

HYPEBEAST

ENVIRONMENTAL, SOCIAL

AND GOVERNANCE REPORT

2023–2024

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Board Statement

Dear Stakeholders,

On behalf of the board (the “Board”) of directors (the “Directors”) of Hypebeast Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group” or “we” or “us”), I would like to present the annual results of the Group’s policies, measures and performance on the key Environmental, Social and Governance (“ESG”) issues for the year ended 31 March 2024.

Our Company adheres great importance to ESG concerns as we understand that all of us and our next generation could be affected by ESG issues. Therefore, as an influential listing company, the Board has responsibility for evaluating and identifying the Group’s ESG-related risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place. It makes sense, therefore, that a strong ESG motion can create value for the Group’s development. We put the sustainable development of our business as the top priority of our long-term development goals and incorporate climate-related issues and ESG elements into our long-term business strategic plan. In response to climate change, we have set clear short-term and long-term sustainable development targets to support the Hong Kong government in achieving carbon neutrality by 2050. The Group achieves ongoing emissions and resources consumption reduction progress according to the Group’s performance after implementing the reduction initiatives and measures.

The Board will also monitor and review the effectiveness of management approach on a regular basis, including reviewing the Group’s ESG performance and adjusting corresponding action plans. Effective implementation of ESG policies relies on the collaboration of different departments. Following the

recommendations given by the Stock Exchange, in order to endeavour to achieve the objective of sustainable development, the Group has established an inter-departmental ESG Working Group to coordinate different departments and enhance their mutual co-operation, for ensuring consistent work performance which could be aligned with the stakeholders’ expectations.

The Group has spared no effort in the future development of its business. Following the business expansion on offline retail segment, several new stores opening during the reporting period have resulted in an increase in the demand of electricity. Apart from offline retailing, the Group has continued in expanding commerce experience of its E-commerce Segment. The Group has focused on resources management, especially in the execution of the sale and delivery of products. Looking ahead, the Group will take considerable effort in resources optimisation exercises, and strive to continue our positive impact on the environment by minimising the use of natural resources and packaging materials.

Looking ahead, the Board will continue to review and monitor the ESG performance of the Group and provide material, reliable, consistent and comparable ESG information to its stakeholders for making contributions to create a better environment.

Yours faithfully,

For and on behalf of the Board

Ma Pak Wing Kevin

Chairman and Executive Director

Hong Kong, 27 June 2024

About this Report

The Group is pleased to present the Environmental, Social and Governance Report (the “Report”) for the year ended 31 March 2024 to provide an overview of the Group’s management of significant issues affecting the operation, including ESG issues.

Reporting Period

This Report illustrates the Group’s policies and performance regarding the environmental and social aspects from 1 April 2023 to 31 March 2024 (the “reporting period” or “2023/2024”).

Reporting Scope and Boundary

This Report focuses on the ESG issues of the Group’s core and material businesses, including (i) digital media and (ii) e-commerce businesses in Hong Kong SAR (“Hong Kong”), the People’s Republic of China (the “PRC”), Japan, Korea, the United States of America (the “USA”) and the United Kingdom (the “UK”) 98.5% of the Group’s revenue in the reporting period were covered in the reporting scope.

Reporting Basis and Principle

This Report is prepared in accordance with the “Environmental, Social and Governance Reporting Guide” (the “ESG Guide”) of Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and based on the four reporting principles – materiality, quantitative, balance and consistency:

- “Materiality” Principle:
The Group determines material ESG issues by stakeholder engagement and materiality assessment. Details are explained in the section headed “Materiality Assessment”.

- “Quantitative” Principle:
Information is presented with quantitative measures, whenever feasible, including information on the standards, methodologies, assumptions used and provision of comparative data.
- “Balance” Principle:
This Report identifies the achievements and challenges faced by the Group.
- “Consistency” Principle:
Methodologies adopted for preparing this Report are consistent with last year, unless otherwise stated.

The Group has complied with all “comply or explain” provisions set out in the ESG Guide.

The information contained herein is sourced from official documents and statistics of the Group, as well as the combined control, management and operations information provided by the subsidiaries in accordance with the Group’s relevant policies. A complete content index is appended in the last section hereof for quick reference. This Report is prepared and published in both English and Chinese. In the event of contradiction or inconsistency, the English version shall prevail.

Review and Approval

This Report was reviewed and approved by the Board of Directors of the Company on 27 June 2024.

Feedbacks

The Group respects your view on this Report. Should you have any opinions or suggestions, you are welcome to send to us via email to the following address: investors@hypebeast.com.

About the Group

The Group is a digital media company primarily engaged in (i) the provision of creative advertising services and advertising spaces for global brands (the “Media Segment”); and (ii) the sale of goods through its online and offline retail platform (the “E-commerce and Retail Segment”).

The Group produces and distributes youth-focused digital content centering on fashion, lifestyle, technology, arts & entertainment, culture and music to its visitors and followers. Digital content is distributed via the Group’s media platforms (including its Hypebeast, Hypebae and Popbee websites and mobile apps) and popular third-party social media platforms, including but not limited to Facebook, Instagram, X, TikTok, Youtube, Wechat, Weibo, Kakao and Naver. The Group also maintains multi-language versions of its flagship Hypebeast property across both website and social media platforms, with content available in English, Chinese, Japanese, Korean and Indonesian. The Group delivers bespoke creative solutions through its agency business to its brand clients, with services including but not limited to creative conceptualisation, talent curation, technical production, campaign execution, data intelligence and distribution of digital media advertisement via the Group’s digital media platforms.

The Group’s mission is to enrich people’s lives and connect people through culture-driven media content and the latest in youth culture in order to shape a better understanding of contemporary culture for our audience and readers around the globe. Delivering inspirational content is, therefore, the core focus of the Group’s business, and the Group has always aspired to create platforms that open our readers’ eyes to all of the amazing things happening around the world.

The Group was built by and surrounded a global community of followers primarily in the millennial generation, a demographic which places strong importance and focus on environmental and social issues happening around the world. The Group firmly believes and places a strong commitment and a sense of responsibility in its operating approach with respect to environmental and social issues.

Award and Recognition

The Group's efforts have been recognised by multiple award(s) during the reporting period. The details are as follows.

- **Good MPF Employer Award**

The Group has been consecutively awarded the “Good MPF Employer Award – e-Contribution Award and MPF Support Award”. The award is given in recognition of the Group's compliance with Mandatory Provident Fund (“MPF”) legislation and provision of better retirement benefits for its employees which help foster positive energy in the community. The Group will keep providing the latest MPF information and assistance to employees encouraging them to manage their MPF accounts in time and providing assistance for them to make better arrangements for retirement.

- **BOCHK Corporate Environmental Leadership Award – Eco Partner**

The Group has been consecutively awarded the “Eco Partner – BOCHK Corporate Environmental Leadership Awards” as a recognition of its environmental protection efforts. The award is co-hosted by The Federation of Hong Kong Industries (FHKI) and Bank of China (Hong Kong) (BOCHK). The “BOCHK Corporate Environmental Leadership Awards” was aimed to encourage and promote environmental practices among the manufacturing and services enterprises in Hong Kong and the Pan Pearl River Delta region to shoulder corporate social responsibility and create a green community.

Looking ahead, the Group will continuously commit to protecting the environment, striving to incorporate various sustainable practices into business operations, and implementing energy-saving and waste reduction measures in administration and daily retail operations.

ESG Governance

The Board has the overall responsibility for the Group’s ESG strategy and reporting. The Board is responsible for evaluating and determining the Group’s ESG-related risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place.

The Board has delegated the day-to-day responsibility of the implementation to the ESG Working Group (the “Working Group”) with representatives from different departments in the Group. The Working Group is responsible for facilitating the adoption of ESG strategies and policies throughout the Group. It collects data, evaluates performance and reports major issues to the Board periodically. The Board reviews and approves the ESG Report on an annual basis.

Stakeholder Engagement

The Group emphasises the participation of its stakeholders, including shareholders of the Company, staff, customers, suppliers etc. All of them have a substantial impact on the success of its business or activities.

