



YGM貿易有限公司
股份代號 Stock Code: 00375



2024/2025

Environmental, Social and
Governance Report

環境、社會及管治報告



ASHWORTH

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PARIS

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Table of Contents

1. BOARD STATEMENT 3

2. ABOUT YGM TRADING LIMITED 5

3. ABOUT THIS REPORT 5

 3.1. Reporting Foundation 5

 3.2. Reporting Boundary 5

 3.3. Reporting Principles 6

 3.4. Review and Approval 6

4. STAKEHOLDER ENGAGEMENT & MATERIALITY ASSESSMENT 6

 4.1. Stakeholder Engagement 6

 4.2. Materiality Assessment 7

5. AWARDS AND ACHIEVEMENTS 8

6. ENVIRONMENT 9

 6.1. Emissions 9

 6.2. Use of Resources 11

 6.3. The Environment and Natural Resources 12

 6.4. Response to Climate Challenge 13

7. EMPLOYMENT AND LABOUR PRACTICES 13

 7.1. Employment 13

 7.2. Occupational Health and Safety 16

 7.3. Development and Training 17

 7.4. Labour Standards 18

8. OPERATING PRACTICES 19

 8.1. Supply Chain Management 19

9. PRODUCT RESPONSIBILITY 20

 9.1. Product Quality Assurance 20

10. ANTI-CORRUPTION 22

 10.1. Anti-Corruption Policy 22

11. COMMUNITY ENGAGEMENT 23

 11.1. Community Engagement 23

12. THE STOCK EXCHANGE ESG REPORTING GUIDE CONTENT INDEX TABLE 24

1. BOARD STATEMENT

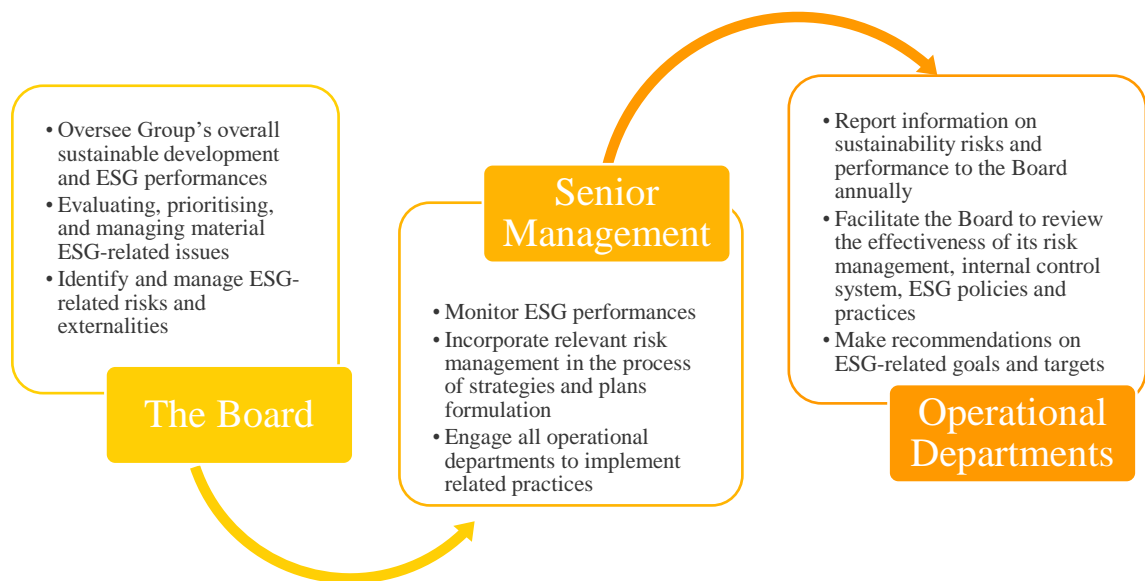
The Board is pleased to present the annual environmental, social and governance ("**ESG**") report ("**ESG report**") of the Group for the financial year ended 31 March 2025. This report reflects our steadfast dedication to sustainable development by offering a comprehensive overview of our ESG-related initiatives, achievements, and strategic objectives. The inclusion of key performance indicators (KPIs) and future targets underscores our commitment to transparency and continuous improvement in ESG performance.

Over the past year, YGM Trading Limited ("**the Company**") and its subsidiaries ("**the Group**") have made substantial progress in integrating ESG principles into our business model and daily operations. We truly believe that our commitment to ESG values not only drives long-term value but also contributes to a more sustainable world.

As a responsible corporate entity, we are committed to fulfilling our social responsibilities to all stakeholders, including employees, customers and suppliers. Their well-being is paramount to us, and we strive to build and maintain strong relationships founded on trust, transparency, and fairness. Furthermore, we have extended our outreach to the communities we serve through various community engagements, emphasising social welfare.

