peer benchmarking analysis and survey.

The assessment enabled us to better align our goals and priorities with stakeholders expectations. During the Financial Year, 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.

Surveys sent to over **50,000** individuals from **12** stakeholder groups

21% response rate within which **16%** provided free text feedbacks

In-depth **one-on-one** interviews with institutional investors

Materiality Assessment

The materiality assessment steps are shown below.

1 Identification

- Conducted peer benchmarking and desktop review to identify preliminary ESG issues for stakeholder engagement

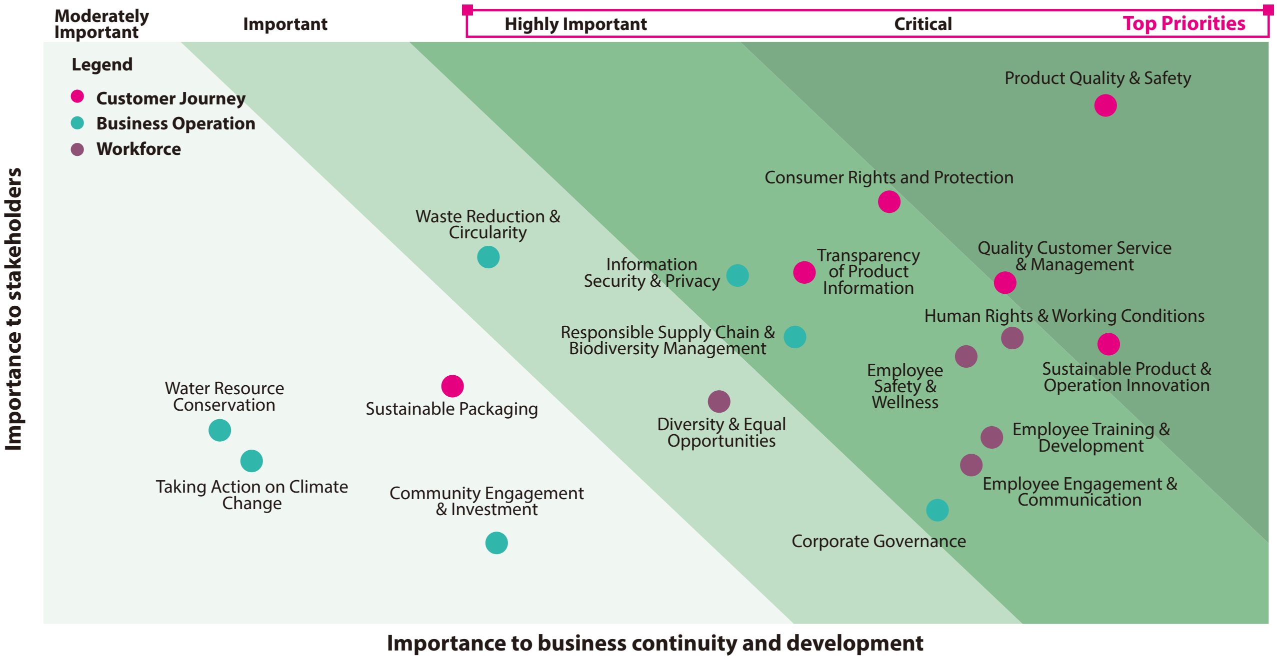
2 Prioritisation

- Conduct survey and one-on-one interviews with institutional investors
- Consolidate results to determine prioritisation of ESG material issues

3 Validation

- The Board and Management to review and validate the results

Materiality Matrix



OUR GOVERNANCE

Governance Structure

Top-down directions

Bottom-up information flow

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.
- 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 Board of Directors has overall responsibility for overseeing 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 sustainability recommendations to the Board based on regulatory requirements, emerging sustainability trends, and insights from stakeholder engagement and materiality assessment. Our ESG governance is well integrated with its corporate governance framework, with alignment at the highest level.

During the Financial Year, five board meetings were held and deliberation of sustainability related issues was on the agenda in two of such board meetings. Matters considered during the Financial Year included newly issued climate-related disclosure requirements released by the HKEX, the Group's ESG strategy, as well as related performance and indicators. The Board reviews progress made against sustainability goals and targets and the accomplishment of KPIs before the publication of our ESG report annually.

Ethics

Upholding business ethics and integrity across all our business functions at Sa Sa is our cornerstone of success. The Company and its employees are guided by our Gifts and Entertainment Policy, Conflict of Interest Policy, Guidelines on Prevention of Bribery Ordinance and Vendors Code of Conduct.

During the Financial Year, two seminars conducted by the Independent Commission Against Corruption (ICAC) were provided to general staff to foster the sense of anti-corruption. The trainings cover topics including valuable insights into local anti-corruption laws, identification of corruption risks, conflicts of interest management and corruption prevention advisory services within the retail industry.

No legal case relating to anti-corruption was brought against the Company or any of our employees during the Financial Year.

Please also refer to the section on Ethical Business Practice in the Enterprise Risk Management Report on pages 66 to 74 of the Annual Report for further details on how we guard against corruption, fraud and unethical business practices.

In addition, 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 are reported to the audit committee of the Company.

OUR PLANET

Protecting Our Planet for a Sustainable Future

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

13 CLIMATE ACTION
14 LIFE BELOW WATER

We are committed to complying with all relevant environmental laws and regulations to minimise potential adverse impacts on the environment and the use of natural resources arising from our operations.

During the Financial Year, no cases of non-compliance relating to air emissions, discharges into water and land, or the generation of hazardous and non-hazardous waste were reported. Please refer to our Environmental, Social and Corporate Governance Policy and the Environmental Policy for details of our approach to regulatory compliance.

Climate Change and Emissions Reduction

Governance

The Board of Directors

- Overseeing the Group's sustainability strategy, development, reporting and management of ESG issues and risks, including climate-related issues
- Attending relevant training to ensure appropriate skills and competencies are developed to oversee strategies designed to respond to climate-related risks and opportunities

Sustainability Steering Committee

- Formulating sustainability targets and action plans for the Board's endorsement
- Making recommendations to the Board based on regulatory requirements, sustainability trends, and the outcomes of stakeholder engagement and materiality assessments

Strategy

To strengthen oversight and monitoring of climate-related issues that may affect our operations and to embed climate considerations into decision-making, we appointed an external consultant during the Financial Year to identify climate-related risks and opportunities as part of our transition to a low-carbon economy. The climate risks and opportunities and their impacts relevant to our operations and value chain in Hong Kong, Macao and Southeast Asia were identified. The exposure of risks and opportunities will be further assessed and disclosed in the upcoming ESG Report.