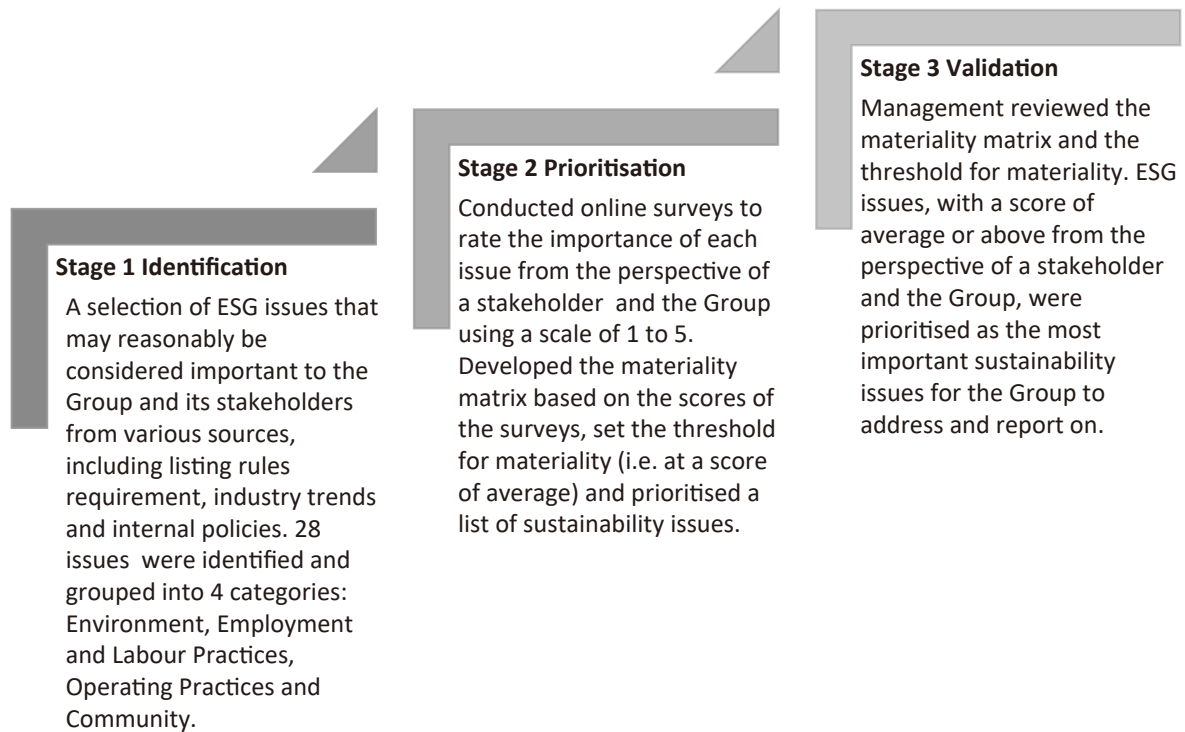
The Group believes that stakeholder engagement has a significant level of influence in developing sustainable development strategies and fulfilling social responsibilities which is the basis for the Group's strategy formulation and decision-making. The Group communicates with its stakeholders through various channels, shown as below.

Stakeholders	Communication Channel
Government and regulatory agencies	<ul style="list-style-type: none"> • Annual reports, interim reports, ESG reports and other public information
Shareholders and investors	<ul style="list-style-type: none"> • Annual general meetings and other general meetings of shareholders • Company website • Press releases or announcements • Annual reports, interim reports, ESG reports and other public information • Investor conferences • Regular meetings
Employees	<ul style="list-style-type: none"> • Regular meetings • Performance evaluation • Leisure activities • Company intranet
Customers	<ul style="list-style-type: none"> • Website • Social media platforms • Emails • Online live chat
Suppliers	<ul style="list-style-type: none"> • Regular meetings • Site visits • Surveys
Community	<ul style="list-style-type: none"> • Community activities • ESG reports • Social media platform • Website

Materiality Assessment

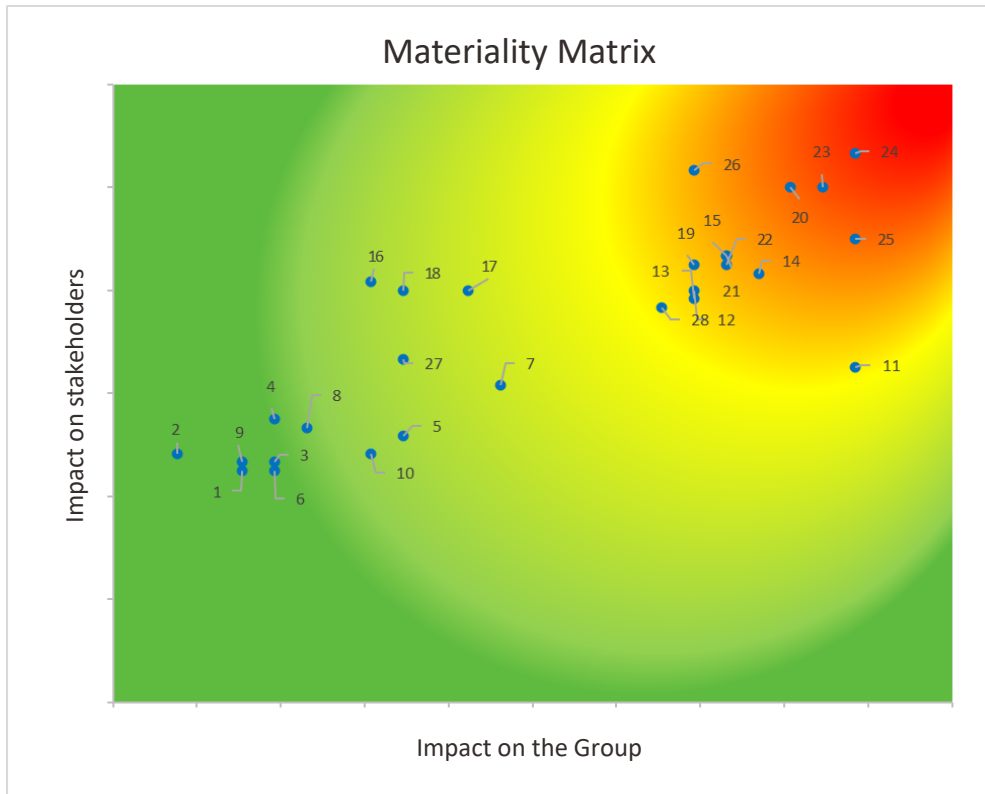
When preparing the ESG Report, the Group directly engaged with various stakeholders as part of the materiality assessment process to identify and prioritise the issues to be included in the ESG Report which the Board believes would have significant impact on the Group's business and its stakeholders.

Process



Materiality Matrix

Based on the materiality matrix, the Board believes that the most pertinent sustainability issues which are material to both the Group and its stakeholders include the following:



In 2023/2024, the identified material topics are as follows:

Topics of high importance	12	Diversity and equal opportunities
	13	Anti-discrimination
	14	Staff occupational health and safety
	15	Staff development and training
	19	Compliance with regulations on marketing, product and service labelling
	20	Customers' privacy and confidentiality
	21	Customer satisfaction
	22	Intellectual property
	23	Safety of services/products
	24	Quality of services/products
	25	Business ethics
	26	Anti-corruption training for management and employees
	28	Communication and connection with local community

Topics of medium importance	11	Employment practices
	16	Prohibition of child labour and forced labour
	17	Responsible supply chain management
	18	Environmental friendliness on products or service purchased

Topics of lower importance	1	Air emissions
	2	Greenhouse gas ("GHG") emissions
	3	Effluents management
	4	Waste management
	5	Energy efficiency
	6	Water efficiency
	7	Use of raw materials and packaging materials
	8	Environmental regulations compliance
	9	Land use, pollution and restoration
10	Climate change	
27	Contributions to the society	

Subject Area A. Environmental

A1 Emissions

As the main workplace of the Group's employees is the general office and the method of the transactions with our customers is primarily through online medium, the Group's day-to-day business does not involve direct production and emission of air, water, and land pollution. Due to its business nature, the Group is not aware of any relevant environmental laws and regulations in respect of air and greenhouse gas emissions, discharge into water and land, and generation of hazardous and non-hazardous waste that would have a significant impact on us. However, the Group has established the Environmental Policy in order to mitigate the environmental impact associated with its business operations. The Policy outlines the strategies to minimise the direct environmental impact of the Group's business operations by strengthening external and internal communication and implementing environmental measures to reduce and minimise our footprint from emissions, energy consumption and waste generation. The corresponding approaches are illustrated in the following sections.

In addition, the Group advocates energy saving and carbon reduction, and is committed to achieving sustainable operations. To this end, we have set clear emission reduction targets, with 2020/2021 as the base year, and strive to achieve the following targets:

- In view of the Group's business nature, we do not generate significant amount of air pollutants. Therefore, relevant data for the establishment of air emission reduction target is not available;
- Reduce energy consumption intensity (kWh per employee) by 5% by 2028 and 7% by 2032;
- Reduce water consumption intensity (m³ per employee) by 5% by 2028 and 7% by 2032; and
- Reduce waste disposal intensity (tonnes per employee) by 5% by 2028 and 7% by 2032.