Recognising the critical role that high-quality products play in customer satisfaction, we are committed to maintaining stringent quality standards. Equally, acknowledging the importance of environmental preservation, we actively pursue initiatives to protect the environment. These include reducing air and greenhouse gas emissions, minimising consumption of energy, water, and packaging materials, and managing waste generation effectively. Through these efforts, we contribute to environmental sustainability, aligning with our broader commitment to ethical and sustainable business practices, including responsible supplier relationships.

A robust corporate governance framework is the foundation for fostering sustainable growth and driving ESG performance within the Group. As the highest decision-making and management entity, the Board holds the ultimate responsibility for overseeing the Group's significant ESG aspects, encompassing strategies, objectives, policies, initiatives, performance, and risks. Through close collaboration with Senior Management and operational departments, the Board conducts regular assessments of ESG matters. By aligning our efforts with areas of concern, this allows to remain at the forefront of responsible practices in our industry, and reinforce our unwavering commitment to sustainability.



We are proud of our ESG performance in the past year, as we have remained compliant with laws and regulations without any reported violations. Moreover, we are pleased to report zero fatalities in the regions where we operate (i.e. Hong Kong and Macau).

In light of the rise of digitalisation, intensifying competition, economic fluctuations, environmental challenges, and rapid technological advancements, the printing industry is currently facing significant challenges. Furthermore, the prevailing global uncertainties—including the conflict in the Middle East, the ongoing situation between Russia and Ukraine, and the potential economic impacts arising from changes in the U.S. presidency—underscore the critical importance of adopting proactive and strategic measures. We are committed to taking decisive actions to ensure the stability and resilience of our business, safeguarding long-term value for our shareholders, employees, and the wider community.

Looking ahead, we acknowledge that our commitment to sustainable development is a continuous journey. We will persist in advancing our ESG practices through ongoing improvement and innovation. By actively engaging with our stakeholders, learning from our experiences, and adapting our strategies, we aim to address emerging challenges and seize new opportunities.

We extend our sincere gratitude to our employees, customers, shareholders, and all stakeholders for their unwavering support and trust. Together, we can drive meaningful change and contribute to a more sustainable and inclusive future.

By Order of the Board
YGM Trading Limited
Chan Wing Sun, Samuel
Chairman

2. ABOUT YGM TRADING LIMITED

YGM Trading Limited ("**the Company**") and its subsidiaries ("**the Group**") operate across multiple business segments, including the wholesale and retail of a diverse range of men's and women's clothing for internationally recognised brands and textiles. Beyond garment wholesaling and retailing, the Group also offers security printing and general business printing services, engages in the trading of printing products, and undertakes investment holding activities. The Group's corporate headquarters are located in Hong Kong.

3. ABOUT THIS REPORT

This ESG report covers the Group's sustainability approach and policy while reviewing its performance and strategy against ESG-related risks and targets. It is the 9th ESG report since the report published in 2017. All of our ESG reports are published and updated on our website (<https://www.ygmtrading.com/en/relation/FinalcialReports>) and the Hong Kong Stock Exchange's website (<http://www.hkexnews.hk>).

3.1. REPORTING FOUNDATION

This ESG report was developed according to the "Environmental, Social and Governance Reporting Guide" (the "**Guide**") under Appendix C2 to the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). We include an explicit statement from the board outlining the board's consideration of ESG issues, a description of our governance structure, and the management of environmental and social aspects with potential risks to comply with the related mandatory and comply or explain disclosure requirements. In order to prioritise our reporting on the "comply or explain" requirements, an assessment of materiality was carried out, taking into account the Guide's Environmental and Social Aspects.

A content index can be found in the section "The Stock Exchange ESG Reporting Guide Content Index Table" at the end of this report.

3.2. REPORTING BOUNDARY

This ESG report describes the ESG performance of the Group for the year ended 31 March 2025 ("**Reporting Year**"), which is consistent with that of the Company's annual report. Starting from this Reporting Year, the report boundary will exclude activities in Mainland China and only cover the primary activities in Hong Kong and Macau. Unless explicitly mentioned, the KPIs reported encompass all offices, warehouses, and points of sale (POS) within these two regions. In our commitment to showcasing our comprehensive ESG performance, the Group is actively exploring the inclusion of additional overseas operations in the near future, as soon as practicable. This expansion will provide a more holistic view of our overall ESG initiatives and achievements.