Overview of Climate-related Risks and Opportunities

Risks and Opportunities		Impacted Value Chain	Implications to Sa Sa
Physical Risks			
Acute	Typhoon	• Upstream • Operation • Downstream	• Increased direct repair and replacement costs for damaged infrastructure and assets • Increased operational expenses due to business interruption, emergency response, and overtime • Turnover loss from delayed deliveries, or reduced customer demand during disruptions
	Flooding	• Upstream • Operation • Downstream	• Increased direct repair and replacement costs for damaged infrastructure and assets • Increased operational expenses due to business interruption, emergency response, and overtime • Inventory loss due to water damage to moisture-sensitive goods
Chronic	Changing Temperature	• Upstream • Operation • Downstream	• Increased energy costs due to increased cooling requirements • Increased capital expenditure for upgrading HVAC systems, installing cooling solutions, and improving heat-resistant infrastructure • Increased insurance premiums as insurers factor in heat-related operational risks
Transition Risks and Opportunities			
Policy and legal		• Operation	• Increased compliance expenditure to meet new regulatory standards • Higher operating costs due to new carbon pricing, emissions fees, or permit purchases
Technology		• Upstream	• High upfront capital investment incurred due to the need to acquire, install, or retrofit low-carbon or energy-efficient technologies • Reduced energy costs achieved through the deployment of energy-efficient equipment, smart sensors, and optimisation technologies • Operational efficiencies and engagement improvements achieved through accelerated digital transformation
Market and Reputation		• Upstream • Downstream	• Loss of turnover opportunities due to failure to respond to consumer demand for eco-friendly or climate-adaptive products • Turnover growth opportunities achieved through expansion of the product offerings to meet rising demand for sustainable or climate-adaptive products

Risk Management

Following the completion of the climate risk assessment, we are working to incorporate climate-related risks into our existing enterprise risk management framework to adapt to and mitigate these risks.

To cope with climate risks, the Group is dedicated to playing its part to reduce emissions and energy consumption. More climate actions are disclosed in the GHG Emissions and Energy Reduction section.

Metrics and Targets

2025/26 Performance Overview: GHG Emissions

Scope 1 intensity

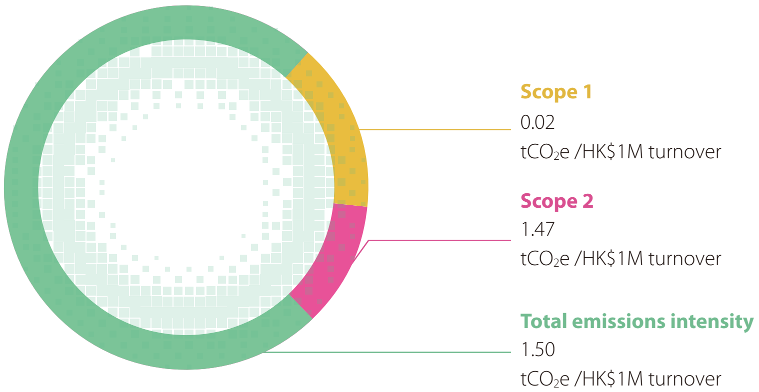
↓ **5%** compared to the previous financial year

Scope 2 (Location-based) intensity

↓ **23%** compared to the previous financial year

Total emissions intensity

↓ **23%** compared to the previous financial year



GHG Emissions and Energy Reduction

During the Financial Year, we achieved our target of reducing Scope 1 and Scope 2 GHG emissions by 70%[1]. In response to evolving environmental and climate-related conditions, Sa Sa will continue to evaluate and refine its strategies, while setting ongoing sustainability objectives and establishing new emission reduction targets aligned with our business development and operational strategies to further advance our decarbonisation efforts.

Energy conservation remains a key pillar of our decarbonisation strategy, playing a critical role in reducing greenhouse gas emissions while supporting operational resilience and long-term business sustainability. Sa Sa has implemented key energy-saving measures below during the Financial Year, which have contributed to our emission reduction performance and will continue to support progress towards future climate targets.

- Adopting LED lightings to improve energy efficiency and reduce electricity consumption.
- Implementing timer and sensors with motion and occupancy sensors to reduce unnecessary energy use.
- Installing energy-efficient appliances and sun-blocking curtains to reduce cooling demand and improve energy efficiency in buildings.
- Promoting more environmentally friendly use of fuel and equipment at logistics centres to reduce operational emissions.
- Adopting electrical appliances with recognised energy-efficiency labels to enhance overall energy performance.
- Providing employee shuttle services to reduce commuting-related carbon emissions.

[1] Base year 2014/15

In collaboration with our business partners, Sa Sa partnered with Hang Lung Group in the "Changemakers Program" to jointly reduce carbon emissions, minimise waste, advance circularity, and enhance community wellbeing. In addition, selected stores under the landlords' portfolio have been selected to conduct energy audits by CLP Power Hong Kong Limited to review energy usage and support effective planning for long-term energy-saving solutions.

CASE STUDY

Recognised Energy Reduction Effort

In recognition of our energy reduction efforts, our Kwai Chung logistic centre has obtained the Energywi$e – Good Level Certificate awarded by the Hong Kong Green Organisation during the Financial Year.


成員編號: EW-6215-6640
Membership No.:
香港綠色機構認證
Hong Kong
Green Organisation Certification
節能證書
Energywi$e
—Certificate—
「良好級別」
Good Level
莎莎化粧品有限公司
Sa Sa Cosmetic Company Limited
屆滿日期: 二〇二七年九月三十日
Expiry Date: 30 September 2027

Packaging

2025/26 Performance Overview: Packaging Material Used Intensity

83 kg/
HK$1M turnover

Increased by **2%** compared to the previous financial year

Packaging material usage increased in the Financial Year as the Group reduced its B2B online wholesale orders to reserve more stock for B2C online customers. As B2C customers' orders require more packaging materials, the total volume of packaging materials used rose compared to the previous year.

As a responsible retailer, Sa Sa recognises the environmental impacts associated with excessive and non-sustainable packaging and is therefore committed to the responsible management of packaging material consumption. Through reducing unnecessary packaging across our value chain, promoting the use of more sustainable materials, and enhancing packaging efficiency, we seek to minimise our environmental footprint, support waste reduction efforts, and contribute to the transition towards a circular economy.

In support of these commitments, Sa Sa has joined the "Packaging Reduction Charter" organised by the Environmental Protection Department of the Hong Kong SAR government. This demonstrates our dedication to reducing packaging waste and supporting Hong Kong's long-term goals of "zero landfill" and carbon neutrality.

Our packaging strategy is guided by the principles of "Reuse, Reduce and Smart Use", with the objective of minimising environmental impacts while maintaining product quality, operational efficiency, and cost effectiveness.

