

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Responsible Beauty *Turning commitments into action*



MESSAGE FROM THE CHAIRS



At Sa Sa, we believe financial performance and prosperity go hand in hand with ESG performance. We are committed to making life beautiful for our stakeholders sustainably and responsibly and we strive to create positive impact for our planet, people, customers and community.



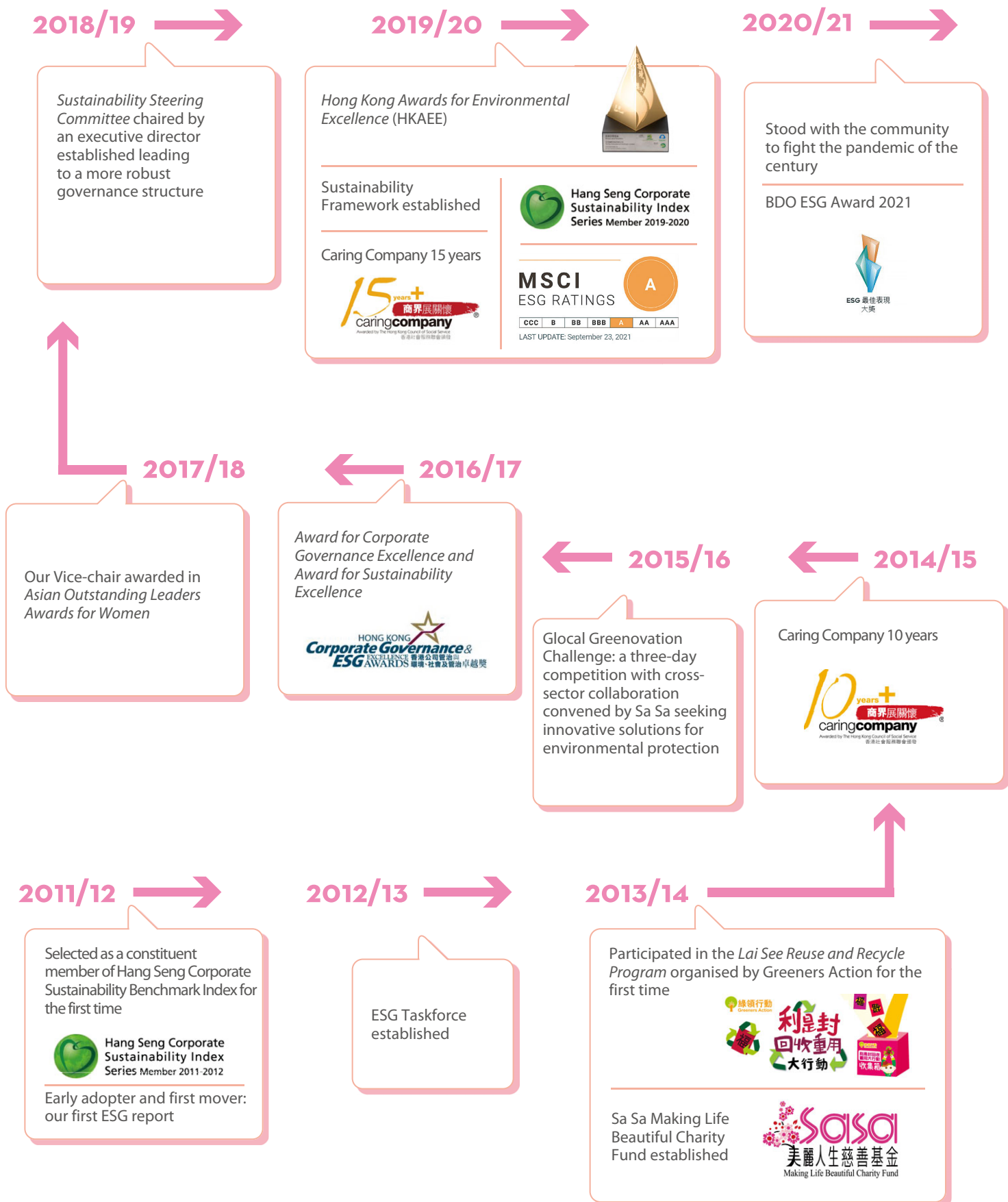
Dr KWOK Siu Ming Simon, *SBS, JP*
Chair of the Board



Ms KWOK Sze Wai Melody, *MH, JP*[◇]
Chair of the Sustainability Steering Committee

[◇] Since 1 July 2024

OUR SUSTAINABILITY JOURNEY





2021/22 →

Signatory to Bye Bye Microbeads Charter



2022/23 →

MSCI
ESG RATINGS



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

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



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



2023/24 →

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA

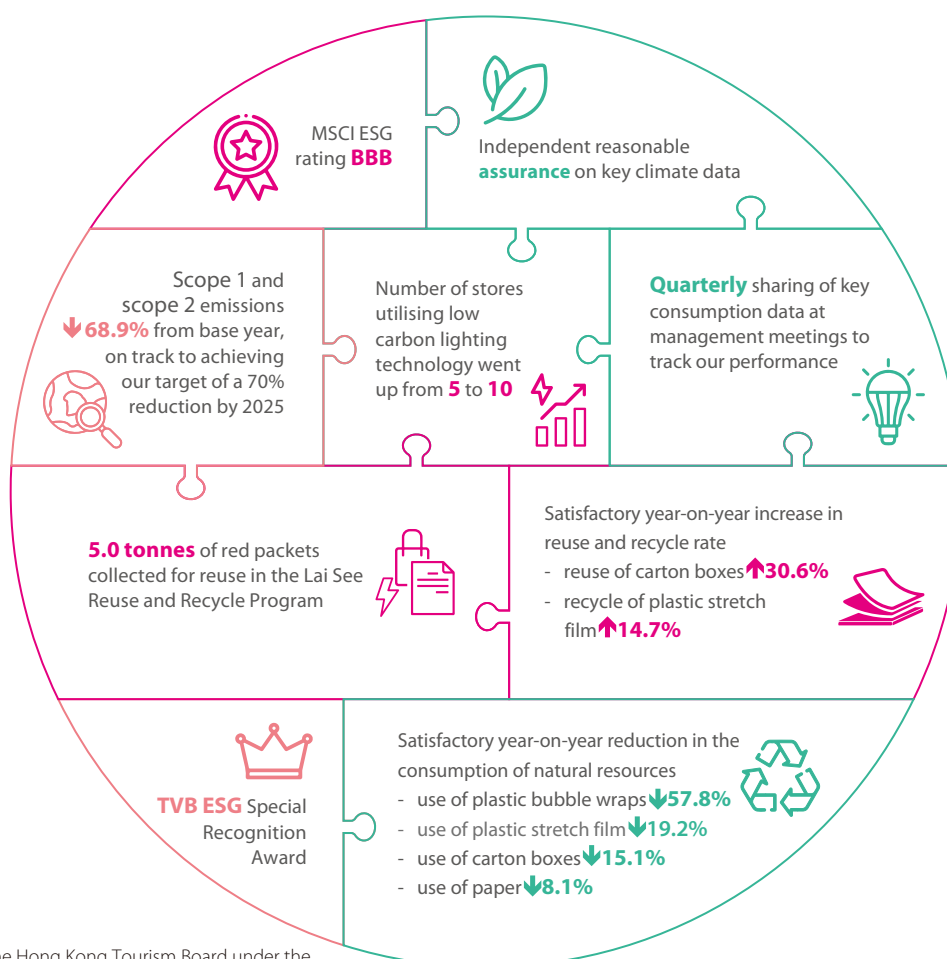
- TVB ESG Special Recognition Award



- Quality Merchant¹ for 20+ years



2023/24 SNAPSHOT



¹ Accredited by the Hong Kong Tourism Board under the Quality Tourism Services Scheme

OUR SUSTAINABILITY FRAMEWORK

Our Planet

Preserve Our Planet

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



Our People

Empower Our People

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



Our Customer

Serve With Heart

- 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



Our Community

Achieve Sustainable Growth Together

- Invest in the community
- Collaborate to flourish



OUR GOVERNANCE STRUCTURE



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 2024 and deliberation of sustainability related issues was on the agenda in two of such board meetings. The matters considered include packaging trends, ESG strategy, performance and indicators.

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

OUR PLANET

We inspire our people and our customers to take climate action before it is too late.



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.

Our 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.