The scope of disclosure included the ESG performance of the following 3 companies, which represented the main operating sites and subsidiaries during the Reporting Year :

- 1) Hong Kong – YGM Marketing Limited
- 2) Hong Kong – Hong Kong Security Printing Limited
- 3) Macau – YGM Marketing (Macau) Limited

For a more detailed list of the Group's principal subsidiaries, please refer to the Annual Report.

3.3. REPORTING PRINCIPLES

Quantitative: Appendix C2 of the Listing Rules guides the Group to prepare measurable KPIs for performance review. Quantitative information presented in the report is accompanied by narrative, explanation and comparison wherever applicable. All KPIs are provided with clear definitions and calculation methods, with reference to Appendix 2: Reporting Guidance on Environmental KPIs and Appendix 3: Reporting Guidance on Social KPIs and relevant internationally recognised methodologies.

Balance: The Group upholds this reporting principle to prepare ESG reports and strives to disclose both challenges and opportunities of ESG issues that the Group experienced during the year. Pictures, charts and graphs reflect the actual performances of the Group, and with appropriate presentation formats, to avoid misleading.

Consistency: Consistent statistical methods have been used in this report to allow meaningful and consistent comparisons of relevant data over time.

Materiality: The Group communicates with key stakeholders on a regular basis in order to understand ESG-related issues that matter the most. Key ESG issues identified through stakeholder engagement and materiality assessment allow us to identify their expectations of the Group and develop appropriate strategies to respond to their views and needs.

3.4. REVIEW AND APPROVAL

The board of directors acknowledges its responsibility for ensuring the integrity of the Report and to the best of their knowledge, this Report addresses all relevant material issues and presents the ESG performance of the Group. The Board confirms that it has reviewed and approved the Report.

4. STAKEHOLDER ENGAGEMENT & MATERIALITY ASSESSMENT

Effective communication is vital for our success. The Company recognises and appreciates the valuable contributions made by stakeholders in advancing sustainable development. We highly value their feedback and opinions, which guide our management strategy on various sustainability issues.

4.1. STAKEHOLDER ENGAGEMENT

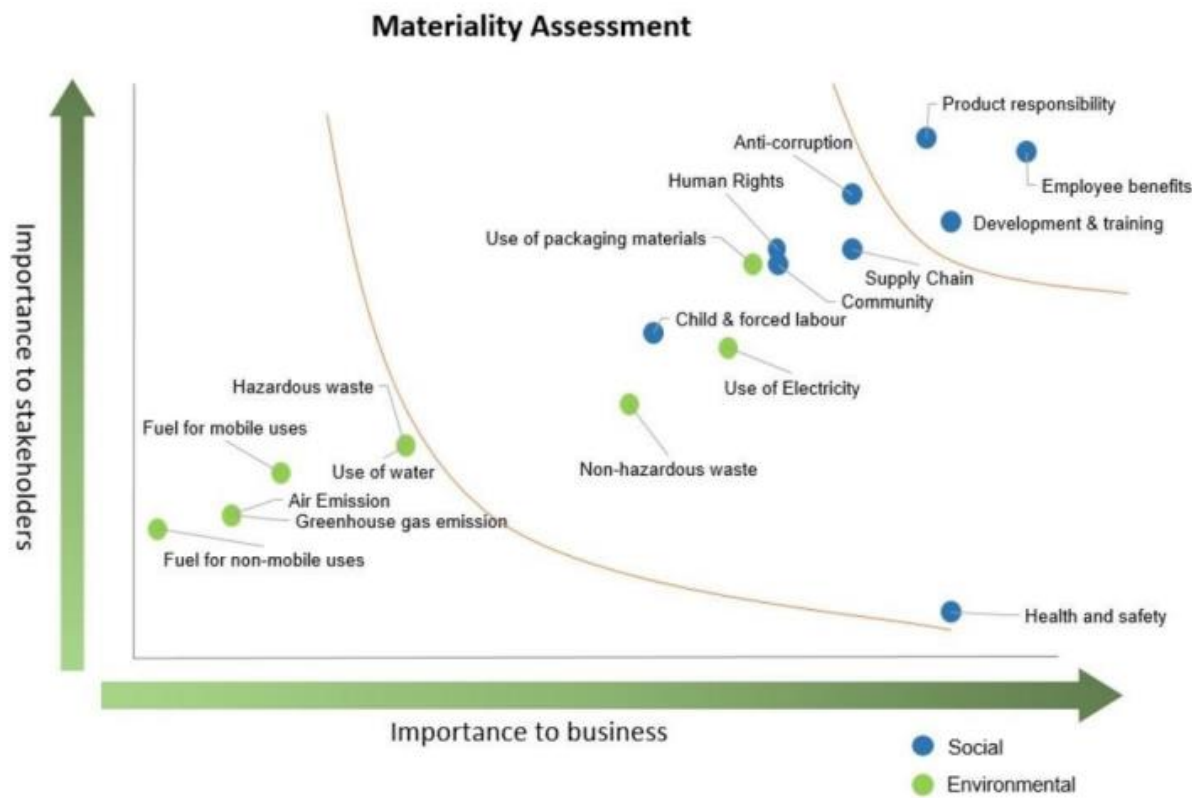
In previous years, we engaged the services of a third-party consultant to facilitate our stakeholder engagement process. To understand the ESG issues that hold significance for both our stakeholders and our business, interviews and surveys were conducted with the Group's senior management. The findings obtained were subjected to thorough analysis and validation by our senior management team, ensuring the reliability and accuracy of the results.