Greenhouse Gas (GHG) Emissions

The Group's indirect emission of greenhouse gases is primarily related to the electricity consumption at our offices and our staff's business travel. The Group's logistics solution for its e-commerce business is outsourced to third-party vendors. Management places a strong emphasis on sourcing vendors with strict adherence to environmental protection and sustainability measures. We will continue to review such metrics on an annual basis in our decision to work with our logistics partners and vendors to ensure that our business continues to scale and grow with minimal impact to the environment. The Group does not include emissions generated by its third-party vendors in the Group's greenhouse gas inventory. Initiatives to reduce GHG emissions from energy consumption will be discussed in the section headed "Use of Resources".

The total GHG emissions and its intensity were 145,266.10 kilograms CO₂-equivalent (kg CO₂-e) and 293.47 kg CO₂-e per employee respectively in 2023/2024, representing the decrease of approximately 15% in total GHG emissions and an approximate reduction of 1% in intensity, as compared to last year. During the reporting period, the Group's GHG inventory principally comprise of Scope 2 and 3 emissions, similar to last year. Scope 2 emission account for approximately 86% of the total GHG emissions and it included GHG emissions arising from purchased electricity which was also the major contributor of GHG emissions for the reporting period.

During the reporting period, Scope 2 GHG emission has presented the rising trend due to the opening of the retail store and cafe in Hong Kong of the Group, which the increase of operation location has driven the high demand of electricity. Meanwhile, the major contribution to Scope 3 emission was derived from business travel. The Scope 3 emission has presented the sharp reduction during the reporting period since the Group had more business trips to the USA for the store opening in previous year.

Looking ahead, the Group will continue to monitor and record GHG emissions, enhance related data collection system and develop targets and reduction plans as when appropriate.

Greenhouse Gas Emissions¹	2023/2024 kg CO ₂ -e	2022/2023 kg CO ₂ -e
Scope 1 ²	—	—
Scope 2 ³	124,443.96	103,795.35
Scope 3 ⁴	20,822.14	67,048.32
Total GHG emissions	145,266.10	170,843.67
Intensity ⁵ (Total GHG emissions per employee ⁶)	293.47	296.60

Waste

As a digital company, our inherent business nature does not require significant resource consumption or waste generation, contributing to a low environmental footprint.

The Group encourages its employees to initiate the practice of waste reduction. Our employees have developed environmentally friendly habits such as utilising recycled paper, and using paper saving techniques such as two-sided printing whenever possible.

The Group encourages the use of reusable crockery and utensils as opposed to their paper and plastic counterparts. Used batteries, printer toners and carton boxes are gathered and returned to recycling collectors for recycling.

In 2023/2024, the total amount and intensities of non-hazardous wastes and hazardous wastes generated were 10.17 tonnes and 0.014 tonnes respectively compared to 11.17 tonnes and 0.025 tonnes last year. There was a slight decrease in the amount of both non-hazardous wastes and hazardous waste generation compared to the previous reporting period.

Waste Generation⁷	2023/2024 tonnes	2022/2023 tonnes
Non-hazardous waste		
— General unsorted waste (disposed to landfill)	3.23	3.35
— Carton box (Recycled)	6.94	7.82
Total	10.17	11.17
Intensity (Total non-hazardous waste generation per employee⁸)	0.05	0.04
Hazardous waste		
— Toner (Recycled)	0.010	0.010
— Battery (Recycled)	0.004	0.015
Total	0.014	0.025
Intensity (Total hazardous waste generation per employee⁸)	0.00006	0.0001

The Group is currently enhancing the waste management system, the amount of waste disposal for its overseas premises will be recorded and disclosed in the coming years. During the reporting period, the Group was not aware of any non-compliance case in relation to handling non-hazardous waste and hazardous waste.

¹ The greenhouse gas emissions are calculated with reference to Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong published by the Environmental Protection Department and the Electrical and Mechanical Services Department, sustainability reports published by the CLP Power Hong Kong Limited, annual reports published by Water Suppliers Department, sustainability reports published by the Drainage Service Department.

² Scope 1 refers to direct emissions from operations that are owned or controlled by the Group.

³ Scope 2 refers to Indirect energy emissions resulting from internal consumption by the Group (purchased or acquired) of electricity, heating, cooling and steam. It includes the use of electricity on the premises in Hong Kong only. The electricity consumption data in the USA, the UK, the PRC, Japan and South Korea are not available as the related fee was included in the rental fee or shared with other tenants.

⁴ Scope 3 refers to all other indirect emissions that generated indirectly outside the company, including both upstream and downstream emissions. It includes the emissions produced indirectly from commercial business travel, processing fresh water and sewage by third party and paper wastes disposed at landfills.

⁵ Intensity (Total GHG emissions per employee) = Total GHG emissions/Total number of employees at the end of the reporting period.

⁶ The total number of employees was 576 and 495 in FY2022/2023 and FY2023/2024 respectively.

⁷ It includes consumption in Hong Kong only. The Group will continue to improve its internal data collection mechanism for a complete disclosure in the coming years.

⁸ It refers to the employees in Hong Kong only. The total number of employees in Hong Kong was 249 and 217 in 2022/2023 and 2023/2024 respectively.

A2 Use of Resources

Due to the nature of the Group's principal business as a digital media and e-commerce platform, the Group is not involved in the manufacturing and production of goods. No significant raw materials and natural resources were consumed by the Group for this reason.

The Group's primary resource consumption relates to its use of paper, packaging materials, electricity and water within our offices. Except tap water sourced from municipal water supplies, no other natural water resource such as surface water or underground water is used.

Energy and Other Materials

The Group mainly interacts and engages with our viewers and customers through our digital media and e-commerce platforms. This provides an environmentally efficient way for viewers and customers to access our content, products and services online, reducing time and energy consumed by customers without having to actually commute to a traditional brick and mortar store or purchase physically printed content. Further, our energy consumption is much lower than vendors that operate physical retail stores as its main business. The nature of our business naturally supports minimisation of environmental impact and low levels of emissions.

The Group has also taken various environmentally friendly initiatives such as installing LED lighting fixtures, energy-efficient air conditioners as well as refrigerators and other energy-efficient electrical appliances at our Hong Kong head office, which significantly reduced our energy consumption.

In addition, management encourages the Group's employees to turn off their electrical equipment (including computers, monitors and desk lamps) before leaving the office especially for periods of extended holidays or absences.

The Group has established an Environmental Policy which mandates the purchase as well as use of energy-efficient electrical appliances and other products.

Office Paper

In 2023/2024, the total paper consumption was approximately 437.90kg, representing a decrease of approximately 12%, as compared with last year. The percentage of paper recycled against the consumed office paper was approximately 45% in 2023/2024, and that in 2022/2023 was approximately 39%. Looking ahead, the Group will continue to encourage recycle and reuse of office paper in order to reduce paper consumption.

	2023/2024	2022/2023
Paper ⁹	kg	kg
Office Paper		
— Consumed	437.90	498.38
— Recycled	195.00	195.00

We will continue to improve our internal data collection mechanism for a complete disclosure in the coming years.

Packaging Materials

The Group's packaging materials principally comprise of bubble wrap, panfix tape, clear tape, clear zipper bags and fulfilments for cardboard boxes. To promote and fulfil our commitment in sustainable development, we strive to use as many environmentally friendly packaging materials as possible. For paper packaging, the Group consumes FSC paper for packaging boxes and materials. In 2023/2024, the total packaging material consumption was approximately 43,308.35 kg and its intensity was approximately 0.16 per unit of products sold, the total packaging materials consumption representing a decrease of approximately 10%; whilst the intensity has the decrease of approximately 6% compared with last year.

⁹ It includes consumption in Hong Kong only. The Group will continue to improve its internal data collection mechanism for a complete disclosure in the coming years.

Looking ahead, the Group will continue to minimising our packaging materials and enhancing our use of material efficiency.

Packaging Material Consumption ¹⁰	2023/2024 kg	2022/2023 kg
Bubble wrap	147.27	132.97
Panfix tape	36.26	49.28
Clear tape	624.24	657.00 ¹¹
Clear zipper bags	11.28	17.78
Fulfilments for cardboard boxes	41,226.76	46,563.17
Air pillows	888.00	356.60
Bubble bags	—	511.60
Stretch film roll	374.54	337.82
Total packaging material consumption	43,308.35	48,626.22
Intensity ¹² (Total packaging material consumption per unit of product sold and/or delivered ¹³)	0.16	0.17

The Group is currently improving its internal data collection mechanism, the amount of packaging materials consumed for its overseas premises will be disclosed in the coming years.