Our Transitional Risks

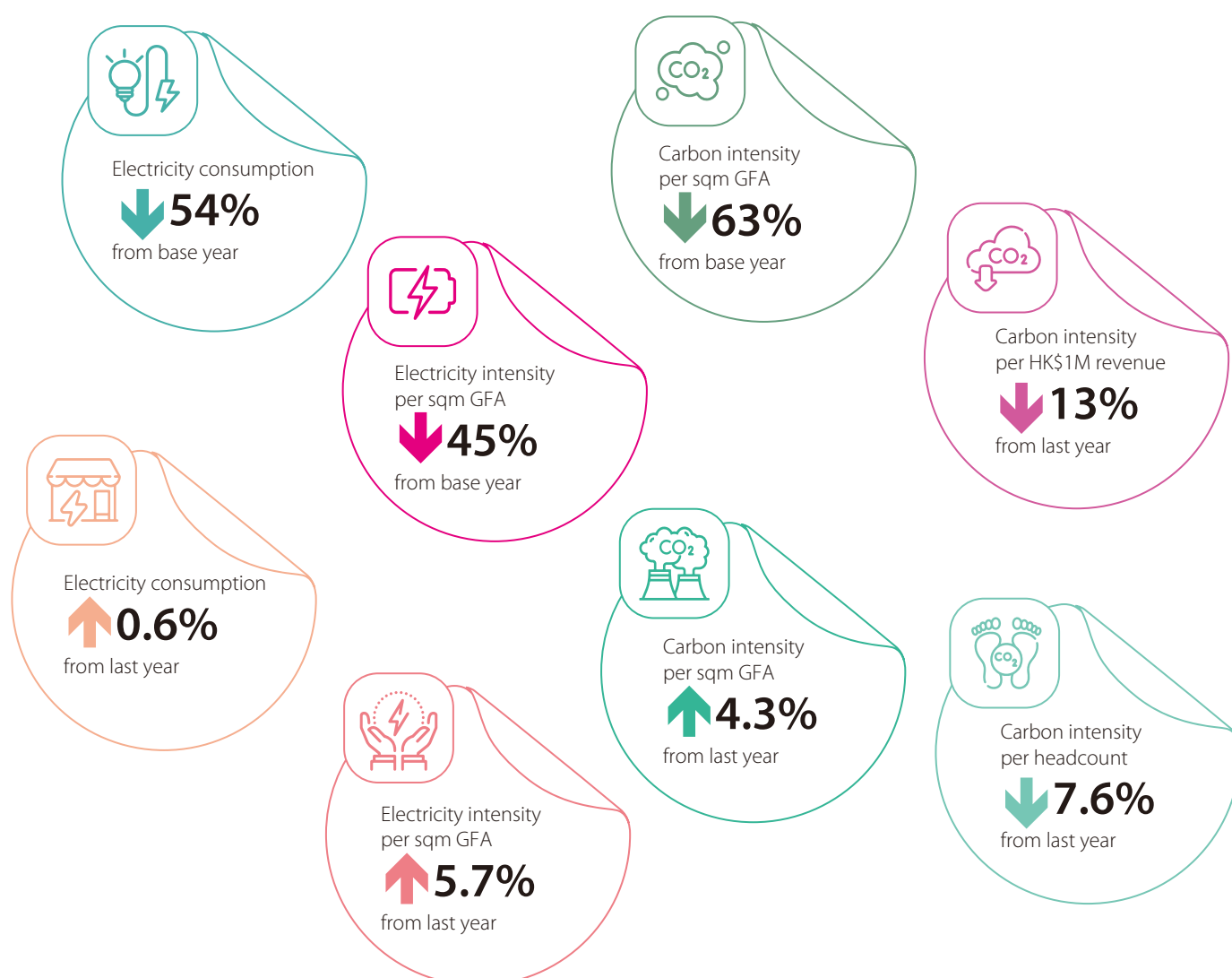
- Higher electricity costs in the transition to a low-carbon economy.
- Costs of replacing petrol and diesel vehicles with electric vehicles.
- Costs of replacing electrical equipment with higher energy efficiency.
- Increased raw materials or product costs as legislation like plastic packaging tax or 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.

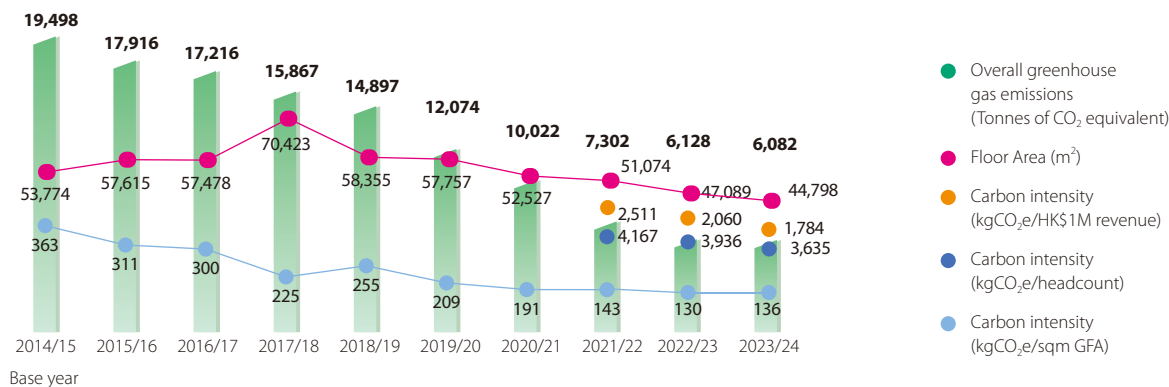
Performance Overview: GHG Emissions



OUR PLANET

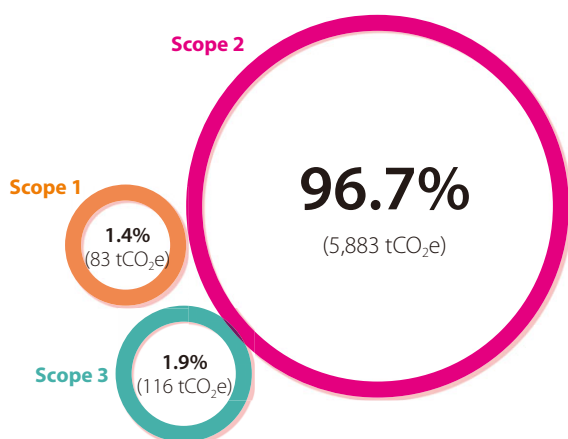
As at 31 March 2024, we operated a total of 82 stores in Hong Kong and Macau, an increase of three from the last financial year. Our operations generated 6,082 tonnes of carbon dioxide equivalent (CO₂e), a decrease of 46 tonnes (0.8%) from the last financial year.

GHG Emissions and Carbon Intensity



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 71% of the total, followed by our logistics centre (19%) and offices (10%). In 2023/24, our absolute electricity consumption increased by 0.6% but our carbon intensity (per HK\$1M) came down by 13% compared to the last financial year.

Scopes 1, 2 and 3 Emissions



Scope 1: Direct GHG emissions

Company-owned trucks and private cars

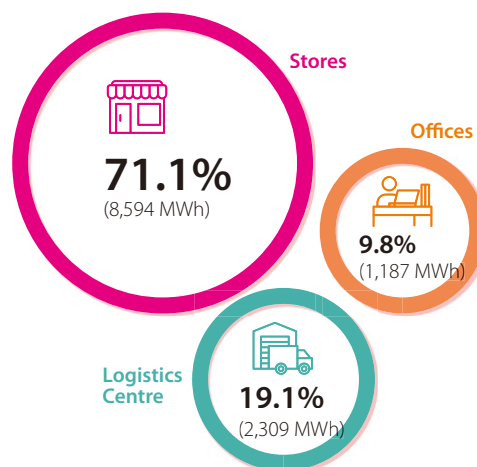
Scope 2: Electricity indirect GHG emissions

Purchased electricity used in our offices, logistics centre and stores

Scope 3: Other indirect GHG emissions

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

Electricity Consumption by Facility Type





Our Initiatives: Climate Actions

With global warming posing a serious threat in the form of rising temperature, extreme weather and severe flooding, it is imperative that we take climate actions to avert a climate crisis. We support the path to net zero and strive to build a carbon-conscious culture in the workplace inspiring our people to make responsible decisions and sustainable changes in consumption pattern as well as business practices.

Pledge to act



During the year 2023/24, 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 transportation

2 electric company cars acquired in the transition to a low carbon economy which is expected to lower our fuel consumption and associated scope 1 GHG emission.



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 about **15%** installed in **5** more stores in the financial year 2023/24, bringing the total number of stores utilising this lamp technology to **10**.

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.