During the Reporting Period, we collected feedback from multiple departments regarding any information updates on our current ESG policies and initiatives, and reviewed the validity of our materiality findings.

4.2. MATERIALITY ASSESSMENT

Materiality assessment is key to identifying the major focus of our ESG direction and strategies. As there have been no substantial changes in our business nature and key stakeholders, the Group decided to use the materiality assessment results from the previous Reporting Year, following an internal evaluation. The Group will review the results of the materiality assessment annually to determine whether it is necessary to conduct another materiality assessment.

In the preceding year, we enlisted the services of a third-party consultant to undertake a thorough materiality assessment. This included identifying ESG issues that hold material significance for the Group, formulating suitable ESG strategies, overseeing ESG practices, and guiding the direction of our Report. After assessing the importance of each ESG topic with input from stakeholders, each topic was ranked and presented in the materiality matrix below. The topics in the upper right quadrant of the matrix have been identified as the most critical ones, as they are of utmost importance for the Group's business operations and stakeholders, as per their respective perspectives.



The top 3 ESG issues concerning social and environmental aspects and their relevance to business operations are outlined below. Details will be provided in the relevant sections of this report. These material ESG issues have been considered in our ESG policy development and resource allocation within our ESG management approaches.

Subject area	Material issue	Relevance to the business
Environmental	Use of packaging materials	Packaging materials used are specified by our clients (i.e. cardboard boxes, plastic bags, ribbons and gift boxes). We strive to minimise the usage and wastage of packaging materials whenever practicable.
	Use of electricity	The utilisation of electricity is essential for the operation of our business, from air-conditioning, lighting, and other essential operations at our offices and Point of Sale (POSs) locations.
	Non-hazardous waste	Non-hazardous waste of our operations includes both general waste and construction waste generated from renovations of our POSs.
Social	Employee benefits	Employees are an important asset and we ensure to safeguard their welfare.
	Development and training	We offer training to our staff to cultivate a team with profound industry knowledge and expertise, while enhancing competitiveness at the same time.
	Product responsibility	To protect our brand image and uphold customers' trust, we are dedicated to delivering high-quality and safe products to customers.

5. AWARDS AND ACHIEVEMENTS

Awards/achievements	Issuing organisation
Caring Company	The Hong Kong Council of Social Service
Good MPF Employer Award	Mandatory Provident Fund Schemes Authority
Happiness at Work	Promotion Happiness Index Foundation
The Racial Diversity and Inclusion Charter for Employers	Equal Opportunities Commission

6. ENVIRONMENT

The Group upholds environmental protection as part of its corporate culture. We recognise that our operations impact the environment, and consider this an indispensable element in our decision-making processes. The **‘Sustainability Policy’** of the Group serves as a testament to our unwavering commitment to reducing the negative impact of our operational activities on the environment. This policy has been endorsed by our executive director, highlighting our dedication to creating a sustainable future. We strive to integrate various sustainable development practices into all aspects of the Group's activities, ensuring that sustainability becomes an integral part of our operations.

We are committed to complying with all applicable local environmental regulations and other related requirements for promoting sustainable development and preventing environmental pollution. During the Reporting Period, the Group has not identified any non-compliance on environmental emissions against relevant regulations of the reporting scope.

As part of our commitment to environmental sustainability, the Group have established clear reduction targets for carbon emissions, electricity consumption, and the use of paper and packaging material by 2031, using 2021 as the baseline year. Details of the targets are listed below:

	Reduction targets by 2031 (against 2021)
Carbon emissions	-15%
Electricity consumption	-15%
Use of paper	-15%
Use of packaging material	-15%

These objectives reflect our dedication to minimising our environmental footprint and promoting responsible resource management throughout our operations.