Upstream (Suppliers)	• Reusing suppliers' packaging materials (such as bubble wrap, carton boxes, and air pillow), to avoid using new packaging materials and enhance environmental benefits
Operations (Logistics Centres and Stores)	• Adopting fully automated wrapping machines to precisely control packaging material usage, thereby reducing material wastage and improving packaging efficiency • Expanding the use of collapsible, reusable, and durable plastic crates instead of traditional carton boxes for transporting goods to other operational departments, reducing the consumption of approximately 230,000 cardboard boxes annually • Implementing an intelligent packaging recommendation system that estimates the quantity and dimensions of products in customer orders and suggests the most appropriate carton box size for delivery. This helps minimise the use of filler materials while improving cost efficiency and logistics performance • Implementing a replenishment policy requiring stores to order certain products in full-carton multiples, thereby reducing empty space within cartons and minimising the need for air-filled cushioning materials • Optimising carton design by replacing three-layer carton boxes with double-layer carton boxes, reducing the average weight of each carton by 35.5% while maintaining product safety and protection standards • Reducing bubble wrap usage through packaging optimisation, cutting the standard number of layers from four to two. This measure achieves material savings of up to 53% without compromising product protection • Replacing disposable plastic film used in internal transportation with reusable protective fabric covers, reducing reliance on single-use packaging materials
Downstream (Customers)	• Reducing packaging material usage by redesigning delivery labels, reducing their size by 63% and significantly lowering plastic consumption • Encouraging customers through multiple communication channels to reduce the use of shopping bags or opt for reusable eco-friendly bags • Providing reusable shopping bags made from recycled plastic to help divert plastic waste from oceans and landfills, while encouraging customers to reduce reliance on single-use packaging materials • Utilising paper-based bags certified by the Forest Stewardship Council ("FSC") to support sustainable forestry practices and responsible sourcing of raw materials

Waste and Water

Waste

2025/26 Performance Overview: Waste Diversion Rate

89%

Decreased by **2%** compared to the previous financial year

Our vision is to achieve zero landfill in alignment with the HKSAR Government's Waste Blueprint for Hong Kong 2035. Given the nature of our operations, overall waste generation remains relatively limited, with packaging materials accounting for the majority of waste produced.

To minimise waste generation and promote responsible waste management across our operations, we have implemented the following measures:

- Enhancing staff awareness of waste classification through targeted education, supported by incentive and disciplinary mechanisms to encourage effective recycling;
- Phasing out the use of single-use utensils at corporate activities, such as birthday celebrations and working lunches;
- Continuously upgrading recycling facilities to improve accessibility and facilitate proper waste separation.

Lai See Recycle Programme

Over 2,300 kg of red packets were collected from our staff, customers and community from the Lai See Recycle Programme.

Green Christmas

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

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.

Recycling of Mooncake Boxes and Donating Excessive Mooncakes

We set up mooncake boxes collection in the office and sending them to Green@Community for recycling.

Furthermore, we collected excessive mooncakes from staff and sent them to Food Angel for distribution to the underprivileged.

Waste and Water

Water

2025/26 Performance Overview: Water Consumption Intensity

3.42 m^3/
HK$1M turnover

Decreased by **13%**
compared to the previous financial year

Water is an essential input in the extraction and manufacture of cosmetic raw materials, as well as in the production of finished products. However, the scope of water consumption disclosed in this report is limited to operational use and does not extend to our upstream supply chain. Within our operations, water usage is confined primarily to tap water for washing and cleaning purposes, which we do not consider to be material.

During the Financial Year, we did not encounter any issues in sourcing water that was fit for operational use, and wastewater discharge was not identified as a material environmental aspect of our operations.

Notwithstanding the limited material impact, we recognise the growing global concern over water security. We remain committed to responsible water stewardship and continue to promote water conservation practices across our operations, acknowledging the shared responsibility to protect this vital natural resource.

Our target is to reduce water consumption year-on-year compared to the previous financial year, to a reasonable extent. Following the implementation of water-saving measures, we expect overall water consumption to be maintained at a similar level. A slight increase may occur as employees reduce their reliance on bottled water and instead utilise the Company's on-site water supply systems.

To support our water conservation objectives, we have implemented a range of water-saving initiatives. Flow controllers have been installed at our Hong Kong office and warehouse, with each device estimated to reduce water use by approximately 30% annually. In addition, traditional reverse osmosis ("RO") water dispensers have been replaced with nano-filtration water dispensers at our Hong Kong office and warehouse. Nano-filtration technology significantly reduces wastewater discharge compared to RO systems, while enabling effective sterilisation and the removal of heavy metals, thereby enhancing water quality.

To further promote water conservation, water-saving reminders have been placed near faucets across our premises. The Group also conducts regular inspection and maintenance of its water supply systems to ensure reliable operation and to prevent water wastage arising from equipment failure. Overall, these measures are expected to contribute positively to water resource conservation and environmental protection.

OUR PEOPLE

Building a Caring Workplace through Communication and Development

Empower Our People – Our Commitments

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

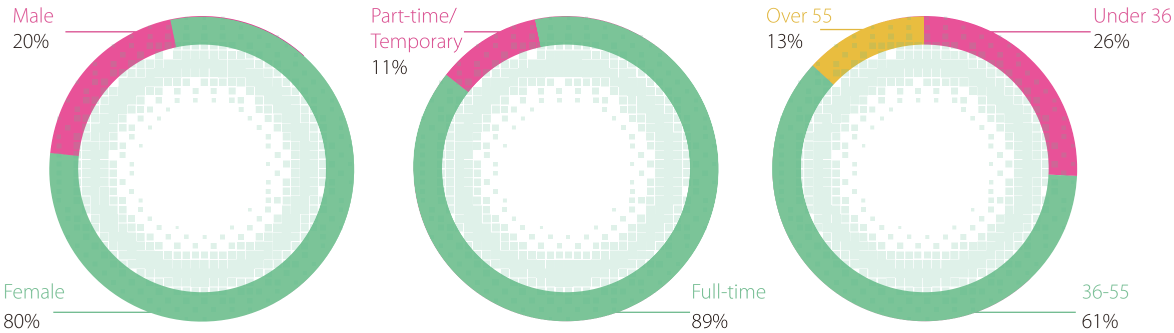
4 QUALITY EDUCATION
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH

We are committed to complying with all applicable employment, labour, occupational health and safety, and equal opportunity laws and regulations in our operating areas. Through this commitment, we aim to create and maintain a positive, inclusive, safe and healthy working environment where employees can flourish, develop their potential and share in the success of the Company, while supporting talent development, preventing work-related accidents, injuries and illnesses, and ensuring equal opportunities in a workplace free from discrimination and harassment. Please refer to our Employment Policy, Training and People Development Policy, Health and Safety Policy, and Equal Opportunities Policy for details of our commitments to supporting and protecting our people.