Energy

The Group's energy consumption mainly attributed to electricity consumption in office and warehouses located in Hong Kong. In 2023/2024, the total energy consumption and its intensity were approximately 283,337.00 kilowatt-hours (kWh) and approximately 1,305.70 kWh per employee respectively, representing an increase of approximately 22% for total energy consumption and approximately 40% for the intensity compared to 2022/2023. The significant increase of energy consumption was mainly due to the opening of the retail store and cafe of the Group in Hong Kong, which the increase of operation location has driven the high demand of electricity. In addition, the organisational restructuring has driven the increase of energy consumption intensity. Looking ahead, the Group will continue to monitor and record energy consumption, enhance related data collection system and develop reduction plans when appropriate.

Energy Consumption ¹⁴	2023/2024 kWh	2022/2023 kWh
Direct energy consumption	—	—
Indirect energy consumption		
— Electricity	283,337.00	232,953.00
Total energy consumption	283,337.00	232,953.00
Intensity ¹⁵ (Total energy consumption per employee ¹⁶)	1,305.70	935.55

Water

Regarding the water consumption of the Group, it was incurred by the offices, warehouse, and stores located mainly in Hong Kong, which tap water is sourced from municipal water supplies. The Group does not consume other natural water resources such as surface water or underground water and does not encounter any material issue in sourcing water that is fit for purpose. The Group has formulated the Warehouse and Office Water Efficiency Policy during the reporting period. During work hours, administrative staff monitor water consumption by ensuring that faucets are not running when unused. Water storage capacity of the flushing cistern is also adjusted to avoid over washing for the flush system. The Group has installed water-efficient filtration systems for drinking water in the office and installed flow controller on the water tap to reduce water consumption. Our staff are also encouraged to consume filtered rather than bottled water.

Water Consumption ¹⁷	2023/2024 m ³	2022/2023 m ³
Total water consumption	375.07	355.02
Intensity ¹⁸ (Total water consumption per employee ¹⁹)	1.73	1.43

¹⁰ It includes consumption in Hong Kong only. The Group will continue to improve its internal data collection mechanism for a complete disclosure in the coming years.

¹¹ The amount of clear tape consumption in 2022/2023 has been restated.

¹² Intensity (Total packaging material consumption per unit of product sold and/or delivered) = Total packaging material consumption/Total number of unit product sold and/or delivered.

¹³ Total number of products sold or delivered was 283,860 and 274,838 units in 2022/2023 and 2023/2024 respectively.

¹⁴ It includes energy consumption in Hong Kong only. The Group will continue to improve its internal data collection mechanism for a complete disclosure in the coming years.

¹⁵ Intensity (Total energy consumption per employee) = Total energy consumption/Total number of employees at the end of the reporting period.

¹⁶ It refers to the employees in Hong Kong only. The total number of employees in Hong Kong was 249 and 217 in 2022/2023 and 2023/2024 respectively.

¹⁷ It includes water consumption in Hong Kong only. The Group will continue to improve its internal data collection mechanism for a complete disclosure in the coming years.

¹⁸ Intensity (Total water consumption per employee) = Total water consumption/Total number of employees at the end of the reporting period.

¹⁹ It refers to the employees in Hong Kong only. The total number of employees in Hong Kong was 249 and 217 in 2022/2023 and 2023/2024 respectively.

In 2023/2024, the total water consumption and its intensity were approximately 375.07 cubic meters (m³) and approximately 1.73 m³ per employee respectively, representing an increase of approximately 6% in consumption and 21% in intensity compared with last year. The increase of water demand for store operation was mainly from the new cafe in Hong Kong. Besides, the organisational restructuring has driven the increase of water consumption intensity.

Looking forward, the Group will continue to take effort in implementation of the Warehouse and Office Water Efficiency Policy, monitor and record water consumption during daily operation, enhance related data collection system, and develop targets and reduction plans as when appropriate.

A3 The Environment and Natural Resources

Given the nature of the Group's principal business, the Group considers that the impacts of its operations on the environment and natural resources are minimal. The Group strives to manage both direct and indirect environmental impacts associated with our operations, which are summarised as follows.

Our business activities	Interactions with the environment and natural resources	Potential environmental impacts	Direct or Indirect
	Electricity consumption	Use of resources	Direct
	Water consumption (for cleaning, drinking or flushing)	Use of resources	Direct
	Consumption and disposal of office paper, carton box, general wastes, toner and battery	Use of resource Waste management	Direct
Office operations	Greenhouse gas emissions arising from the above interactions	Climate change	Indirect
Business travel	Greenhouse gas emissions	Climate change	Indirect
Product packaging	Consumption of packaging materials	Use of resources	Direct

The Group strives to further reduce our direct environmental impacts through various measures mentioned in the sections headed "Emissions" and "Use of Resources".

As there are also indirect environmental impacts arising from our ability to influence environmental performance within the value chain and our investments, we will continue to make effort on mitigating such impacts and ultimately contributing towards the goal of creating a low carbon and environmentally conscious economy. The Group will strive to raise awareness of environmental issues and promote eco-friendly practices among communities operated by partnering with industry groups and environmental organisations. Efforts extend to the facilitation and contribution towards policy discourse to further environmental stewardship.

A4 Climate Change

Climate change is one of the biggest global challenges faced by the society nowadays, and we must act now for our climate and our communities. In recent years, extreme weather, such as strong winds and heavy rainfall, as well as tides and floods, have become the focus of news. Logistics and supply chains are particularly vulnerable. Heavy rainfall, rising tides, and floods can cause serious damage to assets such as buildings, warehouses, and goods in storage, resulting in financial losses. Although such incidents are beyond everyone's control, the Group believes that all stakeholders should work together to address climate change, which will also be regarded as one of the most significant risks to the world in the next five years.

In response to the Paris Agreement, the Hong Kong Government issued the "Hong Kong's Climate Action Plan", and formulated various plans and actions, setting out the vision of "Zero-carbon Emissions, Liveable City, Sustainable Development". The government has determined to set medium-term goal as halving Hong Kong's total carbon emissions from 2005 levels before 2035, committed to achieve carbon neutrality by 2050, and the PRC will strive to achieve carbon neutrality by 2060. In the context of the global transition to a low-carbon economy, the Group has also identified potential risks associated with regulatory, technological, market and reputational aspects specific to the location in which we operate. We will integrate these identified risks into our business strategy, integrate assessment and its results into the business risk management framework, and continuously and regularly update and identify, assess and manage various risks.

Action on climate change

Action on climate change is embedded in the Group's business strategy and reflected in the governance and management processes of the Company. The index table below outlines the core elements and the Group's responses to the Stock Exchange's recommendations in this Report according to the Task Force on Climate-Related Disclosures (TCFD):

Governance	Strategy	Risk Management	Metrics and Targets
<ul style="list-style-type: none"> Setting up ESG Working Group and regular meeting Integrating ESG topics (including climate-related issues) in corporate decision making 	<ul style="list-style-type: none"> Identifying risks and opportunities in low-carbon transition 	<ul style="list-style-type: none"> ESG Working Group takes the lead to discuss and review ESG risks Preparing for the transition to a low-carbon economy Implementing measures to eliminate physical climate risks 	<ul style="list-style-type: none"> Establish GHG reduction targets so as to gradually achieve net zero emissions

The Group essentially plans to respond to local government initiatives and follow local governments' emission reduction requirements. We aim to reduce GHG emissions by around 3% by 2026 and ensure the Group's greenhouse gas emissions will comply with the local requirements on or before 2030. Our target is to achieve carbon neutrality by 2050 in Hong Kong and by 2060 in PRC. We are committed to continuously improving our energy efficiency, applying professional knowledge to improve on-site efficiency and maintain efficient management support, in order to safeguard the Group's reputation.

The pace of change has expedited around the world, but it has not changed our commitment to climate action. The Group has acknowledged and been underscoring the importance for us to accelerate its transition to a low-carbon economy. Over the years, we have been grasping different opportunities to expand our business, accelerate the transformation and make the Group smarter, more environmentally friendly, and safer for employees and users (such as automation, and utilising digital platforms for online conference to reduce carbon footprint in transportation during the pandemic). These measures have made our facilities becoming more sustainable and fulfil our commitment to resource management and environmental protection.