6.1. EMISSIONS

GHG Emission

The Group is dedicated to reducing its carbon footprint and mitigating the emission of air pollutants and greenhouse gases (GHGs) throughout all aspects of its operations. We prioritise implementing environmentally sustainable practices at every stage of our business activities to minimise our impact on the environment.

During the Reporting Period, the total GHG emission of the Group is 338.83 tonnes of carbon dioxide equivalent (tCO₂e), representing an emission intensity of 2.54 tCO₂e per million HKD revenue or 1.82 tCO₂e per headcount. Compared to the previous year (2023/2024), total emissions have decreased significantly by 45.66%. This substantial reduction is primarily due to the exclusion of our business operation in Mainland China starting from this Reporting Year.

The primary source of GHG emissions for the Group is generated from purchased electricity (82% of total emission; Scope 2 emission) and vehicle transportation (12% of total emission; Scope 1 emission).

In terms of air emissions, the major source stems from the combustion of diesel and petrol fuel in vehicles in Hong Kong's operations. Throughout the Reporting Period, 60.26 kg of Nitrogen Oxides (NO_x) were emitted.

	2024/2025	2023/2024
Total GHG emissions (Scope 1, 2 and 3)¹	338.83	623.49
Scope 1 – Direct²		
Mobile combustion (tCO ₂ e)	42.17	110.80
Scope 2 – Energy indirect³		
Purchased electricity (tCO ₂ e)	277.71	507.76
Scope 3 – Other indirect⁴		
Business air travel (tCO ₂ e)	18.94	4.93
GHG emissions intensity by revenue (tCO₂ / million HKD)	2.54	3.47
GHG emissions intensity by workforce (tCO₂ / headcount)	1.82	2.04
Air pollutants⁵		
NO _x (kg)	60.26	57.01
SO _x (kg)	0.24	0.27
PM (kg)	3.01	2.82

Waste Management

The 4R principle – Reducing, Reusing, Recycling and Recovering of waste remains integral to our business operations. The Group recognises its responsibility to minimise waste throughout its operations to reduce environmental impact. We are committed to actively managing waste and strive to maintain waste levels at a low level and to achieve net-zero waste generation in the future.

Non-hazardous wastes

Paper plays a significant role in our business operations, being used extensively throughout various processes and activities. We recognise the critical importance of responsible paper

¹ Global Warming Potential (GWP) adopted in this GHG calculation was based on the values disclosed in the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC).

² Scope 1 refers to “direct GHG” emissions is mainly originate from fuel combustion during petrol/diesel oil consumption by vehicles. The calculation method was based on “2006 IPCC Guidelines for National Greenhouse Gas Inventories”.

³ Scope 2 refers to “energy indirect GHG” emissions which originated from the consumption of electricity purchased from external sources. The emission factor used for the calculation of emissions from electrical facilities in Hong Kong and Macau was referenced to the sustainability report of the designated power company.

⁴ Scope 3 refers to “other indirect GHG” emissions which was originated from the category of business air travel activities (in km) only. The calculation method was referenced to Conversion factors 2024 - DEFRA (Business travel - air, International, to/from non-UK, average passenger).

⁵ Calculation for pollutant emission from the use of vehicles was referenced to the emission factors issued from “Appendix 2: Reporting Guidance on Environmental KPIs” published by HKEx.

usage and are committed to implementing strategies to minimise paper consumption and promote sustainable practices through the following ways :

- Adopt electronic application system in business practices;
- Electrify paper documents during stock auditing;
- Encourage recycling waste paper, and reuse single-sided printed paper and envelopes;
- Placing reminders to enhance employee awareness on paper usage reduction; and
- Setting duplex printing to default setting;

During the Reporting Period, the Groups generated a total of 21.91 tonnes of paper waste. In addition to the waste generated from regular operations, construction waste may arise during the refurbishment of our POS and stores for our brands. To address this, we prioritise the 4R principle to minimise construction waste generation. We strictly adhere to local regulations and internal guidelines for the proper treatment and disposal of construction waste. Since construction waste disposal is managed independently by third-party contractors in full compliance in full compliance with local laws, we do not have specific data on the volume of waste produced during these construction, renovation, and improvement activities.

Hazardous wastes

During the Reporting Period, the Group's subsidiary engaged in the printing business generated a total of 3.40 tonnes of hazardous waste, mainly spent rag with solvent. To ensure proper management and disposal, these hazardous wastes were collected and handled by qualified recyclers. While the Group may not have direct control over the suppliers, we actively communicate with them to ensure compliance with local environmental laws and regulations and promote the adoption of green procurement methods.