There was no non-compliance case with anti-discrimination or employment related laws or regulations during the Financial Year.

Employment

2025/26 Performance Overview: Total Workforce by Gender, Employment Type and Age Group



Employment

Attracting, retaining and developing our talents are at the top of our agenda as people are our most important assets. We adhere to comprehensive policies regarding employment practices to ensure an inclusive workplace for all, with the commitments outline below.

Competitive remuneration and an engaging workplace to attract and retain talents

Our remuneration and benefits[2] 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.

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.

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. 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.

Prevention of child and forced labour

Protecting human rights is fundamental to the way we do business. We are committed to safeguarding children from exploitation by strictly prohibiting child labour and complying with all applicable minimum age requirements. We also stand firmly against forced, compulsory and bonded labour, and support efforts to eliminate such practices across our operations.

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 to promote fair employment practices and provide a workplace free from discrimination and harassment.

We value and recognise colleagues who make long-term contributions to the Group. Some of our professional beauty consultants have served our customers for more than a decade. As part of our ongoing commitment to celebrating long service, we regularly acknowledge employees from our frontline, office, and logistics teams who reach meaningful service milestones, typically ranging from 10 to 40 years.

Learning and Development

2025/26 Performance Overview: Average Training Hours per Employee

189.6 hours

Increased by 5% compared to the previous financial year

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.

[2] 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, work from home 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.

Training

During the Financial Year, we continued to provide targeted training and development programmes to support the evolving needs of our frontline and back-office employees. For frontline staff, training focused on strengthening product knowledge, particularly in cosmetics and beauty products, as well as enhancing customer service skills, customer relationship management and sales professionalism to deliver a better shopping experience. For back-office staff, we placed greater emphasis on capability building in areas such as cyber security, artificial intelligence, internal systems and operational processes, helping employees adapt to digital transformation and support the business operations more effectively. Through these tailored training initiatives, we aim to equip our people with the relevant skills, knowledge and confidence to perform their roles professionally and contribute to the sustainable growth of the business.

We support the continuous development of our people through interactive training, e-learning, field coaching, mentoring and external training. These initiatives help employees acquire new skills and strengthen their professional capabilities and build the knowledge and expertise needed to perform effectively in their roles.

CASE STUDY

Engaging our people

175 of morning/night meetings has been held during the Financial 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.

CASE STUDY

Multi-modal training to enrich learning experience

301 training modules available on the Company's e-learning platform and over 149 interactive offline on-the-job training were conducted by our inhouse training team in the Financial Year.

To complement our development efforts, we conduct regular performance appraisals and review key performance indicators to provide employees with constructive feedback, recognise achievements and identify areas for further growth. We also offer advancement opportunities and clear career pathways to support long-term career development within the Group.

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 is also reviewed regularly to ensure they remain up-to-date and relevant to a future-ready workforce.

Recognition of Professional Qualifications

To recognise our employees' 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 run 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, strengthening the professional development pathway for our employees.

Development and Advancement Opportunities

Sa Sa has established a structured development programme for frontline staff.

Junior Beautician Trainee ("JBT")	Beauty Consultant	Big Sister and Big Brother	Outstanding Big Sister/Big Brother and Shop Trainer
Total: 135 hours	**Total: 50 hours**	**Total: 12 hours**	**Total: 12 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.	Continuous training for our Beauty Consultants: • Advanced product knowledge • Advanced customer service • Sales techniques and customer psychology	There are more than 121 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.	Big Brothers and Big Sisters can further develop their skills with the aim of becoming a team leader or shop supervisor at Sa Sa. They gain knowledge of personnel management in preparation for promotional or other opportunities.

Health and Safety

Occupational health and safety

Although the retail industry is generally considered to have lower occupational health and safety risks, we continue to adopt a proactive approach to safeguard employees' wellbeing and maintain a safe workplace.

In our logistics operation, Sa Sa has set up a Safety Committee chaired by the Logistic Director, which comprised of 10 representatives from different business units and out-sourced contractors. The Safety Committee meets on a quarterly basis to review safety performance, discuss potential risks and follow up on improvement measures and four meetings were conducted in the Financial Year. In addition, the Safety Committee is also responsible for organising occupational health and safety training. Regular training were organised and delivered by instructors from Labour Department including "Work and Healthy Lifestyle", "Prevention of Lower Limb Disorders", "Prevention of Upper Limb Strain" and "More Exercise, Smart Work" to foster the culture of a safe workplace.

Safety audit conducted by an independent registered safety auditor once a year at the logistic centre. We attained an overall score of 82% 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.

Install protective devices and safety warning labels on the IRLS machine in the logistics warehouse.

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

Wellness

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 programmes are regularly organised to foster a sustainable work life.

The Company has always taken pride in being a "Caring Company" for over 20 years. Improving employees' health and wellness to prevent burnout or mental problems is at the heart of our talent development strategy. Our principal subsidiary in Hong Kong is also a signatory to the Mental Health Workplace Charter.

CASE STUDY

Promoting Employee Wellness through Coffee Tasting and Social Connection

Sa Sa Recreation Club hosted a coffee tasting activity to provide colleagues with a relaxing break from work, encouraging them to unwind, recharge and connect with other. Together with exclusive staff offers and the use of reusable cups, the activity promoted employee wellbeing, workplace engagement and environmental sustainability.

CASE STUDY

Sa Sa KOL Competition 2026

Sa Sa KOL Competition 2026 provided a platform for professional Beauty Consultants with livestream selling talents to showcase their strengths and creativity. Through the employee-exclusive livestream selling final, colleagues enjoyed attractive product offers while gaining useful beauty and skincare knowledge. The activity received enthusiastic support from employees and helped promote workplace engagement, peer recognition and a sense of achievement. By encouraging colleagues to share expertise and connect through an interactive experience, the competition contributed to employee's wellbeing and a positive workplace culture.

OUR CUSTOMERS

Promoting Responsible Products and Customer Wellbeing

Serve With Heart – Our Commitments

- Commit to product quality and safety
- Integrate consumer rights and protection into customer experience
- Inclusive beauty accessible and affordable to all
- 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.

We are committed to complying with all applicable laws and regulations relating to product quality and safety, responsible marketing, and customer privacy protection in our operating areas. Through this commitment, we strive to deliver quality and safe products, provide accurate, honest and fair product and service information, enhance customer experience, and safeguard customers' personal data through responsible handling and appropriate protection measures. Please refer to our Responsible Product and Supply Chain Policy and Privacy Policy for details of our approach to product responsibility, responsible marketing and customer privacy protection.

There was no non-compliance case with product quality and safety, supply chain management and information security and privacy related laws or regulations during the Financial Year.

Responsible Product

Quality Assurance

Product quality and safety are at the core of our operations. 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 programme for frontline staff who deliver outstanding service.