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	Logistics Centre	Stores
<ul style="list-style-type: none"> • 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 • Monitoring 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 air-conditioners 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 • Providing energy saving tips and compliments to influence colleagues into changing daily habits like turning off electrical equipment not in use at own workstations 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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

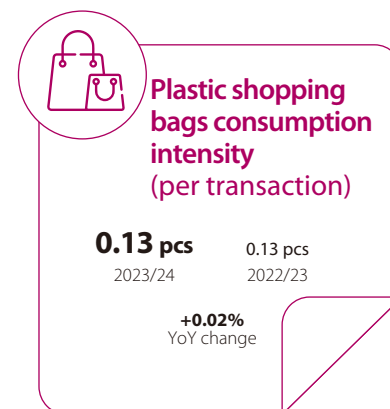
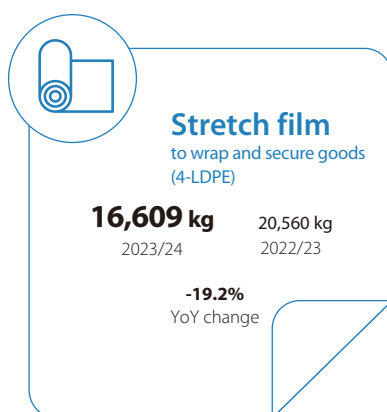
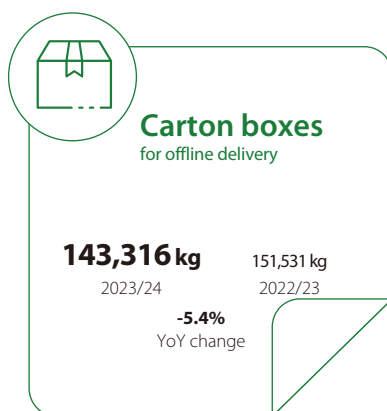
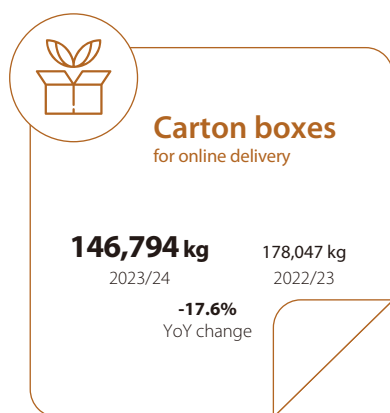
Energy Targets and Progress

Our emission reduction target ¹	Progress
 70% reduction in total scope 1 and scope 2 GHG emissions by 2025 against base year 2014/15	 68.9% reduced on track to achieving our target next year

1. As energy consumption through purchased electricity is the source of 97% of our total GHG emissions reported and 98% of our scope 1 and scope 2 emissions combined, this is our target for energy use efficiency as well.



Performance Overview: Packaging Consumption



1. The paper used in our shopping bags is sourced from responsibly managed forests and certified by the Forest Stewardship Council (FSC). Excluding reusable shopping bags.
2. Largely due to increase in turnover after the boundary re-opened after Covid.



Our Initiatives: Resource Conservation

Plastic is stiff, flexible, lightweight, waterproof, durable and much cheaper than some other materials like wood, metal or glass. There are estimates, however, that 50% of all plastics produced globally are for single-use while less than 10% of all plastics is recycled. In Hong Kong, plastic waste disposed of at landfills increased by 36% from 2009 to 2019 according to government statistics, while solid and microplastic waste are polluting the oceans all over the world threatening both biodiversity and human health.

Combined with the regulation of single-use plastics and preparing for the implementation of waste charging in Hong Kong, our initiatives focus on using resources responsibly, reducing plastic packaging and cardboards and increasing our reuse and recycling rate. These initiatives include:

- Deploying pallet wrapping machines in the wrapping of loaded pallets for transportation to avoid waste from excessive or inaccurate manual wrapping and using reusable pallet wraps in some of our logistics operations to replace single use plastic pallet wraps leading to a **19.2%** reduction in the use of stretch film in the year 2023/24.
- The use of bags for smaller items and wrapping thinner for bigger items for our online delivery to reduce packing volume and packaging materials leading to an overwhelming reduction of **57.8%** in the use of bubble wraps in our online delivery in the year 2023/24 and a reduction of **72.7%** against our base year 2021/22.
- Redesigning our adhesive packing labels for both online and offline delivery reducing its size by an average **63%**.
- Using double instead of triple wall corrugated carton boxes reducing the average weight of each carton box by **35.5%**.
- Replenishing our stores using the original carton boxes from our suppliers. This creates more of a logistical challenge as the sizes of the carton boxes may vary greatly between suppliers, but it avoids repackaging using additional boxes. We also have a policy in place requiring 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 remained stable (with increment of 0.8%) compared to the base year 2021/22 while the use of carton boxes for offline delivery has come down **41.6%** since the base year 2015/16.
- Engaging with our frontline staff to promote reuse of carton boxes leading to an increase in reuse rate of **77.7%** in the last financial year, **30.6%** in this financial year, and **132.1%** compared to the base year 2021/22.
- Optimising the size of our packaging to eliminate excess material and waste, we have **11** different sizes of carton boxes to choose from when packing our online and offline delivery.
- In the year 2023/24, we donated over **150** pieces of used computer hardware to a non-profit making organisation whose mission is to provide teenagers with low education level with computer hardware and software vocational training and job opportunities. Computers and digital products that can be reused are repaired and upgraded and then given to families in need, while those that cannot be reused are disassembled for recycling.

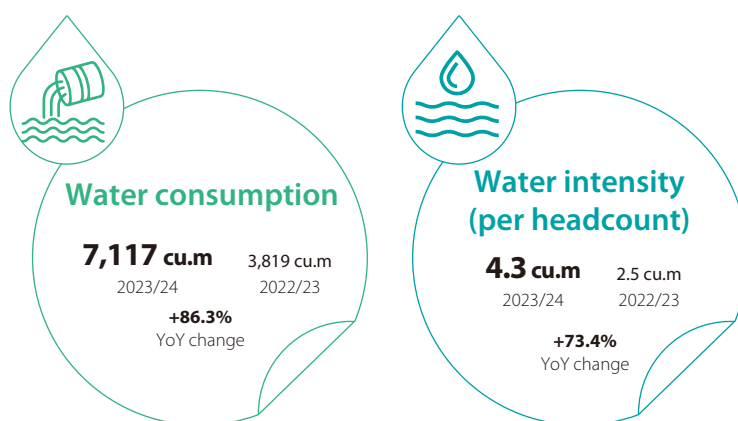


Elimination of disposable umbrella bags

Wet slippery floor caused by water dripping from umbrellas on rainy days is a safety hazard. To address this, a small, lightweight plastic bag to hold the wet umbrella was the solution for many years. Some umbrella bags may be reusable, biodegradable, recyclable or even upcyclable but in most cases, they end up in the landfills taking hundreds of years to decompose. We cannot deny or ignore the negative effect this has on the environment. We have been replacing umbrella bags with umbrella dryers and will completely eliminate the distribution of disposable plastic umbrella bags in our stores in the financial year ending 31 March 2025.



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.

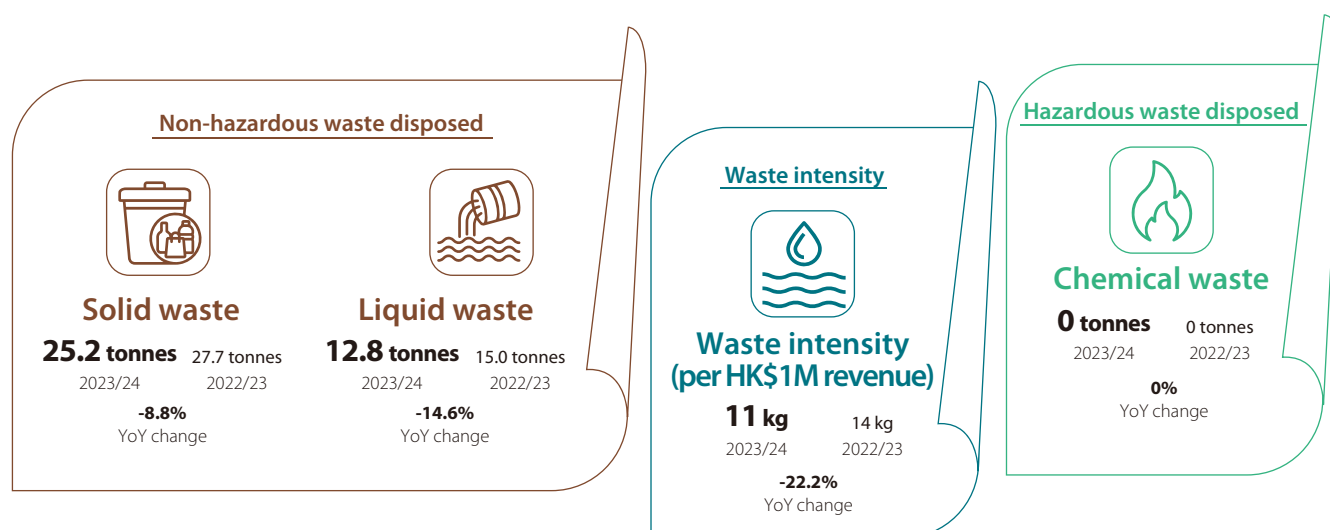
Our Initiatives: Water Conservation

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 this financial year.