	Total Weight of Wastes (tonne)	Waste Intensity (tonne / million HKD revenue)
Non-hazardous wastes	22.89	0.17
Hazardous wastes	3.40	0.03

6.2. USE OF RESOURCES

Apart from reducing GHG emissions and waste generation, valuing resources and promoting responsible resource management are key priorities for us. We are dedicated to implementing initiatives that focus on conserving energy, water and packaging materials throughout our operations.

Energy consumption

The total energy consumption and intensity recorded during the Reporting Period were 730,820.77 kWh and 5,488.61 kWh / million HKD revenue, respectively, with a 34.31% reduction compared to 2023/2024 consumption. Such a reduction is mainly due to the exclusion of our Mainland China business from the Reporting Year.

In order to further reduce energy consumption in our operation, the Group has adopted administrative practices and equipment installation over the years:

- Replacing traditional lighting with more energy-efficient LED lighting ;
- Maintaining air conditioning system operating at 24°C to avoid over-cooling of offices;
- Turning off the air conditioning system after 7 pm;
- Encouraging employees to switch off idle electronic equipment and lights, especially during non-business hours (e.g. lunch hours); and
- Prioritising the adoption of energy efficiency labelled products.

	2024/2025	2023/2024
Energy purchased (kWh)	730,820.77	1,112,588.79
Intensity (kWh per million HKD revenue)	5,488.61	6,195.29

Water consumption

Regardless of our minimal reliance on water resources in our trading business, the Group is aware of water scarcity. Water-saving labels are displayed in toilets and pantries to encourage employees and visitors to conserve water.

The operating sites within our operation sites (i.e. office and retail stores in Hong Kong and Macau) obtained water from the municipal supply without any difficulties during the Reporting Period. All used water and wastewater are discharged in accordance with relevant laws and regulations. During the Reporting Period, total water consumption is 3,101.50 m³.

	2024/2025	2023/2024
Use of water (m ³)	3,101.50	3,460.74
Intensity (m ³ per million HKD revenue)	23.29	19.27

Packaging Materials

As a retail and wholesale company, we recognise the importance of protecting our products during transportation to meet client specifications. We primarily utilise plastic bags, plastic strips, cardboard boxes, paper boxes, and paper bags for packaging. While client requirements limit our control over packaging material choices, we remain dedicated to reducing overall packaging usage. Our retail stores are adopting more efficient packaging techniques to minimise the wrapping paper consumptions. Additionally, to reduce environmental impact, we are increasingly utilising reusable packaging materials.

Packaging materials	Total Weight of Consumption (tonne)	Consumption Intensity (tonne per million HKD revenue)
Paper	13.41	0.10
Plastic	2.56	0.02

6.3. THE ENVIRONMENT AND NATURAL RESOURCES

Considering our business nature, we recognise the significant impact we have on natural resources, particularly due to our high paper demand. We understand that paper production contributes to deforestation and other environmental concerns. Therefore, we are committed to

minimising our ecological footprint and implementing sustainable practices throughout our paper usage lifecycle.

Compliance with applicable environmental laws and regulations is of paramount importance to us. We recognise that sustainable development is a collective effort. As such, we prioritise the adoption of sustainable measures to reduce emissions, minimise waste, and enhance resource efficiency in our daily operations (e.g. prioritising the adoption of energy-efficient equipment and encouraging recycling practices). We consistently communicate these sustainable measures to our employees through regular email updates to raise awareness and encourage environmentally responsible practices.

In addition to the measures mentioned, we also prioritise creating a green and sustainable work environment. We incorporate plants into our facilities, ensuring they are present in every corner of our spaces. We believe that this not only enhances the aesthetics of our workspaces but also encourages our staff to plant and nurture plants in their working areas. We hope to instil a sense of ownership and connection to nature among our employees and strive to create a more sustainable and nurturing atmosphere that aligns with our overall commitment to environmental responsibility.

6.4. RESPONSE TO CLIMATE CHALLENGE

Our Group places a strong emphasis on reducing the environmental impact of its business operations and addressing natural resource depletion. We have implemented the following measures for preparedness and response to climate change.

Preparedness plan for disaster management

For emergencies (e.g. typhoons and heavy rains) that may affect the Group's operations, we have established measures to prevent damage caused by extreme weather. Measures including :

- Working arrangement in black rainstorm warning and/or typhoon signal no. 8 situation;
- Reinforcement of outdoor assets to enhance its strength against strong winds;
- Check windows regularly and ensure all windows are closed before typhoon strikes;
- Strength back-up equipment for emergency use; and
- Provide disaster prevention knowledge training to employees

During the Reporting Period, the Group has not been seriously affected by extreme weather conditions, we will continue to monitor and implement relevant measures.