As a multi-brand retailer offering over 600 brands and more than 9,000 beauty related and other products with a diverse price range, from daily necessities to special occasion needs, mass market to premium brands, the Group aims to create inclusive spaces that cater to a diverse community, offering options that accommodate different needs, preferences, and budgets. This inclusivity is further supported by our OMO (online-merged-offline) business model and diversified sales channels, which enhance accessibility and convenience for customers. Through integrated online and offline platforms, customers are able to access products.

Our logistics department continues to act as a gatekeeper to ensure that goods entering our warehouse pass quality control, are properly stored and the expiry dates managed. 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.

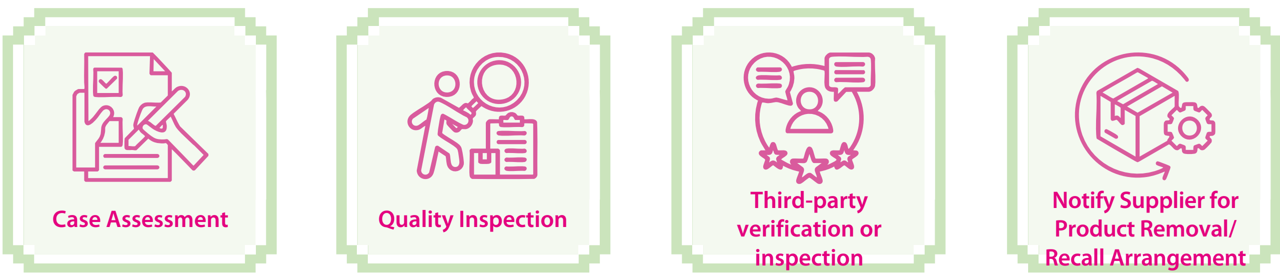
The Group mainly sells exclusive brands, authorised products from local distributors, and parallel-import items. In general, as the Group holds the agency rights for its exclusive brands, and its parallel-import products are sourced through authorised, genuine channels from around the world, all products sold by the Group are genuine and authentic. Our buyers look out for prohibited or regulated ingredients when sourcing products.

Where the Group receives a valid customer complaint regarding product quality, the complaint will be proceeded to the Quality Control function for quality investigation. Where required, the Group also commissions more than one professional third-party to carry out independent forensic examination. If any irregularities in product quality are identified, we will conduct comprehensive monitoring of all items from the same batch to determine whether the issue is isolated or systematic. We will also promptly report the findings to the relevant brand owner and distributor, and take appropriate actions such as product suspension, recall and/or refunds, as warranted.

We offer a 30-day purchase guarantee to enable customers to return products that they are not satisfied with. Except for food, pharmaceutical products, certain giveaways and discounted products, we ensure the products we sell have a remaining shelf life of at least four months.

There was no product recall during the Financial Year.

Mechanism for Product Quality Complaint



Sustainable Products

To combat climate change, we continue to provide sustainable products[3] to our consumers, ensuring they are durable, reusable, recyclable, energy and resources efficient and eco-friendly. 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

220 clean beauty[4] products (or SKUs) across **31** brands available at our stores

FSC certified paper packaging supporting sustainable forestry

23 of our exclusive products launched during the Financial Year used FSC certified paper packaging

Vegan products free from animal-derived substances

20 exclusive vegan products on shelves during the Financial Year

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

9 different brands to choose from this summer

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

20 of our exclusive brands are microbeads free

Cruelty-free products not tested on animals

25 of our newly launched exclusive products are not tested on animals

Supply Chain Management

2025/26 Performance Overview: Number of Suppliers by Geographical Region

Hong Kong	Asia (excluding Hong Kong)	Europe	America	Others (including Australia and Eswatini)
250 (51.5%)	172 (30.6%)	67 (14.4%)	13 (2.7%)	5 (0.8%)

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

[4] Clean Beauty are products formulated without the following ingredients Alcohols (Ethyl-, Methanol-, Isopropyl, Benzyl-), including Artificial dyes, Chemical sunscreen (Octinoxate, Oxybenzone), Cyclic silicones (D4, D5, D6) , Formaldehyde/Formaldehyde donors, Hydroquinone, 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.

Sa Sa has developed a supplier screening process to ensure a robust supply chain management. 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 request additional information or conduct screenings using publicly available sources, our business intelligence systems, and internal networks to identify any potential red flags throughout the process. The decision to engage a supplier or service provider is typically made following review and approval at multiple levels of seniority within the Company, ensuring appropriate checks and balances are in place.

For both existing and new suppliers, we are guided by the selection criteria set out in our Responsible Product and Supply Chain Policy. We mitigate our risks through contractual provisions, warranties and undertakings, and seeking additional supporting documents as assurance, or third-party certification as appropriate. We seek to identify commercial risks and environmental and social risks, including the legal standing of the provider; past regulatory or compliance issues (e.g. trade descriptions, intellectual property infringement, data protection, product safety, and labelling); labour-related concerns, particularly involving manual or foreign labour; product safety and effectiveness risks; and the use of prohibited, restricted, or undesirable ingredients.

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 products on page 25 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 66 to 74 of our Enterprise Risk Management Report in the Annual Report.

Information Security and Privacy

Ensuring the security of information assets is of paramount importance to maintaining our customers' trust. 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.

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.

The Group continues to strengthen its IT infrastructure through ongoing improvements, including the use of cloud-based systems to enhance operational efficiency, scalability, and security. These measures support improved system performance, more streamlined operations, and stronger data protection. The IT department has established disaster recovery and data backup arrangements, which are regularly tested to mitigate the risk of system disruptions. The efforts reflect the ongoing dedication to innovation and sustainable practices.

To enhance data protection and safeguard the Group's intangible assets, our IT team conducted regular cyber security training seminars during the Financial Year for employees from the back office, logistics centres, physical stores and operations management teams. The training featured real-world case studies of corporate cyberattacks and covered common cyberattack types, warning indicators, response measures and personal cyber hygiene practices, helping employees strengthen their cyber security awareness and protect information assets in daily operations.

For details of information security and privacy training, please refer to the Enterprise Risk Management Report on pages 66 to 74 of the Annual Report. For more information on management on data privacy, please refer to the section on Compliance with Laws and Regulations from our Corporate Governance Report in the Annual Report for the steps that we take to ensure compliance.

OUR COMMUNITY

Connecting with Our Community to Create Positive Impact

Achieve Sustainable Growth Together – Our Commitments

- Invest in the community
- Collaborate to flourish

17 PARTNERSHIPS FOR THE GOALS

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 Corporate Governance Policy.

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$39.4 million to the community. The ongoing contributions reflect our commitment to creating positive social impact and supporting the wellbeing of the community.