Our target is to reduce water consumption every year compared to the previous year. We did not meet this target in the financial year 2023/24.

Performance Overview: Waste¹



Zero landfill vision

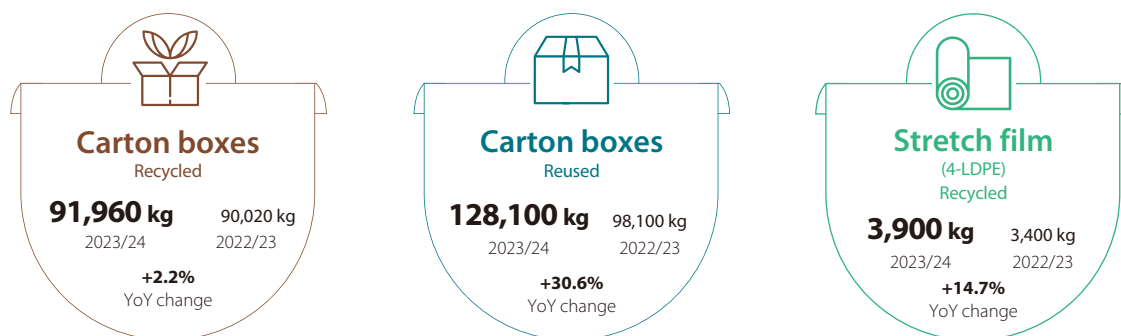
Our vision is to achieve zero landfill in line with the SAR Government's Waste Blue Print for Hong Kong 2035. In the financial year ended 31 March 2024, we disposed **2.5** tonnes less of solid waste and **2.2** tonnes less of liquid waste.

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. In 2023/24, we consumed **8.1%** less paper. Paper use intensity per headcount dropped by **14.5%**.

1. Solid waste comprised mainly of damaged, obsolete or expired products or materials as well as materials such as backing paper for adhesive labels which are not recyclable. Liquid waste comprised mainly of damaged or expired products containing liquid. Chemical waste consisted mainly of items such as expired or damaged perfumes, nail vanish and remover, which are flammable. As chemical waste needs special treatment, it is disposed of only when a minimum quantity has been reached. There was no chemical waste disposal in 2023/24.



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.



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

5.0 tonnes (last year: 5.7 tonnes) 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 11 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.



Recycling of mooncake boxes

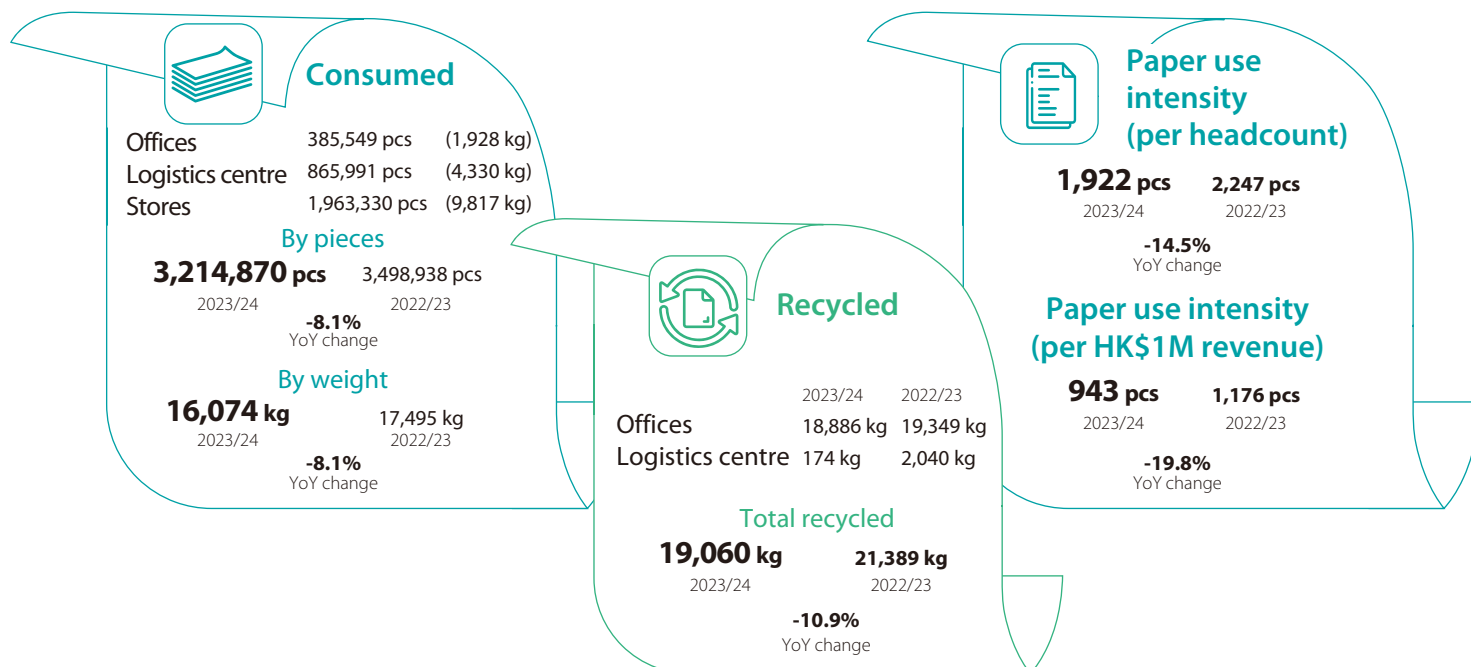
Our first mooncake boxes collection in the office and sending them to Green@Community for recycling.



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.



Performance Overview: Paper Consumption



Our Initiative: Paperless Delivery

Electronic proof of delivery for our offline delivery was launched during the year, with three sets of paper – one for the logistics centre, one for the delivery worker and one for the store – eliminated in each delivery from our centralised warehouse to individual stores with expected savings of **400,000** pieces of paper every year.



Compliance with Laws and Regulations

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

- Plastic bag charging scheme
- Charter on external lighting
- Bye bye microbeads charter
- Air pollution regulations regulating volatile organic compounds (VOC) and the switching off of idling vehicle engines
- Chemical waste control scheme
- Laws relating to protection of endangered species
- Producer responsibility scheme on glass beverage containers effective 1 May 2023
- Regulations of certain single-use disposable plastics effective 22 April 2024
- Waste charging scheme the implementation of which has been deferred

OUR PEOPLE

People are at the heart of our business. We deliver results together.



Empower Our People – Our Commitments

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



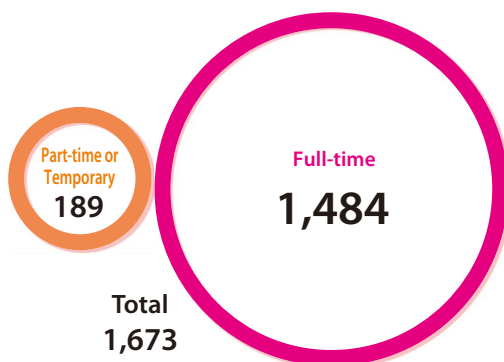
Our commitments to our people are set out in our [Employment Policy](#), [Training and People Development Policy](#), [Health and Safety Policy](#), and [Equal Opportunities Policy](#).