7. EMPLOYMENT AND LABOUR PRACTICES

7.1. EMPLOYMENT

To ensure a fair, safe, and inclusive workplace, we have established a comprehensive Employee Handbook. This handbook provides clear guidance to employees on a wide range of employment practices, including leave entitlements, welfare and benefits, termination policy, the

Human Resources computer system, salary structure, and protocols for rainstorm and typhoon situations. All policies are designed to fully comply with local employment laws and regulations where the Group operates. Additionally, we ensure that new hires receive a thorough introduction to the handbook's contents to support their smooth integration into the company.

Recruitment and dismissal

The Group is committed to enabling an open and fair recruitment process in which all the candidates are assessed and selected solely based on their qualifications, skills, and the ability to fulfil the job requirements. We strictly adhere to the prescribed recruitment procedure to ensure fairness and transparency at every stage of the process.

The Group strictly prohibits any form of discrimination and is committed to providing equal opportunities to all candidates throughout the hiring process. We implemented the '**Equal Opportunity Policy**' to foster fairness in recruitment, promotion, and employment practices. It ensures that each candidate and employee is treated fairly and prohibits any form of discrimination related to age, sex, race, family status, disability, pregnancy, and ethnicity in the workplace.

In addition to the recruitment process, we have established clear and transparent dismissal procedures to ensure that any termination of employment is justified and based on valid grounds, such as misconduct, fraud, or inability to perform job duties. Upon termination initiated by the Group, employees receive all due terminal payments in accordance with their entitlements. Employees also retain the right to resign voluntarily by providing appropriate notice as stipulated in their employment contracts.

Promotion and remuneration

The Group ensures promotions are based on individual performances and capabilities, without any biases or discrimination. Besides, regular evaluation and appraisal of employees' job performances are carried out by the assigned supervisors in a fair, holistic, and objective manner, taking into account the overall achievements of the employees. Discretionary bonuses may also be granted to eligible employees based on their performance.

We believe employees are important assets to the Group. We strive to retain quality employees by regularly reviewing and adjusting salaries in line with market conditions to offer competitive remuneration packages. For our retail subsidiaries, we have established a clear salary framework with defined starting ranges across different occupational categories. All employees are entitled to statutory benefits – including statutory holidays, annual leave, sick leave, maternity leave, and compassionate leave – as per local laws and internal policies. Additionally, we provide medical subsidies covering Western medicine, Chinese medicine, and dental care, along with contributions to the retirement scheme, ensuring comprehensive benefits and protection. Besides, to foster a positive and supportive work environment, front-line employees are entitled to a birthday holiday after their probation period, while office employees receive a cake coupon and are entitled to a birthday holiday after one year of service.

Promoting work-life balance is a key priority for our Group, and we discourage employees to work overtime. Our office and warehouse staff generally operate on day shifts, while sales associates in our retail stores work both day and night shifts to meet business needs. When overtime is necessary, employees are compensated in accordance with applicable labour laws.

We also provide a transport allowance to support our retail staff. Furthermore, we offer an education allowance to encourage continuous learning and professional development, empowering employees to enhance their skills and advance their careers.

Furthermore, we value employees' opinions and aim to foster a workplace with mutual trust and open communication between management and employees by creating several channels for effective discussions between the parties to address any concerns from the employees related to the workplace.

During the Reporting Year, no reported cases of violations of employment laws and regulations were identified. The Group ensured that the formulated measures and policies related to recruitment, dismissal, equal opportunity, promotion, remuneration, and benefits complied with the provisions set in the local government in our operating regions. As of 31 March 2025, the total number of employees was 186, with a total employee turnover rate of 19%. The detailed employment data in the Reporting Year is as follows :

		Number of employees ⁶	
		2024/2025	2023/2024
By Gender			
	Male	49	67
	Female	137	238
By Employment type			
	Full-time	160	266
	Part-time	26	39
By Age			
	Below 30	7	18
	30 - 50	58	162
	Above 50	121	125
By Employee Category			
	Senior management	5	5
	Middle management	42	43
	General employee	139	257
By Geographical Region			
	Hong Kong	168	169
	Mainland China	0 ⁷	118
	Macau	18	18
Total		186	305

⁶ The number of employees disclosed was the number of people recorded as of the end of March in the reporting period.

⁷ 2024/2025 reporting year only includes main operating sites and subsidiaries in Hong Kong and Macau.