CASE STUDY

Caring Company Award for over 20 years

We have been awarded under the scheme for over 20 years recognising our efforts in fostering a more caring, inclusive and sustainable community.

HKCSS CARING COMPANY 2025

Sa Sa is committed to supporting our communities and creating positive social impact beyond our business. Through donations, volunteering, partnerships with charitable organisations and timely relief initiatives, we address community needs, support vulnerable groups and encourage employees to take part in meaningful acts of care.

CASE STUDY

Supporting the Community through Timely Relief Actions

Following the Wang Fuk Court fire tragedy in Tai Po, Sa Sa promptly mobilised resources to support the affected residents. As a homegrown Hong Kong brand, Sa Sa set up "Sa Sa Care Support Stations" at three Tai Po branches to provide essential supplies, and established "Wish Walls" for employees and the community to share messages of care and encouragement.

With the support of Sa Sa's own brands and brand partners, the Group prepared in-kind donations exceeding HK$2.5 million, which were organised and distributed by the "Sa Sa Sincere Volunteer Team" in coordination with social welfare organisations. Supplies were delivered to various transitional housing sites to meet residents' immediate daily needs. The "Sa Sa Making Life Beautiful Charity Fund", the Kwok's Family, and employees in Hong Kong and Macao also donated HK$2.5 million to relief funds, including "The Community Chest Tai Po Fire Relief Fund" and "Po Leung Kuk Charity Fund" for the disadvantaged. These efforts reflect Sa Sa's commitment to community care, employee participation and timely support for people in need.

Providing Employment Opportunities for Disadvantaged Groups

Sa Sa aspires to set the stage for everyone, including those from disadvantaged communities, to create beautiful life of their own.

To this end, the Group has been outsourcing simple packaging tasks from its logistics department to Fu Hong Society and the Chinese YMCA of Hong Kong since 2023, providing employment opportunities for the underprivileged. During the Financial Year, Sa Sa has collaborated with Hong Chi Association, extending this spirit of compassion further to include people with intellectual disabilities.

扶康會 Fu Hong Society

Fu Hong Society

YMCA

YMCA

Hong Chi Association

Fund Raising to Meet Critical Needs and Create Positive Impact

Sa Sa supports the community through charitable partnerships, donations and volunteering initiatives that benefit vulnerable groups and individuals in need. By encouraging employee participation and recognising their contributions, we foster a caring culture and strengthen our positive impact on the wider community.

CASE STUDY

Po Leung Kuk Charity Walk: Snoopy Walk of Blessings

Sa Sa donated HK$100,000 to support the Po Leung Kuk Charity Walk 2026, with the Sa Sa Volunteer Team also participating in the 4.5-km charity walk at Sha Tin Racecourse. The event brought together employees, families and community members to raise funds for more than 300 service units under Po Leung Kuk, supporting underprivileged groups and creating positive impact in the community.

CASE STUDY

Po Leung Kuk Dress Casual Day 2025 and Po Leung Kuk Flag Day

Our continuous support in the Po Leung Kuk Dress Casual Day 2025 and Po Leung Kuk Flag Day allow us to come together as a community to make a difference.

CASE STUDY

Walk for Millions 2026 – Fanling Bypass (Eastern Section)

Our Sa Sa volunteer team has proudly completed the "New Territories Walk for Millions 2026" by The Community Chest of Hong Kong at the newly constructed Fanling Bypass (Eastern Section), with enthusiastic cheers and support from our Chairman, Dr. Simon Kwok.

SUSTAINABILITY DATA: ENVIRONMENTAL

Indicators	Unit	2025/26	2024/25	2023/24
Air emissions[5]				
Nitrogen Oxides	g	**250,922**	196,401	193,306
Sulphur Oxides	g	**605**	450	206
Particulate Matter	g	**24,701**	19,311	19,163
GHG emissions[6]				
Total GHG emissions	tCO_2e	**5,375**	5,938	6,082
Direct GHG emissions (Scope 1)[7]	tCO_2e	**84**	76	83
Indirect GHG emissions (Scope 2)[8]	tCO_2e	**5,142**	5,706[9]	5,883
Other Indirect GHG emissions (Scope 3)[10]	tCO_2e	**149**	240	188
Category 5 – Waste generated in operations[11]	tCO_2e	**8**	14	20
Category 6 – Business travel	tCO_2e	**14**	28	10
Category 9 – Downstream transportation and distribution	tCO_2e	**127**	198	158
GHG emissions intensity (Scope 1 & Scope 2)	tCO_2e /HK$1M turnover	**1.50**	1.93	1.75
Energy				
Total energy consumption	MWh	**11,942**	11,995	12,413
Energy consumption intensity	tCO_2e /HK$1M turnover	**3.4**	4.0	3.6
Total electricity consumption	MWh	**11,636**	11,697	12,090
Total fuel (diesel and petrol) consumption	L	**31,834**	28,712	31,455
Water				
Total water consumption	cu.m	**11,926**	11,696	7,117
Water consumption intensity	cu.m /HK$1M turnover	**3.42**	3.91	2.09
Waste				
Total waste directed to disposal	kg	**15,218**	25,100	38,000
Total non-hazardous waste	kg	**15,000**	25,000	38,000
Non-hazardous waste directed to disposal intensity	kg/HK$1M turnover	**4.30**	8.36	11.14

5 Air emissions data is restated to include Sa Sa owned vehicles' emissions only.

6 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. The global warming potentials used for calculation are adopted from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report.

7 Comprised of emissions from the delivery trucks and private cars owned by the company as in previous years.

8 Emissions associated with the electricity purchased are calculated based on the latest available emissions factors provided by the power companies.

9 The data is restated due to the enhancement of the data collection, ensuring consistency and comparability of the data.

10 Scope 3 GHG emissions are restated in accordance with the categories and requirements set out in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

11 Emissions associated with waste generated were calculated using the emission factors sourced from the UK Department for Energy Security & Net Zero.