When developing these scenarios, the Group has identified a series of climate-related risks and opportunities relevant to our assets and services which are significant to us. These transition and physical risks are discussed in the sections below.

	Risks	Opportunities
Short term (0–1 year)	<ul style="list-style-type: none"> Physical risks from extreme weather events Securing the skills and capability required to implement climate strategy 	<ul style="list-style-type: none"> New services to help communities decarbonise Technologies to enhance the performance of operations and energy efficiency
Medium term (5 years)	<ul style="list-style-type: none"> Transition risks — Implementation of low-carbon policies for the operation Transition risks — Supply and demand for certain commodities, products and services may change as climate related risks and opportunities are increasingly taken into account 	<ul style="list-style-type: none"> Transitioning to low carbon economy market to meet government decarbonisation targets
Medium to long term (5+ years)	<ul style="list-style-type: none"> Transition risks — Potential new regulations and policies Transition risks — Development and use of emerging technologies may increase the operational costs, and reduce the Groups' competitiveness Transition risks — the Group's reputation may be impacted due to changing customer or community perceptions of said the Group's contribution to or detraction from the transition to a lower-carbon economy 	<ul style="list-style-type: none"> Transitioning to low carbon economy market to meet government decarbonisation targets To work as a pioneer in the industry and build up relevant reputations

Physical climate risks are potentially damaging the integrity of the Group's assets or interrupt our service delivery and customers directly, as well as the supply chain. Those may have driven negative impact on the Group's income. The Group has identified the increase in frequency and severity of extreme weather is potentially impacted to our business operation. To this end, the Group has already set up a range of measures in place to enhance the resilience of its operations, including contingency plan for extreme weather or emergency conditions to enhance the reliance of its operations and avoid any physical damage to our asset.

Transition risks are potentially increasing the operational cost and legal risk due to change of policy, technology development and digitalisation, and relevant risk affected to supply and demand. In order to capture the opportunities for long-term development, the Group has already identified those relevant risks, kept monitoring the market and policy updates and planned to invest according to the market needs. The Group has also identified that reputational risk is engaging in our business since climate change is potentially related to changing customer preference and community perceptions of our Group contribution. The reputational risk may impact on revenue reduction from the decreased demand of our products. To this end, the Group commits continuously in sourcing sustainable brand and resources for our transition to a lower-carbon economy.

A series of measures have been adopted to put in place along the Group’s value chain to help the Company prepare for climate events. These measures are deployed for different geographies, taking into account the asset type, location and relevance. These are summarised in the table below:

Relevant part of the value chain	Relevant measures
Supply chain	<ul style="list-style-type: none"> • Diversify material supply from multiple suppliers, sources and countries • Ensure that employees along the supply chain work under places with stringent safety precautions and procedures
Retail	<ul style="list-style-type: none"> • Through engagement events, inform customers of the initiatives already undertaken to increase system resilience
Services	<ul style="list-style-type: none"> • Establish typhoon response protocol and coordinating system to maintain business continuity • Enhance the communication capacity of customer services, in particular post-incident customer communication

Our Path to 2050

The Group is prepared to address the threats climate change pose both to its business and to the communities that it serves. The Group is determined to deliver and provide safe, reliable, and affordable services for its customers and the Group is fully aware of the importance of environmental responsibility. The Group will consider raising the targets, wherever possible, to strengthen the environmental protection measures in future.

Subject Area B. Social

Employment and Labour Practices

B1 Employment

Employees are the most valuable asset of the Group. During the reporting period, the Group has complied with local employment laws and regulations relating to compensation, recruitment, promotion, termination, working hours, rest periods, equal opportunity, workplace diversity, anti-discrimination and other benefits and welfare, which are mentioned in the section headed “Laws and Regulations”. The unlawful employment of minors or forced labour is strictly prohibited by the Group.

Recruitment, Promotion, Equal Opportunities, Anti-Discrimination and Diversity

The Group strictly opposes to any kind of discrimination, clear anti-discrimination policies are published in the Employee’s Handbook. The Group selects and promotes staff on a diversified basis, including but not limited to areas such as their qualifications and merit, skills, aptitude, availability, experience and overall suitability for the vacancy without discrimination or concern for race, religion, national origin, colour, gender, sexual orientation, gender identity or expression, age or disability.

In terms of recruitment, applicants will be assessed so far as reasonably practical against a set of objectives which will be directly related to the demands of the vacancy. As for promotion, all decisions will be made in accordance with the objective selection criteria outlined in the job specification. Promotion requests will need to be submitted to the Head of the department and the Human Resources team for approval.

The Group believes that a workplace should be safe and civilised. The Group will not tolerate sexual harassment, discrimination or offensive behaviour of any kind, which includes the persistent demeaning of individuals through actions or words, the display or distribution of offensive material, or the use or possession of weapons in the Group’s premises. Staff can report such violations or any suspected violations to Human Resources Department through the Group’s whistleblowing system.

Remuneration, compensation and dismissal

The Group offers competitive remuneration, medical benefits (including health & dental) and promotion. All full-time employees are offered compensation package and eligible to participate in the competitive and attractive rental reimbursement scheme as well as advancement opportunities to attract and retain talent.

Salaries are benchmarked to the objective market data and external remuneration reports. In addition, policies are in place for regular employee performance reviews, and salary adjustments are made as part of the performance evaluation process every year. Discretionary bonus awards might be given depending on a number of factors including individual performance, company performance and market condition. To retain talents, the Group has adopted a share-options scheme in order to reward the valuable staff, who are nominated by the Team Heads.

Either the Company or the employee may terminate the employment by giving us sufficient time of notice in writing, as stated in the Letter or Contract of Employment. The Letter or Contract of Employment shall be terminated immediately without prior notice or payment in lieu of the cases, including but not limited to, conviction of any criminal offence, guilty of serious misconduct, intentional negligence of his/her duties and breach of any terms of his/her Letter or Contract of Employment. Exit interview is conducted with staff who are leaving in voluntary resignation and end of contract. The purpose of exit interview is to gather constructive feedback from employees and identify opportunities to improve employee retention in the future.

Working hours and rest periods

Policies on standard working hours and public holidays are followed in accordance with relevant laws and regulations, which detailed in section headed “Laws and regulations”. Employees are entitled to, as applicable, public holidays, annual leave, sick leave, marriage leave, maternity leave, paternity leave, compassionate leave, jury service leave and sabbatical leave. The Group has always been people-oriented and does not support overtime work unless necessary.

The Group actively engages and motivates employees through various communication channels and provides internal training which allow employees to share work experience and work-related skills.

Other benefits and welfare of the Group

In addition to health and dental insurance, the Group offers other benefits including but not limited to fitness membership discount, staff discounts with its online store, pet-friendly office in some regions, a common area for gathering in various offices, and a coffee machine, amongst other benefits. The Group values our staff as they created a positive impact and comes to overall success. During the reporting period, the Group organised various activities for our staff in different regions. Team building activities, team lunch and dinner, new year and year-end parties were held to engage greater team culture and collaboration in the Group and show our appreciation to staff members' contribution over the year.

The following tables show the workforce and turnover rate of the Group during the reporting period.

Workforce	2023/2024	2022/2023
As at 31 March		
By Gender		
– Male	253	276
– Female	242	300
By Employment Type		
– Full-time	466	540
– Part-time	29	36
By Age Group		
– Below 30	196	263
– 30–50	286	300
– Above 50	13	13
By Geographical Region		
– Hong Kong	217	249
– Japan	21	22
– USA	115	156
– UK	68	81
– PRC	39	35
– South Korea	28	33
– Singapore	7	0
Overall	495	576

Turnover Rate²⁰	2023/2024	2022/2023
As at 31 March		
By Gender		
– Male	31%	27%
– Female	34%	25%
By Age Group		
– Below 30	40%	26%
– 30–50	28%	26%
– Above 50	13%	28%
By Geographical Region		
– Hong Kong	32%	28%
– Japan	9%	8%
– USA	39%	26%
– UK	33%	26%
– PRC	25%	22%
– South Korea	35%	27%
– Singapore	13%	0%
Overall	33%	26%

B2 Health and Safety

To provide and maintain a safe and healthy workplace, the Group's Health and Safety Policy adheres to regulations and guidelines set out by the Occupational Safety & Health Council. Safety arrangements in cases of emergency such as typhoons, rainstorm warnings and fire evaluation are stated in the Employee's Handbook to ensure that all employees are aware of emergency procedures. The Group has complied with relevant laws and regulations that have a significant impact on providing a safe and hazard-free working environment, which are illustrated in the section headed "Laws and Regulations". Besides, the Group protects employees by providing an all-rounded medical insurance plan, which includes amount of claim per visit to the clinic and coverage for medical check-ups and dental services.