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

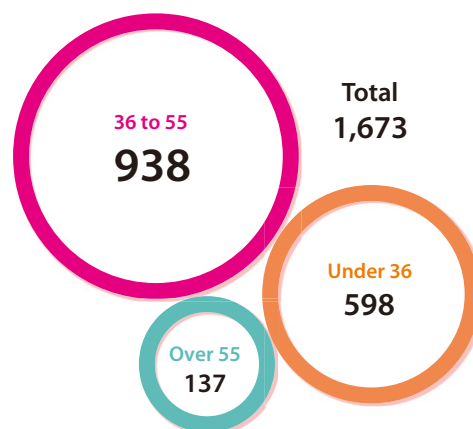


Employees Profile

Number of employees by employment type

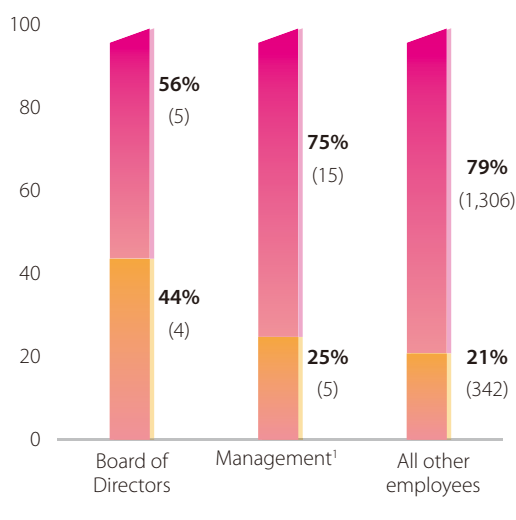


Number of employees by age group

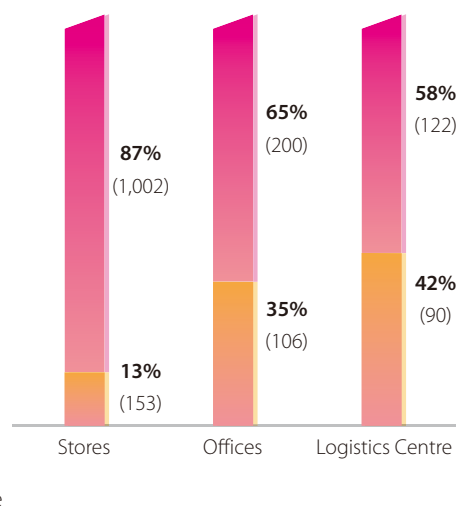




Gender distribution by seniority (number of employees)



Gender distribution by function (number of employees)



Performance Overview: Empowering Our People

Number of staff who completed the Junior Beautician Trainees (JBT) curriculum

46 2023/24
75 2022/23
-38.7%
YoY change



Women in leadership

Directors 56% 56% 2023/24 2022/23
Management 75% 79% 2023/24 2022/23



Total number of employees trained

1,491 2023/24
426 2022/23
+250.0%
YoY change



Total number of training hours

212,969 2023/24
58,585 2022/23
+263.5%
YoY change



Average hours of training per employee

127.3 2023/24
37.6 2022/23
+238.6%
YoY change



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.

1 "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 programmes 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 ERB² 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 under 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.

1. 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.
2. Employees Retraining Board



Recognition of professional qualifications

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

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

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

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

Development and advancement opportunities for our frontline staff



Our People Development Initiatives

Engaging our people

8 night meetings held after store close during the financial year for frontline staff working under different line managers 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.



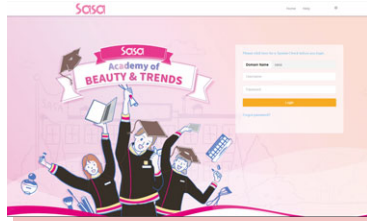
Sustainability training for all



One sustainability-related briefing by way of a newsletter delivered to **all** staff during the year to increase awareness of plastic pollution and champion for the reduction of single-use plastic.

Multi-modal training to enrich learning experience

147 training modules available on the Company's e-learning platform and **165** interactive offline skill development trainings conducted by our in-house training team in 2023/24, 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.





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.

Company movie night

A superhero film attended by 200 employees and their family and friends promoting resilience.



Christmas baking workshop

A fun evening of creative bakery for our employees to de-stress, relax and enjoy each other's company.



Christmas party

Celebrating together at the end of the year with games, entertainment, good food, pleasant company and pleasing wine.



Performance Overview: Occupation Health and Safety

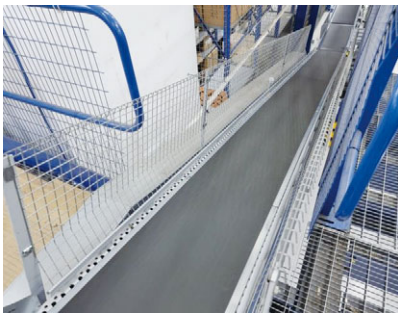
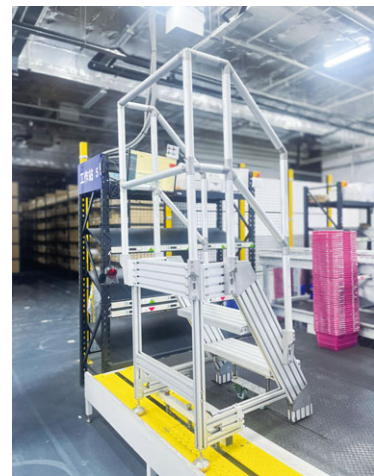


Our Initiatives: Occupational Health and Safety

- Safety audit conducted by an independent registered safety auditor once a year at the warehouse. We attained an overall score of **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 16 committee members held **3** meetings during the year with safety representatives and representatives from warehouse management, workers and out-sourced contractors.



- 4** occupational health and safety training organised during the year on, (i) Manual Handling Operations and Prevention of Back Injuries; (ii) Stress in the Workplace; (iii) Occupational Safety and Health Management; and (iv) Risk Assessment.

- Videos on work safety played in the common areas of the warehouse to serve as a daily reminder to put safety first.



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

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. In this financial year, we became a crime prevention "hero" after joining a crime prevention programme, Project HERO, initiated by a Regional Crime Prevention Office of the Hong Kong Police Force. Our senior and middle management attended a crime prevention seminar to learn about the latest fraud scheme and deception cases and then helped to spread crime prevention messages.

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



Project HERO seminar

OUR CUSTOMERS

Your satisfaction is our passion.



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.

As an accredited merchant in the last 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. Our score in this financial year was 802 demonstrating service excellence while the average score of all scheme merchants was 785.

Internally, our retail stores are also regularly scored and graded by our training, customer service and internal audit teams to ensure product and service excellence at all times.

We also have an internal scheme to measure customer satisfaction and to reward frontline staff for delivery of exemplary customer 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



Product Quality and Safety

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

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

In addition,

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

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

1. Administered by Hong Kong Tourism Board. We no longer participate in the Mystery Shopper Programme administered by the Hong Kong Retail Management Association (HKRMA).

OUR CUSTOMERS

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

276 clean beauty products (or SKUs) across 33 brands available at our stores



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

34,829 pieces sold during the year with over 6,000 pieces sold in the Christmas festive season alone



FSC certified paper packaging supporting sustainable forestry

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



Vegan products free from animal-derived substances

37 exclusive vegan products on shelves during the year

Cruelty-free products not tested on animals

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

Biodegradable paper masks that help to reduce waste

4 of our newly launched exclusive face masks are made from biodegradable paper



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

10 different brands to choose from this summer



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

21 of our exclusive brands are microbeads free



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
- Hydroquinone
- Methylisothiazolinone (MIT or MI), Methylchloroisothiazolinone (MCI)
- Mineral oil, Petrolatum, 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





Engaging Stakeholders

International plastic bag free day

On International Plastic Bag Fee Day last year, we joined forces with like-minded individuals and entities all over the world to engage customers on the impact of single-use plastic bag on the environment as we see them littering our shorelines, endangering marine life and ultimately affecting human health as microplastic enters the food chain. On that day, our stores did not provide any single use plastic shopping bag but for customers who needed a bag, we encouraged them to buy one of our reusable bags with triple rewards under our customer loyalty programme and pledged to donate the net sales proceeds from the reusable bags to Po Leung Kuk for use in environmental education. PLK is a non-profit social service organisation as well as the operator of two Community Green Stations in Hong Kong.



Eco-friendly bag design competition

Eco-friendly bag design competition organised during the year in partnership with the Hong Kong Design Institute. All bags were made from upcycling fabrics by students in higher education.



Orientation programme gifts for students

A "lucky bag" of clean beauty products for the New Student Orientation Programme of five different universities to promote healthy and sustainable personal care.



OUR CUSTOMERS



Integrate Consumer Rights and Protection into Customer Experience

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

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

In the financial year 2023/24, we were fined HK\$2,800 for selling a prepackaged food supplied by one of our local suppliers with incorrect "best before" date format and the packaging showing the ingredients only in Chinese but not in English as required by labelling regulations.

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. Additionally, we established an Information Security Incident Management Team for security incidents, and ensuring security policies are updated from time to time. External audits on systems are conducted during the Financial Year to monitor and continue to enhance existing information security management system and 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 85 of this annual report.



Inclusive Beauty Accessible and Affordable to All

We believe in inclusive beauty.