Indicators	Unit	2025/26	2024/25	2023/24
Total hazardous waste	kg	**217.5**	100.0	0
Hazardous waste directed to disposal intensity	kg /HK$1M turnover	**0.06**	0.03	0
Total waste recycled	kg	**100,078**	111,836	114,920
Total waste reused	kg	**22,010**	176,230	206,660
Total waste diversion	%	**89%**	92%	89%
Packaging material used				
Air pillow consumption	kg	**9,622**	8,442	10,927
Bubble wrap consumption	kg	**8,149**	8,149	5,433
Carton box consumption	kg	**235,708**	196,148	290,110
Paper consumption	kg	**13,439**	13,959	16,074
Stretch film consumption	kg	**22,137**	15,713	16,609
Shopping bag consumption[12, 13]	'000 pcs	**1,459**	1,173	1,424

12 Excluding reusable shopping bags.
13 Rounded to the nearest thousand.

SUSTAINABILITY DATA: SOCIAL

Indicators			Unit	2025/26	2024/25	2023/24
Headcount	**Total**		persons	**1,507**	1,544	1,673
	By gender	Male	persons	301 (20.0%)	318 (20.6%)	349 (20.9%)
		Female	persons	1,206 (80.0%)	1,226 (79.4%)	1,324 (79.1%)
	By age group	under 36	persons	387 (25.7%)	425 (27.5%)	598 (35.7%)
		36-55	persons	925 (61.4%)	959 (62.1%)	938 (56.1%)
		Over 55	persons	195 (12.9%)	160 (10.4%)	137 (8.2%)
	By employee type	Full-time	persons	1,347 (89.4%)	1,410 (91.3%)	1,484 (88.7%)
		Part-time/Temporary	persons	160 (10.6%)	134 (8.7%)	189 (11.3%)
Total turnover rate (Overall)[14]	**Total**		%	**27.2%**	23.2%	29.6%
	By gender	Male	%	30.8%	24.3%	32.0%
		Female	%	26.2%	22.9%	29.0%
	By age group	under 36	%	43.9%	39.7%	42.6%
		36-55	%	19.4%	15.6%	21.7%
		Over 55	%	33.8%	23.4%	33.2%
Total turnover rate (Excluding employees who left during probation period)	**Total**		%	**18.1%**	11.1%	17.9%
	By gender	Male	%	18.6%	11.9%	15.7%
		Female	%	18.0%	10.8%	18.5%
	By age group	under 36	%	24.9%	22.1%	24.4%
		36-55	%	13.0%	6.4%	13.2%
		Over 55	%	32.4%	N/A	25.4%
Total no. of employees trained			persons	**1,333**	1,491	1,491
Total no. of training hours			hours	**285,732**	278,765	212,969
Average hours of training per employee (percentage of employees who received training)	**Total**		hours	**189.6 (88.5%)**	180.5 (96.6%)	127.3 (89.1%)
	By gender	Male	hours	107.0 (85.7%)	103.5 (91.2%)	55.9 (85.4%)
		Female	hours	210.2 (88.6%)	200.5 (98.0%)	146.1 (90.1%)
	By Employee category	Management[15]	hours	11.0 (87.0%)	28.9 (74.1%)	19.9 (60.0%)
		Managers	hours	243.0 (100.0%)	194.3 (91.7%)	140.9 (90.6%)
		All other employees	hours	182.8 (102.6%)	181.2 (98.0%)	126.7 (89.4%)
	By Function	Stores	hours	253.6 (85.7%)	241.8 (99.1%)	168.6 (88.6%)
		Office	hours	21.9 (87.3%)	24.1 (64.9%)	16.6 (55.2%)
		Logistics Centre	hours	68.6 (105.9%)	88.3 (126.4%)	62.2 (141.0%)
Fatality			cases	**0**	0	0
Work-related injuries			cases	**13**	10	12
Lost day due to work injury			days	**130**	74	239
Number of Products or Service-related Complaints Received for Offline Stores			cases	**135[16]**	59	55

14 Full-time employees only.

15 "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.

16 As customer footfall at the Group's Hong Kong and Macao stores increased during the Financial Year compared with the previous year, the number of enquiries or complaints may increase correspondingly with the higher level of customer traffic.

HKEX ESG REPORTING CODE CONTENT INDEX

Part C: "Comply or Explain" Provisions

Subject Areas, Aspects, General Disclosure and KPIs	Description	Section
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Our Planet
A1.1	The types of emissions and respective emissions data.	Sustainability Data: Environmental
A1.2	Repealed 1 January 2025	
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Sustainability Data: Environmental
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Sustainability Data: Environmental
A1.5	Description of emission target(s) set and steps taken to achieve them.	Climate Change and Emissions Reduction
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.	Waste and Water – Waste
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Our Planet
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Sustainability Data: Environmental
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Sustainability Data: Environmental
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Climate Change and Emissions Reduction
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.	Waste and Water – Water
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Sustainability Data: Environmental
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Our Planet
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Packaging Waste and Water – Water
Aspect A4: Climate Change Repealed 1 January 2025		
A4.1	Repealed 1 January 2025	

Subject Areas, Aspects, General Disclosure and KPIs	Description	Section
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Our People
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Sustainability Data: Social
B1.2	Employee turnover rate by gender, age group and geographical region.	Sustainability Data: Social
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Our People
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the financial year.	Sustainability Data: Social
B2.2	Lost days due to work injury.	Sustainability Data: Social
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Our People
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Sustainability Data: Social
B3.2	The average training hours completed per employee by gender and employee category.	Sustainability Data: Social
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Our People There were no cases of child or forced labour identified in the Financial Year.
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment
B4.2	Description of steps taken to eliminate such practices when discovered.	If any cases of child or forced labour are identified, we will terminate their contract promptly and conduct investigation. All confirmed cases must be documented in a written report to prevent recurrence.

Subject Areas, Aspects, General Disclosure and KPIs	Description	Section
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Our Customers
B5.1	Number of suppliers by geographical region.	Supply Chain Management
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.	Supply Chain Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Our Customers
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Responsible Product – Quality Assurance
B6.2	Number of products and service-related complaints received and how they are dealt with.	Responsible Product – Quality Assurance Sustainability Data: Social
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Supply Chain Management
B6.4	Description of quality assurance process and recall procedures.	Responsible Product – Quality Assurance
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Information Security and Privacy
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Ethics
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the financial year and the outcomes of the cases.	Ethics
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Ethics
B7.3	Description of anti-corruption training provided to directors and staff.	Ethics
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Our Community
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Our Community
B8.2	Resources contributed (e.g. money or time) to the focus area.	Our Community

Part D: Climate-related Disclosures

Disclosure Description	Section
Governance	
(19) An issuer shall disclose information about:	
(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about: (i) How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities; (ii) How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; (iii) How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; (iv) How the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and	Governance Structure Climate Change and Emissions Reduction – Governance
(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate related risks and opportunities, including information about: (i) Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and (ii) Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Governance Structure Climate Change and Emissions Reduction – Governance
Strategy	
Climate-related risks and opportunities	
(20) An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
(a) Describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	Climate Change and Emissions Reduction – Strategy
(b) Explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	Climate Change and Emissions Reduction – Strategy
(c) Specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	Climate Change and Emissions Reduction – Strategy
(d) Explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Climate Change and Emissions Reduction – Strategy