²⁰ Turnover rate = Total number of employees left during the reporting period / (Total number of employees left during the reporting period + Total number of employees at the end of the reporting period). The Group had a total of 202 and 239 employees turnover in 2022/2023 and 2023/2024 respectively.

The Group is committed to raising employees' awareness of a safe and healthy work culture proactively by disseminating safety education and issuing health guidelines such as stretching exercises to prevent strain, fatigue and injuries from sitting at the desk for extended periods. The Group also provides ergonomic office chairs and desks for employees to optimise their work environment and working posture. The Group also uses air filters and routinely performs air quality tests and air-conditioning system cleaning work.

The following table shows the performance indicators regarding occupational health and safety.

Safety Performance	2023/2024	2022/2023	2021/2022
Injury rate ²¹	0.0003%	0.0000%	0.0000%
Occupation disease rate ²²	0.0000%	0.0000%	0.0000%
Lost day rate ²³	0.0000%	0.0000%	0.0000%
Absentee rate ²⁴	0.0000%	0.0000%	0.0000%
Fatality rate ²⁵	0.0000%	0.0000%	0.0000%

B3 Development and Training

The Group is committed to the continuous training and development of its employees. Employees attend training programs relevant to their field of work, with needs determined jointly between the staff, their direct supervisor and the Human Resources team. The Human Resources team also provides training and coaching to managers on management topics and issues.

The Group fosters a culture of constant learning and development by encouraging all managers to provide on-the-job coaching with ample feedback to the employees.

The Group continues to organise the Training and Development Scholarship Program ("Program") during the reporting period by committing subsidies. The aim of the Program is to encourage and in assistance with each employee's professional development. External course, including web development courses, language course and marketing course are arranged to eligible employees.

During the reporting period, the Group provided internal trainings to enhance the capacity of employees and encouraged our employees to up-skill themselves and develop professionally by attending external courses. Although the percentage of employees undergone training has decreased, the average training hours of employees during the reporting period has increased significantly.

The following table illustrates the percentage of employees undergone training of the Group.

Percentage of Employees Undergone Training²⁶	2023/2024	2022/2023
By Gender		
– Male	47%	100%
– Female	60%	100%
By Employment Category		
– Assistant General Manager or above	100%	100%
– Senior Manager	67%	100%
– Manager	48%	100%
– Assistant Manager	38%	100%
– General Staff	55%	100%
– Operation Staff	15%	100%
Overall	53%	100 %

²¹ The frequency of injuries relative to the total time worked by all workers during the reporting period. Injury rate = (Number of injury recordable/ Number of hours worked of the total workforce).

²² The frequency of occupational diseases relative to the total time worked by the total workforce in the reporting period. Occupation disease rate = (Number of occupational diseases/Number of hours worked of the total workforce).

²³ The total lost days relative to the total number of hours scheduled to be worked by workers in the reporting period. Lost day rate = (Number of lost days/Number of scheduled workdays of the total workforce).

²⁴ The measure of actual absentee days lost, expressed as a percentage of total days scheduled to be worked by workers for the same period. Absentee rate= (Number of absentee days/Number of scheduled workdays of the total workforce).

²⁵ The frequency of fatality relative to total time worked by all workers during the reporting period. Fatality rate = (Number of fatality/Number of hours worked of the total workforce).

²⁶ Percentage of Employees Undergone Training = (Total number of employee undergone training/Total number of employee)*100% as of the end of the reporting period. The total number of employees who received trainings in 2022/2023 and 2023/2024 are 232 and 264 respectively.

Average Training Hours²⁷	2023/2024	2022/2023
By Gender		
– Male	3.31	2.41
– Female	3.62	2.23
By Employment Category		
– Assistant General Manager or above	2.94	2.40
– Senior Manager	4.63	2.53
– Manager	4.55	1.79
– Assistant Manager	6.00	1.60
– General Staff	3.00	2.62
– Operation Staff	0.85	1.47
Overall	3.46	2.32

B4 Labour Standards

The Group primarily engages in digital media and e-commerce businesses. There has never been any unlawful child labour or forced labour practices in the Group. The Group was not aware of any significant risks relating to child or forced labour in its business activities and operating locations.

As stipulated in our Employee’s Handbook, background checks on new employed staff are performed on an as-needed basis to ensure they meet statutory standards in recruitment and ensure the Group’s compliance with labour laws and regulations. Due to the Group’s policies in place, risk relating to the unlawful employment of child labour and forced labour and violation of applicable labour standards is considered insignificant. The Group reviews relevant practices regularly with internal and external lawyers. Once child or forced labour is discovered, we will immediately terminate the employment contract and conduct detailed investigations. The Group also strives to strictly adhere to any labour standards, in particular to issues regarding equality and discrimination, as illustrated in the section headed “Employment”.

The Group strictly complies with laws and regulations relating to employment as stated in the section headed “Laws and Regulations” and is not aware of any laws and regulations relating to preventing child or forced labour that have a significant impact on us.

²⁷ Average Training Hours = Total number of training hours/Total number of employees at the end of the reporting period. The total number of training hours in 2022/2023 and 2023/2024 are 1,334 and 1,715 respectively.

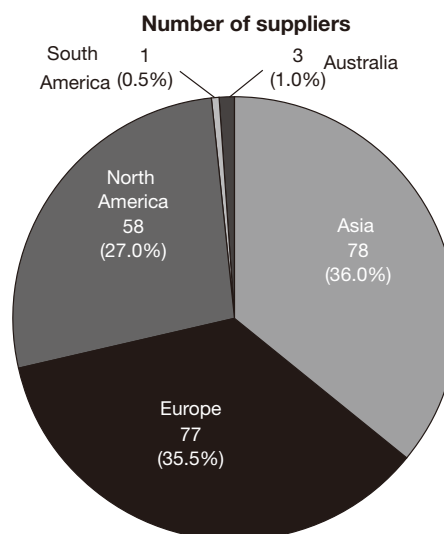
Operating Practices

B5 Supply Chain Management

The Group values the importance of ethical business conducted by itself and its business partners. In order to do so, the Group established the Supply Chain Management Policy to encourage suppliers to maintain high standards in various operational aspects, including but not limited to anti-fraud and corruption policies, upholding labour laws and ethical human rights, anti-discrimination, open and fair competition, environmental laws and respect of intellectual property rights.

In order to maintain long-lasting and sustainable business relationships with the Group's suppliers and vendors, the Group conducts a strict vetting and assessment process prior to working with new business partners, including but not limited to business and due diligence, product sampling and inspection, use of environmentally preferable products and services, quality control checks and labour practices reviews. The Group only works with vendors and suppliers with strong ESG compliance and is dedicated to continually monitoring and working closely with its suppliers to maintain its environmentally sustainable and socially responsible practices.

The Group's suppliers provide us with footwear, clothing, accessories, homeware, packaging material and logistics services. They are located in different geographical regions and we had a total of 217 suppliers during the reporting period. The pie chart shows the proportion of suppliers from various geographical regions in 2023/2024.



Number of suppliers by geographical regions	2023/2024	2022/2023
As at 31 March		
Asia ²⁸	78	181
Europe ²⁹	77	182
North America ³⁰	58	111
South America ³¹	1	0
Australia	3	11
Total number of suppliers	217	485

²⁸ Asia includes Hong Kong, China, India, Israel, Japan, South Korea, and Taiwan.

²⁹ Europe includes Belgium, Denmark, France, Germany, Iceland, Italy, Netherlands, Poland, Spain, Sweden, Switzerland, Norway and the UK.

³⁰ North America includes Canada and the USA.

³¹ South America includes Brazil.

B6 Product Responsibility

Quality Management

E-commerce Business

The Group insists on delivering the highest-quality products to its customers. The Group was in compliance with relevant laws and regulations that have a significant impact on the issues relating to product responsibility, health and safety, which are stated in the section headed “Laws and Regulations”. During the reporting period, the Group did not have any significant non-compliance issues in this regard. Also, no products sold or delivered were recalled for safety and health reasons.

The Group has in place quality control procedures to ensure all products that arrived at its warehouses and ultimately sent out to its customers are carefully inspected so as to meet the Group’s quality standards. When goods arrived at the warehouse, the warehousing team will inspect and crosscheck each item to ensure they are brand new and have no visible defects. Once the inspection is completed, the team will carefully store the items in an assigned shelf.