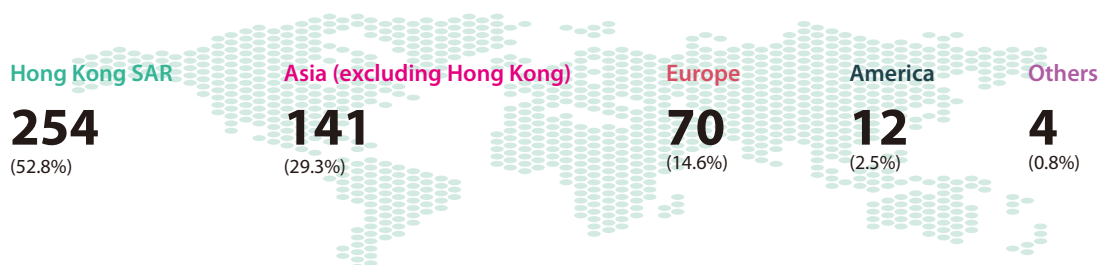
As a multi-brand retailer offering over 600 brands and more than 9,000 beauty related and other products with a diverse price range of HK\$1 to HK\$5,000, from daily necessities to special occasion needs, mass market to premium brands, there is something for everyone regardless of gender, age, race,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

Our OMO (online merge 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



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 116 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 83 and 86 of our Enterprise Risk Management Report.

OUR COMMUNITY

Thriving together.



Achieve Sustainable Growth Together – Our Commitments

- Invest in the community
- Collaborate to flourish

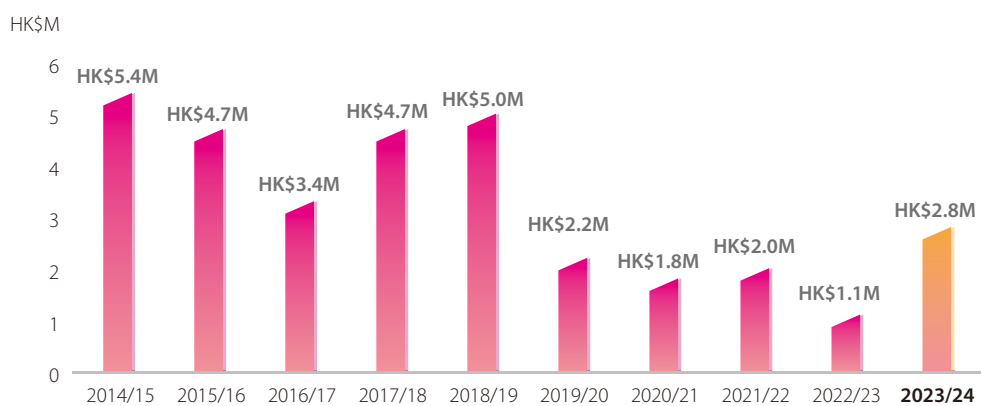


Our commitment to invest in the community and foster its development through support in the form of financial and human capital, with a focus on programmes and issues that we are most concerned with, is set out in our [Environmental, Social and Governance Policy](#).



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\$33.1 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\$1.72M

2023/24

HK\$1.04M

2022/23

+ 65.4%
YoY change



Community Engagement



Caring Company Award for over 15 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 15 years recognising our efforts in fostering a more caring, inclusive and sustainable community.



Nurturing next generation retail leaders

200+
university students

30+
mentors

3+
months hackathon

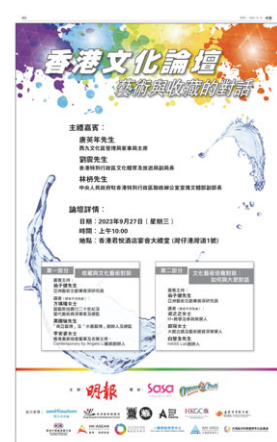
20
participating brands



In collaboration with the Hong Kong Retail Management Association (HKRMA), JA Hong Kong and other retail industry leaders in Hong Kong, we participated again this year in HKRMA's Retail Reimagined Challenge 2024, a hackathon aiming to unleash the creativity of our next generation retail leaders to reinvent the retail landscape. The Chair of our Sustainability Steering Committee, Ms Melody Kwok, acted as one of the panel judges in the pitch competition calling for innovative solutions to the business challenge of sustainability while our Marketing Director acted as mentor to one of the competing teams.

Supporting arts and culture

Recognising the positive social impact of art and culture on the society, as means of expression and communication to foster a sense of belonging and creativity, we sponsored and attended *Artistic Dialogue: A Forum for Art Connoisseurs and Collectors*, a forum held to strengthen cultural exchange through insightful dialogue.



Promoting health and wellness

Pink Run

Annual charitable event organised by Hong Kong Hereditary Breast Cancer Family Registry aiming to promote knowledge and risk awareness of hereditary breast, ovarian and prostate cancers and to raise funds to support underserved high-risk families.



Love Teeth Day 2023/24

Reminder to everyone to take care of their oral health which is crucial to overall health. Our employees participated and donated to support “Oral Health Services for the Needy” provided by the Community Chest’s social welfare member agencies.



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 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.

Po Leung Kuk Dress Special Day 23/24

With a special theme of *Po Leung Studios* this year, donors were encouraged to dress up as movie characters and compete for the “Best Dressed Award” to raise funds to support the grassroots and underprivileged groups.





Dress Casual Day 2023 Wear Your Moment

Celebrating the 30th anniversary of Dress Casual Day, all proceeds from this event went to supporting the *Child Protection and Welfare Services* for neglected children, and to raise public awareness towards prevention of child abuse. Our staff generously donated to the event and turned up for work in their casual outfit.



Po Leung Kuk 145th Anniversary Charity Walk

Continued to foster a culture of caring for the underprivileged and an opportunity for our people to enjoy a walk in the nature together with their family and friends while raising funds for the community.



The Community Chest Walk for Million 2024

To celebrate the 55th anniversary of The Community Chest, this year's walk was held on the magnificent Hong Kong-Zhuhai-Macau Bridge with teams from business and industrial organisations, groups and individual supporters participating. 100% of the funds raised in this year's walk went to supporting the provision of "Family and Child Welfare Services" by the Chest's member agencies.

Po Leung Kuk Flag Day 2023

Participated both as flag sellers and donors to raise funds for Po Leung Kuk, a multifaceted provider of social services including welfare, education, recreation, cultural, medical and integrated health services to all ages in the community through its over 300 service units.

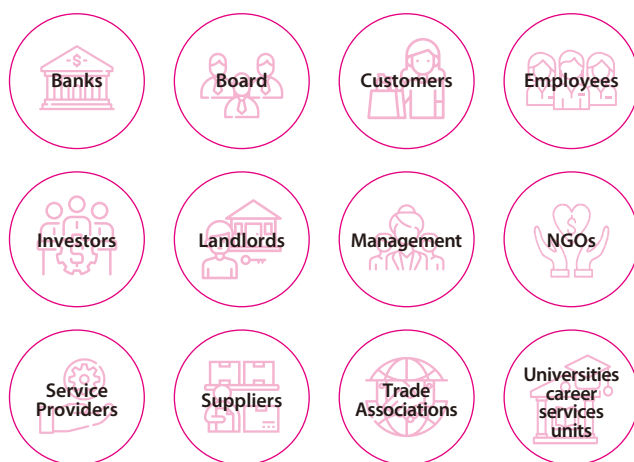


MATERIALITY ASSESSMENT

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 2024, 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