Disclosure Description	Section
Business model and value chain	
(21) An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	
(a) A description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	Climate Change and Emissions Reduction – Strategy
(b) A description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Climate Change and Emissions Reduction – Strategy
Strategy and decision-making	
(22) An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: (i) Current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) Current and anticipated adaptation and mitigation efforts (whether direct or indirect); (iii) Any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and (iv) How the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	Climate Change and Emissions Reduction – Strategy Sa Sa will explore opportunities to develop its transition plan in the future.
(b) Information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	Climate Change and Emissions Reduction – Strategy
(23) An issuer shall disclose information about the progress of plans disclosed in previous financial years in accordance with paragraph 22(a).	Climate Change and Emissions Reduction – Strategy
Financial position, financial performance and cash flows	
(24) An issuer shall disclose qualitative and quantitative information about:	
(a) How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the financial year; and	Climate Change and Emissions Reduction – Strategy
(b) The climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next financial year to the carrying amounts of assets and liabilities reported in the related financial statements.	There is no significant risk of a material adjustment within the next Financial Year.
(25) The issuer shall provide qualitative and quantitative disclosures about:	
(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) Its investment and disposal plans; and (ii) Its planned sources of funding to implement its strategy; and	
(b) How the issuer expects its financial performance and cash flow to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Climate Change and Emissions Reduction – Strategy

Disclosure Description	Section
Climate resilience	
(26) An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	
(a) The issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: (i) The implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; (ii) The significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and (iii) The issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	Sa Sa will conduct climate-related scenario analysis in the next Financial Year.
(b) how and when the climate-related scenario analysis was carried out, including: (i) Information about the inputs used, including: (1) Which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) Whether the analysis included a diverse range of climate-related scenarios; (3) Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) Whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) Why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) Time horizons the issuer used in the analysis; and (7) What scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis); (ii) The key assumptions the issuer made in the analysis; and (iii) The financial year in which the climate-related scenario analysis was carried out.	Sa Sa will conduct climate-related scenario analysis in the next Financial Year.
Risk management	
(27) An issuer shall disclose information about:	
(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: (i) The inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) Whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) How the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) Whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) How the issuer monitors climate-related risks; and (vi) Whether and how the issuer has changed the processes it uses compared with the previous financial year;	Climate Change and Emissions Reduction – Risk Management
(b) The processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	Climate Change and Emissions Reduction – Risk Management
(c) The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Climate Change and Emissions Reduction – Risk Management

Disclosure Description	Section
Metrics and targets	
Greenhouse gas emissions	
(28) An issuer shall disclose its absolute gross greenhouse gas emissions generated during the financial year, expressed as metric tons of CO_2 equivalent, classified as:	
(a) Scope 1 greenhouse gas emissions;	Sustainability Data: Environmental
(b) Scope 2 greenhouse gas emissions; and	Sustainability Data: Environmental
(c) Scope 3 greenhouse gas emissions.	Sustainability Data: Environmental
(29) An issuer shall:	
(a) Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	Sustainability Data: Environmental
(b) Disclose the approach it uses to measure its greenhouse gas emissions including:	
(i) The measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	Sustainability Data: Environmental
(ii) The reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	Sustainability Data: Environmental
(iii) Any changes the issuer made to the measurement approach, inputs and assumptions during the financial year and the reasons for those changes;	Sustainability Data: Environmental
(c) For Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	Climate Change and Emissions Reduction – Metrics and Targets
(d) For Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	Sustainability Data: Environmental
Climate-related transition risks	
(30) An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Sa Sa will explore the feasibility of assessing business activities vulnerable to climate-related transition risks in the future.
Climate-related physical risks	
(31) An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Sa Sa will explore the feasibility of assessing business activities vulnerable to climate-related physical risks in the future.
Climate-related opportunities	
(32) An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Sa Sa will explore the feasibility of assessing business activities vulnerable to climate-related opportunities in the future.
Capital deployment	
(33) An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	We will consider the amount of capital deployment towards climate-related risks and opportunities in the future.
Internal carbon prices	
(34) An issuer shall disclose:	
(a) An explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	Sa Sa currently has not applied an internal carbon price in decision-making. We will explore the opportunities of using an internal carbon price in the future.
(b) The price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;	
or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	

Disclosure Description	Section
Remuneration	
(35) An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Sa Sa has not incorporated climate-related consideration into remuneration policy.
Industry-based metrics	
(36) An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	We will explore the opportunities of applying industry-based metrics in the future.
Climate-related targets	
(37) An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	
(a) The metric used to set the target;	Climate Change and Emissions Reduction – Metrics and Targets
(b) The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	Climate Change and Emissions Reduction – GHG Emissions and Energy Reduction
(c) The part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	Climate Change and Emissions Reduction – Metrics and Targets
(d) The period over which the target applies;	Climate Change and Emissions Reduction – Metrics and Targets
(e) The base period from which progress is measured;	Climate Change and Emissions Reduction – Metrics and Targets
(f) Milestones or interim targets (if any);	Sa Sa currently does not have any milestones or interim targets.
(g) If the target is quantitative, whether the target is an absolute target or an intensity target; and	Climate Change and Emissions Reduction – Metrics and Targets
(h) How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Climate Change and Emissions Reduction – Metrics and Targets
(38) An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
(a) Whether the target and the methodology for setting the target has been validated by a third party;	Our targets are not validated by a third party.
(b) The issuer's processes for reviewing the target;	Climate Change and Emissions Reduction – GHG Emissions and Energy Reduction
(c) The metrics used to monitor progress towards reaching the target; and	Climate Change and Emissions Reduction – GHG Emissions and Energy Reduction
(d) Any revisions to the target and an explanation for those revisions.	Climate Change and Emissions Reduction – GHG Emissions and Energy Reduction
(39) An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.	Climate Change and Emissions Reduction – Metrics and Targets

Disclosure Description	Section
(40) For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
(a) Which greenhouse gases are covered by the target.	Climate Change and Emissions Reduction – GHG Emissions and Energy Reduction
(b) Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.	Climate Change and Emissions Reduction – GHG Emissions and Energy Reduction
(c) Whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target.	Climate Change and Emissions Reduction – Metrics and Targets
(d) Whether the target was derived using a sectoral decarbonisation approach; and	Sa Sa's targets are not derived using a sectoral decarbonisation approach.
(e) The issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. The issuer shall disclose information including: (i) The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) Which third-party scheme(s) will verify or certify the carbon credits; (iii) The type of carbon credit, including whether the underlying offset will be nature-based or based on technology carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) Any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	Sa Sa currently has not purchased any carbon credits to offset our emissions. We will continue to evaluate the necessity of purchasing carbon credits in the future.
Applicability of cross-industry metrics and industry-based metrics	
(41) In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	Sa Sa has not applied the industry-based metrics. We will explore the feasibility of applying industry-based metrics in the future.

making life beautiful

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Shares of Sa Sa International Holdings Limited are traded on The Stock Exchange of Hong Kong Limited (Stock Code: 178)