The Group’s products are stored in a secured warehouse with 24-hour surveillance and securely locked to prevent unauthorised access. The warehouse is air-conditioned year-round to prevent humidity and other damages.

When a customer order is received, the logistics team will perform a final inspection on the selected products to ensure there are no damages or defects before packing the order for shipment to the customer.

Digital Media business

The Group implements various quality control policies with regard to its digital media business, including policies for monitoring the quality of the editorial posts which the Group uploads to its digital media platforms and the quality of the photos or videos produced by our production team, as well as policies for monitoring of our visitors’ posts on the Group’s social media platforms.

The Group has a dedicated senior editorial team to oversee all digital content and to ensure that all digital content is properly processed and published. The senior editorial team focuses on screening the articles, videos and photos to ensure that all third-party sourced materials are identified and acknowledged. Where practicable, members of the senior editorial team will obtain third-party consent before posting if the author of the original work can be identified.

Every senior editor is experienced to ensure that all aspects, ranging from written text and imagery to public reception, comply with the Group’s quality standards. The editor-in-chief or senior editors of the Group’s websites³² screen, review and approve all articles before they are posted on the websites.

The Group’s sales team and production team maintain regular contact with its customers to ensure that the final products satisfy the requirements of our customers. Senior members in the editorial, sales and production teams will review the materials to ensure the quality and conformance with ethical and moral standards. The Group’s social media team is responsible for monitoring its social media platforms and will remove any objectionable content.

Customers’ Health and Safety

Regarding the Group’s nature of business, we do not pose significant impact on customers’ health and safety as well as products sold or shipped subject to recalls for safety and health reasons; therefore, no related policy is set up as well as data collected.

Customer Inquiries

Delivering the highest level of customer service to our customers is highly important to the Group. The Group has a team of customer service representatives to handle customer enquiries through email, online live chat and social media platforms. The Group has established written policies and procedures for handling customer complaints. There are different inquiry handling procedures, which depend on the contents of the inquiry, such as defective products, lost

³² Hypebeast, Hypebae, Hypegolf and Popbee.

shipment or shipping the wrong products. Our customer service representatives will handle the cases and arrange suitable and reasonable compensations, if required. In general, customers worldwide can submit enquiries about their orders through any of the aforementioned channels and expect an instant response or a response within 48 hours, which vary with the communication channels being utilised. If the customer does not satisfy with the resolution provided by the representative and requests escalation, the representative will forward the case to the Customer Service Manager, who will review the case and respond to the customer directly. The Customer Service Manager reviews and monitors the handling of customer enquiries, and any complaints are handled personally to ensure that a high quality of service is consistently provided to the Group’s customers. The Customer Service Manager also monitors customer feedback at least on a weekly basis through our customer feedback survey results and does Quality Assurance (AQ) scores for representatives on a monthly basis to ensure quality standards are constantly maintained.

Indicators	2023/2024	2022/2023
Total number of complaints	51	190
Total number of orders placed	120,685	136,018
Percentage of complaints received ³³	0.04%	0.14%

Intellectual Property

The Group currently has 159 active trademarks registered and adheres great importance to the respect of intellectual property rights. A policy of the Group stipulates that pirated software is forbidden to be downloaded or used in the Group. The Group also actively monitors copyrights attached to its published media content and pictures used in its editorial operations to ensure that the Group has provided credits to all sources and in compliance with any required copyright laws and standards. To the best of the Director’s knowledge, the Group did not have any significant non-compliance issues in this regard. To mitigate the risk of copyright infringement in the future, internal actions have been taken to mitigate risks as well as weighting against manpower constraints.

Advertising and Labelling

Regarding the digital media business, the Group strictly abides by the laws and regulations relating to advertising practices, which are stated in the section headed “Laws and Regulations”. During the reporting period, the Group did not have any significant non-compliance issues in this regard.

The Group has established guidelines to ensure its editorial work is legal, responsible and professional. Contents relating to drugs or nudity are handled carefully. For the quality control of the editorial work, please refer to the section headed “Quality Management”.

As the Group in the e-commerce business, the Group has also involved in product labelling activities despite the fact that some of the products sold are sourced from suppliers. Our products involve in labelling including fabrics, zippers, labels (fabric and paper), plastic bags, stoppers as well as bungees/cords. We have assigned specific labels for each product to ensure that such labels are tailor-made for our products and also belong to part of our product description.

Data Privacy

As the Group provides a payment platform for its e-commerce operations with a large number of public users, protection of customers’ privacy and safeguard of personal information are essential to its business.

The Group has strict access controls which only allow certain staff to access customer information. The Group’s servers are protected behind a software firewall, and data is backed up and maintained regularly. Stability of our IT network is constantly monitored by the Group’s engineering team and any abnormal network disconnections are prevented by multiline, built-in redundancies, spare machines and 24-hour maintenance and monitoring.

The Group has updated its Privacy Policy to reinforce and update its commitments to protecting customers’ data in light of all latest regulations in place during the reporting period, including but not limited to California Consumer Privacy Act, General Data Protection Regulation. The Group’s Privacy Policy is available on its website: <https://hypebeast.com/privacy>.

The Group has strictly complied with laws and regulations relating to data privacy, which are stated in the section headed “Laws and Regulations”. During the reporting period, the Group did not have any significant non-compliance issues in this regard.

³³ Percentage of complaints received = (Total number of complaints/Total number of orders placed)*100%.

B7 Anti-corruption

The Group has the Anti-fraud Policy mentioned in the Employee's Handbook and complied with related laws and regulations that have a significant impact on it relating to bribery, extortion, fraud and money laundering. Please refer to the section headed "Laws and Regulations" for the details of laws and regulations.

The Group has a zero-tolerance approach to fraud, corruption and any form of unethical act in all Company activities. The detection and management of fraud and corruption is an integral part of good governance and management practice, and a culture of honesty and integrity within the organisation is maintained to ensure the effective prevention, detection, reporting and management of fraud and corruption, misappropriation, and other irregularities. All employees are actively involved in the management of fraud and corruption risk. We have proactively promoted our whistleblowing channel, in which employees are encouraged to enquire and report on any matter in relation to potential corruption and other unethical acts. The practice aims to develop a just and transparent working atmosphere, as well as positive and responsible brand reputation. We attach great importance to our anti-fraud policy, so as to enhance the employees' awareness of anti-corruption on a regular basis. The Group has strict policies on employees' acceptance of gifts and entertainment and on the solicitation of discounts from brands and retailers. Abuse of the Company's stores discounts and company-branded merchandises are strictly prohibited. During the reporting period, the Group have undergone anti-corruption training material in staff orientation.

During the reporting period, the Group did not have legal cases regarding corrupt practices brought against the Group or its employees. Looking ahead, the Group will strive to hold anti-corruption training for all level of employees to strengthen the awareness of anti-corruption.

The Group's Whistleblower Policy is a communication channel for employees to report concerns relating to ethical business or personal conduct, accounting and financial matters, integrity and professionalism, or allegations of retaliation for having reported matters in good faith. Employees are welcome to send his/her concerns via email. The reporting system is confidential, and employees can make anonymous report. Whistleblower will be protected from retaliation as a result of any valid report.

Under the Group's Supply Chain Management Policy, suppliers are required to uphold a number of ethical principles under social responsibilities, including but not limited to, anti-bribery, anti-corruption, encourage open and fair competition, etc.

Community

B8 Community Investment

The Group encourages and supports its staff to participate in acts of community involvement such as donations and volunteering events to care for different people in need. The Group has in place a Community Investment Policy to encourage the development of long-term relations with its community stakeholders. The Group supports initiatives that serve the need of those who are socio-economically disadvantaged.

The details of the community activity supported during the reporting period is as follows.

The Landmark – Hong Kong Land HOME FUND donations

Hong Kong Land HOME FUND aims to build a better community by supporting different types of philanthropic efforts. The Group has continuously supported the “In-kind Donation” scheme that with the beneficiary party being to Salvation Army and Christian Action, as well as in supporting those who are in need through this funding program.

During the Mid-Autumn Festival, the Group’s employees donated a total of two boxes of surplus mooncake tins, toys, stationeries and clothing. During the Chinese New Year, the Group has also donated a box of red pockets, toys, stationeries and clothing to the Salvation Army, Foodlink Foundation and the Boys’ and Girls’ Clubs Association of Hong Kong through the Hong Kong Land HOME FUND.

During the reporting period, the Group had a total of 10 employees who participated in the events and committed a total of 80 hours to the events.