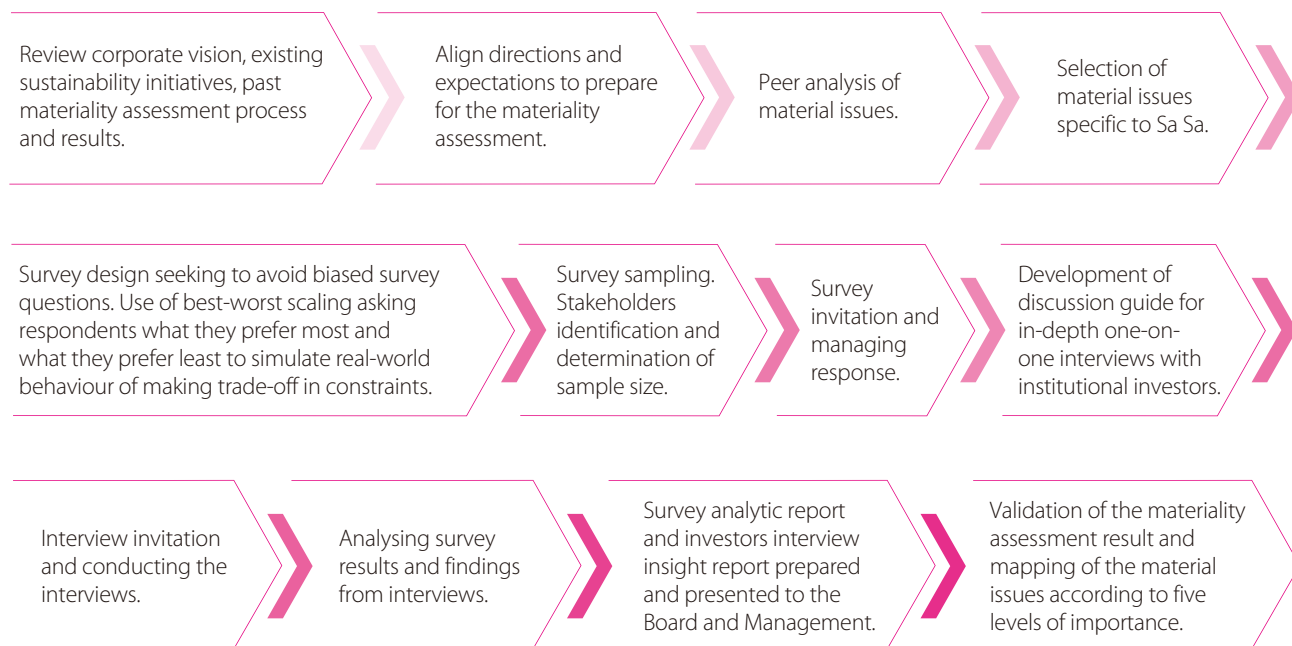
Surveys sent to over **50,000** individuals from **12** stakeholder groups

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

In-depth **1:1** interviews with institutional investors

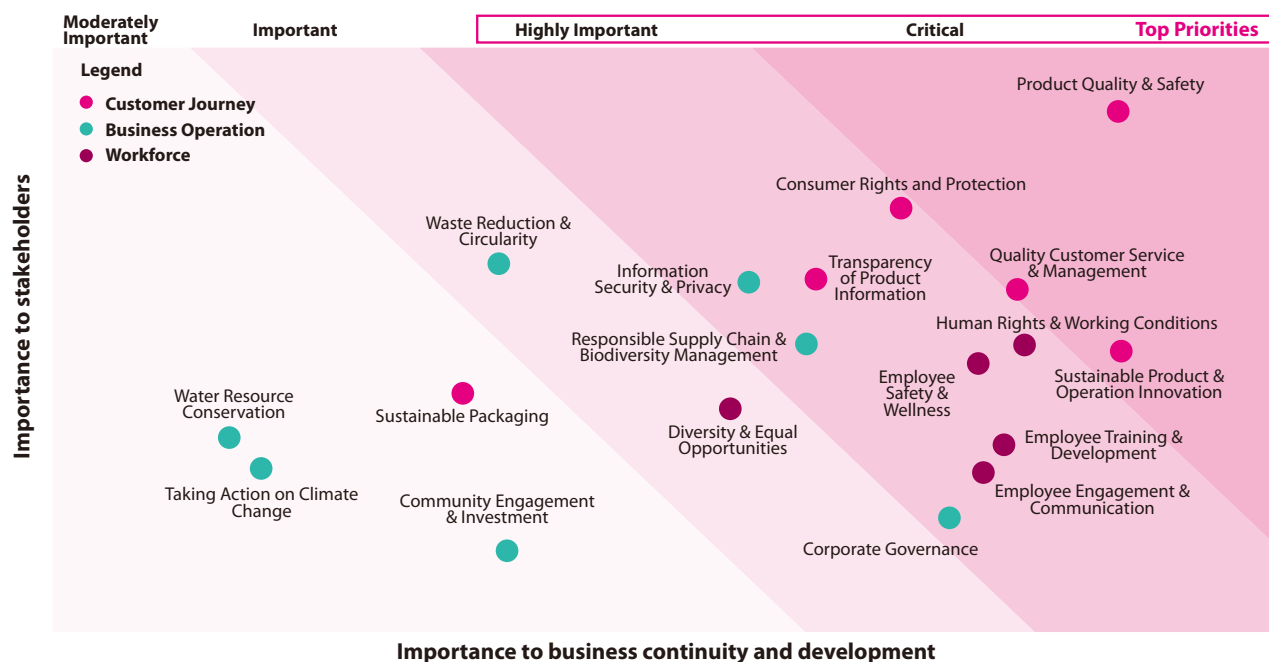


Materiality Assessment Process





Materiality Matrix



ABOUT THIS REPORT

This is our 13th 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 2024. 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 esg@sasa.com if you have any comments.

SUSTAINABILITY DATA: SOCIAL

Description			Unit	2023/24	2022/23	2021/22
Headcount	Total		persons	1,673	1,557	1,752
	By gender	Male	persons	349 (20.9%)	322 (20.7%)	366 (20.9%)
		Female	persons	1,324 (79.1%)	1,235 (79.3%)	1,386 (79.1%)
	By age group	under 36	persons	598 (35.7%)	508 (32.6%)	643 (36.7%)
		36-55	persons	938 (56.1%)	926 (59.5%)	978 (55.8%)
		Over 55	persons	137 (8.2%)	123 (7.9%)	131 (7.5%)
	By employee type	Full-time	persons	1,484 (88.7%)	1,430 (91.8%)	1,621 (92.5%)
		Part-time/Temporary	persons	189 (11.3%)	127 (8.2%)	131 (7.5%)
Total no. of employees trained			persons	1,491	426	767
Total no. of training hours			hours	212,969	58,585	45,742
Average hours of training per employee (percentage of employees who received training)	Total		hours	127.3 (89.1%)	37.6 (27.4%)	26.1 (43.8%)
	By gender	Male	hours	55.9 (85.4%)	5.3 (31.7%)	7.4 (44.8%)
		Female	hours	146.1 (90.1%)	46.0 (26.2%)	31.1 (43.5%)
	By Employee category	Management	hours	19.9 (60.0%)	10.1 (79.2%)	3.6 (53.8%)
		Managers	hours	140.9 (90.6%)	33.1 (43.1%)	2.0 (35.4%)
		All other employees	hours	126.7 (89.4%)	39.0 (23.4%)	31.1 (45.2%)
	By Function	Stores	hours	168.6 (88.6%)	43.2 (9.2%)	24.6 (26.0%)
		Office	hours	16.6 (55.2%)	8.7 (57.9%)	2.5 (55.4%)
		Logistics centre	hours	62.2 (141.0%)	50.0 (76.6%)	67.6 (124.8%)
Fatality			cases	0	0	0
Work-related injuries			cases	12	18	14
Lost day due to work injury			days	239	503	1,141
Average days of sick leave taken per employee per month			day	0.3	0.5	0.3

	2023/24		2022/23		2021/22	
	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	29.6%	17.9%	39.6%	29.6%	37.5%	28.0%
By gender						
Male	32.0%	15.7%	46.9%	34.0%	34.7%	25.8%
Female	29.0%	18.5%	37.6%	28.4%	38.2%	28.5%
By gender						
Under 36	42.6%	24.4%	59.1%	42.6%	59.5%	37.7%
36-55	21.7%	13.2%	26.9%	19.9%	23.4%	19.2%
Over 55	33.2%	25.4%	50.8%	48.8%	32.2%	31.2%

Note to the Sustainability Data:

1. Full-time employees only.

SUSTAINABILITY DATA: ENVIRONMENTAL



Description		Unit	2023/24	2022/23	2021/22	Baseline	Base Year
GHG Emissions ¹	Total (GHG emissions)	tCO ₂ e	6,082	6,128	7,302	19,498	2014/15
	Total (Scope 1 and Scope 2)	tCO ₂ e	5,966	6,023	7,182	19,200	2014/15
	Scope 1	Company-owned trucks and private cars ²	83	92	142	137	2014/15
	Scope 2	Purchased electricity used in our offices, logistics centre and stores ³	5,883	5,931	7,040	19,063	2014/15
	Scope 3	Total (Scope 3)	116	105	120	298	2014/15
		Business air travel	10	2	0	143	2014/15
		Electricity used for fresh water processing and sewage treatment	5	2	4	18	2014/15
		Trucks owned by the external logistics service providers	73	70	84	242	2016/17
		Waste disposal at landfills ⁴	28	31	32	32	2021/22
Carbon Intensity		kg CO ₂ e/sqm GFA	136	130	143	363	2014/15
		kg CO ₂ e/HKD1m revenue	1,784	2,060	2,511	2,663	2014/15
		kg CO ₂ e/headcount	3,635	3,936	4,167	4,167	2021/22
Energy consumption	Total (Energy consumption)	MWh	12,413	12,373	13,896	26,392	2014/15
	Electricity Consumption (indirect)	Total (Electricity consumption)	12,090	12,018	13,358	26,392	2014/15
		Stores	8,594	8,130	10,016	23,105	2014/15
		Offices	1,187	1,201	1,306	1,407	2014/15
		Logistics centre	2,309	2,687	2,036	1,880	2014/15
	Non-renewable fuel consumption (petrol and diesel)	MWh	323	355	538	538	2021/22
Electricity intensity		kWh/sqm GFA	270	255	262	491	2014/15
		kWh/HKD1m revenue	3,546	4,040	4,593	2,604	2014/15
Water consumption ⁵		cu.m	7,117	3,819	5,824	30,691	2014/15
Water intensity ⁶		cu.m/ headcount	4.3	2.5	3.3	3.3	2021/22
Vehicle Fuel Consumption	Total (Vehicle fuel consumption)	L	59,278	61,156	85,288	140,458	2016/17
	Company-owned trucks and private cars	L	31,455	34,581	53,558	50,119	2014/15
	Trucks owned by external logistics service providers	L	27,823	26,575	31,730	81,800	2016/17
Vehicle fuel efficiency		L/sqm GFA	1.3	1.3	1.7	0.9	2014/15
		L/HKD1m revenue	17	21	29	19	2014/15
Vehicle emissions	SO _x	g	936	964	1,325	2,115	2016/17
	NO _x (for trucks only)	g	831,578	798,485	NA	798,485	2022/23
	PM (for trucks only)	g	77,385	74,072	NA	74,072	2022/23

Notes to the Sustainability Data:

- GHG emissions are calculated in accordance with the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings in Hong Kong (2010 Edition) issued by EMSD & EPD. See breakdown by facilities on page 96. The global warming potentials used for calculation are adopted from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report.
- Comprised of emissions from the delivery trucks and private cars owned by the company as in previous years, but emissions based on the petrol consumption of two employees paid for by the company excluded based on materiality since 2021/22. Refrigerant and FM200 also excluded based on materiality.
- Emissions associated with electricity purchased are calculated based on the latest available emissions factors provided by the power companies.
- Based on emissions factor derived from the latest available data on GHG emissions in the waste sector and total disposed waste at landfills in Hong Kong in 2019 published by HKSAR Government.
- Calculated by reference to the water and sewage charges paid in the period. The reduction was due partly to the concessions granted by the HKSAR Government as relief measures to support businesses.
- Organisation-specific metrics for calculating water intensity changed from GFA and revenue to number of employees since 2021/22 to reflect the amount of water used per person for washing and cleaning purposes.

SUSTAINABILITY DATA: ENVIRONMENTAL

Description		Unit	2023/24	2022/23	2021/22	Baseline	Base Year
Paper consumption⁷	Total¹	'000 pcs (kg)	3,215 (16,074)	3,499 (17,495)	4,218 (21,088)	9,316 (47,056)	2014/15
	Stores	'000 pcs (kg)	1,963 (9,817)	2,152 (10,760)	1,933 (9,663)	1,933 (9,663)	2021/22
	Offices	'000 pcs (kg)	386 (1,928)	413 (2,066)	644 (3,218)	644 (3,218)	2021/22
	Logistics centre	'000 pcs (kg)	866 (4,330)	934 (4,669)	1,642 (8,208)	1,642 (8,208)	2021/22
Paper use intensity		pcs/headcount	1,922	2,247	2,407	2,872	2014/15
		pcs/HKD1m revenue ²	943	1,176	1,450	1,450	2021/22
Business air travel⁷		'000 km travelled	160	32	0	929	2014/15
Business air travel intensity		'000 km travelled/ headcount	0.10	0.02	0	286	2014/15
		kg CO ₂ e/HKD1m revenue	3.1	0.7	0	20	2014/15
Packaging:							
Carton box consumption ^{3,7}	Total	'000 pcs (kg)	793 (290,110)	933 (329,578)	1,161 (406,493)	874 (329,653)	2020/21
	Offline	'000 pcs (kg)	178 (143,316)	188 (151,531)	233 (199,450)	305 (261,082)	2015/16
	Online	'000 pcs (kg)	615 (146,794)	745 (178,047)	928 (207,043)	661 (157,972)	2020/21
Bubble wrap consumption		kg	5,433	12,875	19,907	19,907	2021/22
Air pillow consumption		kg	10,927	8,265	10,836	10,836	2021/22
Stretch film consumption		kg	16,609	20,560	18,663	18,663	2021/22
Plastic pallet consumption		kg	0	0	1,000	1,000	2021/22
Wooden pallet consumption		kg	0	0	18,000	18,000	2021/22
Shopping bag consumption^{4,7}		'000 pcs	1,424	1,182	1,184	3,010	2014/15
Shopping bag consumption intensity		pcs/transaction	0.13	0.13	0.14	0.18	2017/18
Resources recycled⁵:							
Paper	Offices	kg	18,886	19,349	18,635	18,602	2014/15
	Logistics centre	kg	174	2,040	1,800	232,600	2018/19
Plastic	Total	kg	3,900	3,400	5,790	20,996	2018/19
	– Plastic pallet	kg	0	0	90	90	2021/22
	– Stretch film	kg	3,900	3,400	5,700	5,700	2021/22
Carton box		kg	91,960	90,020	89,700	89,700	2021/22
Resources reused:							
Carton box		kg	128,100	98,100	55,200	55,200	2021/22
Non-Hazardous waste⁶	Solid	tonnes	25.2	27.7	27.4	19.2	2019/20
	Liquid	tonnes	12.8	15	16.1	15.7	2019/20
Hazardous waste	Chemical	tonnes	0	0	0	3.9	2015/16
Waste Intensity		kg/HKD1m revenue	11.2	14.3	15	15	2021/22

Notes to the Sustainability Data:

1. Total may not add up due to rounding.
2. The denominator changed from kg CO₂e to pcs since 2021/22.
3. The carton box consumption for offline and online were disclosed separately since 2021/22.
4. Excluding reusable shopping bags.
5. Aluminium cans and plastic containers for personal use recycled by employees in the offices no longer disclosed since 2021/22.
6. Personal waste generated by employees replaced by waste from operations from financial year 2021/22.
7. Rounded to the nearest thousand.

ESG REPORTING GUIDE CONTENT INDEX



Subject Areas, Aspects, General Disclosures and KPIs	Description	Page No.
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	p.94, p.105
KPI A1.1	The types of emissions and respective emissions data.	p.96, p.127
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.96, p.127
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	p.102, p.128
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	p.102, p.128
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	p.98
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	pp.102-104
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	p.94
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.96, p.127
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	p.101, p.127
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	pp.97-98
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.	pp.101-102
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	p.99, p.128
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	p.94
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	pp.94-105, p.116
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	p.94
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.94, pp.97-98
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.	p.106, p.113
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	pp.106-107, p.126
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	p.126
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.	p.106, p.113
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	p.112, p.126
KPI B2.2	Lost days due to work injury.	p.112, p.126
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	pp.111-112

Subject Areas, Aspects, General Disclosures and KPIs	Description	Page No.
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	p.106, pp.108-111
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	p.107, p.126
KPI B3.2	The average training hours completed per employee by gender and employee category.	p.107, p.126
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.	p.106, p.108, p.113
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	p.106, p.108, p.113
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	p.106, p.108, p.113
Operating Practices		
Aspect B5: Supply Chain Management		
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KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	p.119
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.119
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.116, p.119
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	p.114, p.116, pp.118-119
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	p.115
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	p.115
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	p.115, p.119
KPI B6.4	Description of quality assurance process and recall procedures.	p.115
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	p.114, p.118
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.	p.113
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.113
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	p.113, p.119
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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.	p.120
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	pp.120-123
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	p.120

HKQAA – VERIFICATION STATEMENT



VERIFICATION STATEMENT

Scope and Objective of Verification

Hong Kong Quality Assurance Agency (“HKQAA”) has been engaged by Sa Sa International Holdings Limited (“Sa Sa”) to undertake an independent verification of “Sustainability Data Statement – Environmental” (“SD Statement”) for Sa Sa International Holdings Limited (Stock Code: 178). The scope of HKQAA’s verification covers the data and information of Greenhouse Gas (GHG) emission (scope 1 and 2), energy consumption and vehicle fuel consumption (company-owned trucks and private cars only) for Sa Sa in the period of 1st April 2023 to 31st March 2024 for its major operations in Hong Kong and Macau (i.e., offices, logistics centre and retail shops), as disclosed in the “SD Statement”.

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

Level of Assurance and Methodology

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

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

Independence

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

Conclusion

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

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

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

Signed on behalf of Hong Kong Quality Assurance Agency

Jorine Tam
Director, Strategic Business
June 2024