Laws and Regulations

This section sets out a summary of certain aspects of the laws, rules, regulations, government policies and requirements, which have significant impacts on the Group's operations and businesses.

Location	Laws, regulations, guidelines
Employment	
Hong Kong	Disability Discrimination Ordinance Employees' Compensation Ordinance Employment Ordinance Family Status Discrimination Ordinance Minimum Wage Ordinance Race Discrimination Ordinance Sex Discrimination Ordinance
Japan	Act on Securing, Etc. of Equal Opportunity and Treatment between Men and Women in Employment Child Welfare Act Labour Contracts Act Labour Relations Adjustment Act Labour Standards Act Labour Union Act Ordinance for Enforcement of the Labour Standards Act
PRC	Labour Contract Law of the People's Republic of China Labour Law of the People's Republic of China Law of the People's Republic of China on the Protection of Minors Provisions on the Prohibition of Using Child Labour
UK	Children and Young Persons Act 2008 Employment Rights Act 1996 Equality Act 2010 National Minimum Wage Regulations 2015 National Minimum Wage (Amendment) Regulations 2022 Transfer of Undertakings (Protection of Employment) Regulations 2006 Working Time Regulations 1998

Location	Laws, regulations, guidelines
USA	Age Discrimination in Employment Act Americans with Disabilities Act Employee Retirement Income Security Act (ERISA) Equal Pay Act Fair Labour Standard Act: The Federal Child Labour Provisions Family and Medical Leave Act Immigration Reform and Control Act National Labour Relations Act Title VII of the Civil Rights Act
South Korea	Equal Employment Opportunity and Work-Family Balance Assistance Act Juvenile Protection Act incorporated into the Youth Protection Act Labour Standards Act (LSA)
Singapore	The Employment Act 1968
Health and Safety	
Hong Kong	Occupational Safety and Health Ordinance
Japan	Industrial Accident Compensation Insurance Act Industrial Safety and Health Act Order for Industrial Safety and Health Act
PRC	Law of the People's Republic of China on Prevention and Control of Occupational Diseases Production Safety Law of the People's Republic of China
UK	Health and Safety at Work Act 1974
USA	Occupational Safety and Health Act (OSHA)
South Korea	Occupational Safety and Health Act
Singapore	Workplace Safety and Health Act

Location	Laws, regulations, guidelines	Location	Laws, regulations, guidelines
Labour Standards		Intellectual Property	
Hong Kong	Employment Ordinance	Australia	Trade Marks Act 1995
Japan	Child Welfare Act Labour Standards Act (1947)	Canada	Section 27 of the Copyright Act
PRC	Law of the People’s Republic of China on the Protection of Minors Provisions on the Prohibition of Using Child Labour	Hong Kong	Copyright Ordinance Trade Descriptions Ordinance
UK	Children and Young Persons Act 2008 Licensing Act 1964	PRC	Copyright Law of the People’s Republic of China Patent Law of the People’s Republic of China Trademark Law of the People’s Republic of China
USA	Fair Labour Standards Act: The Federal Child Labour Provisions	USA	Section 1526(a) of the Tariff Act of 1930 US Copyright Law US Trademark Law
South Korea	Youth Protection Act	South Korea	Copyright Act of 1957 Trademark Act
Singapore	The Employment Act 1968	Singapore	Copyright Act Trade Marks Act
Product Responsibility		Data Privacy	
Advertisement and labelling		Data Privacy	
Australia	Spam Act 2003 (Cth)	Australia	Federal Privacy Act 1988 (Cth) (“Privacy Act”)
UK	UK Code of Non-broadcast Advertising and Direct & Promotional Marketing (the “CAP Code”)	Canada	Personal Information Protection and Electronic Documents Act
Hong Kong	Control of Obscene and Indecent Articles Ordinance Supply of Services (Implied Terms) Ordinance Trade Descriptions Ordinance	European Union	General Data Protection Regulation
South Korea	Fair Labeling and Advertising Act	Hong Kong	Personal Data (Privacy) Ordinance
		Singapore	Personal Data Protection Act 2012 (No. 26 of 2012)
		UK	Data Protection Act UK General Data Protection Regulation Privacy and Electronic Communications (EC Directive) Regulations 2003 (“PECREgs”).
		USA	US data privacy laws and data security laws
		South Korea	Personal Information Protection Act (General Law)

Location	Laws, regulations, guidelines	Location	Laws, regulations, guidelines
<i>Product health and safety</i>		Anti-Corruption	
Canada	Canada Consumer Product Safety Act	Hong Kong	Prevention of Bribery Ordinance
Singapore	Consumer Protection (Consumer Goods Safety Requirements) Regulations 2011	Japan	Penal Code (Act No 45 of 1907) (the Penal Code) Unfair Competition Prevention Act (Act No 47 of 1993) (the UCPA)
USA	Consumer Product Safety Act (the “CPSA”) Flammable Fabrics Act (the “FFA”) Textile Fiber Products Identification Act (the “TFPIA”)	PRC	Criminal Law of the People’s Republic of China
South Korea	Product Liability Act	UK	Bribery Act 2010
<i>Other relevant laws and regulations</i>		USA	American Anti-Corruption Act (AACA)
UK	Consumer Rights Act 2015	South Korea	Improper Solicitation and Graft Act
USA	Tariff Act of 1930		

ESG Reporting Guide Index

Subject Areas, Aspects, General Disclosures and KPIs		Section/ Statement	Page number
Subject Area 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.	A1 Emissions	11-12
KPI A1.1	The types of emissions and respective emissions data.	Greenhouse Gas (GHG) Emissions	11-12
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).	Greenhouse Gas (GHG) Emissions	11-12
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste	12
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste	12
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	A1 Emissions A4 Climate Change	11 16-18
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.	Waste	12
Aspect A2 Use of Resources			
General Disclosure	Policies on efficient use of resources, including energy, water and other raw materials.	A2 Use of Resources	13-15
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).	Energy and Other Materials	13
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water	14-15
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy and Other Materials A4 Climate Change	13 16-18
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.	Water	14-15
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging Materials	13-14

Subject Areas, Aspects, General Disclosures and KPIs		Section/ Statement	Page number
<i>Aspect A3 The Environment and Natural Resources</i>			
General Disclosure	Policies on minimising the issuer’s significant impacts on the environment and natural resources.	A3 The Environment and Natural Resources	15
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	A3 The Environment and Natural Resources	15
<i>Aspect A4 Climate Change</i>			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	A4 Climate Change	16-18
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.	A4 Climate Change	16-18
Subject Area B. Social			
<i>Employment and Labour Practice</i>			
<i>Aspect B1 Employment</i>			
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.	B1 Employment	19-20
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	B1 Employment	19-20
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	B1 Employment	19-20

Subject Areas, Aspects, General Disclosures and KPIs		Section/ Statement	Page number
<i>Aspect B2 Health and Safety</i>			
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.	B2 Health and Safety	20-21
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	B2 Health and Safety	20-21
KPI B2.2	Lost days due to work injury.	B2 Health and Safety	20-21
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	B2 Health and Safety	20-21
<i>Aspect B3 Development and Training</i>			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	B3 Development and Training	21-22
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	B3 Development and Training	21-22
KPI B3.2	The average training hours completed per employee by gender and employee category.	B3 Development and Training	21-22
<i>Aspect B4 Labour standards</i>			
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 or forced labour.	B4 Labour Standards	22
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	B4 Labour Standards	22
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	B4 Labour Standards	22

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Operating Practices			
<i>Aspect B5 Supply Chain Management</i>			
General Disclosure	Policies on managing environmental and social risks of supply chain.	B5 Supply Chain Management	23
KPI B5.1	Number of suppliers by geographical region.	B5 Supply Chain Management	23
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.	B5 Supply Chain Management	23
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	B5 Supply Chain Management	23
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	B5 Supply Chain Management	23
<i>Aspect B6 Product Responsibility</i>			
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.	B6 Product Responsibility	24-25
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality Management (No products sold or shipped subject to recalls for safety and health reasons in 2023/2024)	24
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Customer Inquiries	24-25
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property	25
KPI B6.4	Description of quality assurance process and recall procedures.	Quality Management	24
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Data Privacy	25

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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.	B7 Anti-corruption 26
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.	B7 Anti-corruption 26 (No concluded case in 2023/2024)
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	B7 Anti-corruption 26
KPI B7.3	Description of anti-corruption training provided to directors and staff.	B7 Anti-corruption 26
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.	B8 Community Investment 27
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	B8 Community Investment 27
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	B8 Community Investment 27