		Employee turnover rate ⁸	
		2024/2025	2023/2024
By Gender			
Male		8.2%	20.9%
Female		22.6%	31.9%
By Age			
Below 30		71.4%	100.0%
30 - 50		20.7%	30.9%
Above 50		14.9%	17.6%
By Geographical Region			
Hong Kong		20.2%	22.5%
Mainland China		N/A	43.2%
Macau		5.6%	5.6%
Total		18.8%	29.5%

7.2. OCCUPATIONAL HEALTH AND SAFETY

The Group strives to foster a healthy and safe workplace by integrating relevant occupational health and safety guidelines from the Labour Department of Hong Kong into the Employee Handbook. These guidelines aim to minimise, mitigate, and prevent work-related hazards, injuries, and diseases, thereby safeguarding employees' well-being. We believe that these measures enhance employee awareness of workplace risks and contribute to maintaining a safe and healthy environment. Dedicated personnel are assigned to oversee occupational health and safety matters, with regular reviews of our performance to ensure ongoing workplace safety. Additionally, workplace health seminar were held during the Reporting Year to further raise employee awareness and promote a culture of safety.

To ensure employees are fully aware and prepared for fire emergencies, the Group regularly conducts fire drills and fire escape routes are displaced at each exit. To enhance workplace safety and minimise injuries, smoke doors have been installed throughout our premises. We provide essential fire extinguishers and first-aid equipment, such as automated external defibrillator (AED) to employees. In addition, we strictly forbid alcohol drinking and illegal drug abuse in the workplace to ensure employees can perform their work soberly and professionally, and keep the workplace safe. To create a healthy workplace and maintain employees' health, the Group provides body checkups for employees, washes the carpets once a month, and cleans the air conditioning system regularly. Besides, we have set up several infectious disease control measures to control the spread of diseases in the workplace, including the provision of antibacterial hand sanitisers and surgical masks, and flexible work arrangements such as work-from-home and shift rotations.

In addition to the measures provided for facilitating the physical health of the employees, we also care for their mental health by setting up complaint channels for employees to express their concerns and grievances freely.

⁸ Employee turnover rate = total number of employees resigned in the specified category / number of employees in the specified category x100%

Despite the Group's main operation being wholesaling and retailing, which may be considered a low-risk workplace with POS involved, we ensure full compliance with the local regulations and laws in the operating regions in the Reporting Year, to reinforce our safety management system and ensure the health and safety of the employees.

During the Reporting Year, no reported cases of violations of the occupational health and safety laws and regulations in the operating regions were identified. There were no work-related fatalities over the past two reporting periods, including the current Reporting Year. However, during the Reporting Year, one work-related injury occurred due to a fall from a stool. In response, we have replaced stools with aluminium ladders to enhance workplace safety. Additionally, all staff have been retrained to follow the company's safety guidelines to prevent similar incidents in the future.

	2024/2025	2023/2024
Number and rate of work-related fatalities	0 (0%)	0 (0%)
Number of work-related injuries	1	1
Lost days due to work-related injuries	135	< 3

7.3. DEVELOPMENT AND TRAINING

The Group believes continuous employee development and training are necessary and material for the enhancement of both the Group's operation and our employees' professional growth and development. We have developed a comprehensive range of internal and external training and development courses covering diverse topics to strengthen employees' knowledge and skills. All internal training courses are fully funded by the Group, while external courses are either subsidised or fully covered when recommended and enrolled through the Group.

To familiarise new employees with the Group policies during onboarding, we provide orientation and induction training to the new hires, with an introduction to the Group's background, culture, mission, vision, facilities, employee handbook, and social responsibility. Experienced employees were also arranged to guide new employees such that they could quickly adapt to the workplace.

To build up professional work-related knowledge of employees, we arrange work-related courses and encourage them to obtain related certifications to enhance their professional qualifications. We have designed product knowledge training related to our products' characteristics, features, and advantages so that employees can better understand the products and effectively promote them. The Group also organised information safety and privacy training to educate employees on identifying security threats (e.g. phishing and malicious programs), and protecting personal and confidential data to enhance security awareness and reduce the risk of data breaches. Moreover, we recognise the significance of developing and enhancing employees' soft skills (e.g. computer skills), which play a crucial role in building connections and fostering relationships with colleagues, clients, and suppliers.

As of 31 March 2025, a total of 111 employees have received training, with a total training hours of approximately 1,161 hours. The statistical details of training hours and trained employees are shown below :

		Percentage of trained employees ⁹	
		2024/2025	2023/2024
By Gender			
Male		14.4%	5.1%
Female		85.6%	94.9%
By Employee Category			
Senior management		3.6%	0.8%
Middle management		33.3%	6.5%
General employee		63.1%	92.8%

		Average training hours per employee ¹⁰	
		2024/2025	2023/2024
By Gender			
Male		6.7	3.6
Female		6.1	7.5
By Employee Category			
Senior management		62.7	39.9
Middle management		9.1	7.1
General Employee		3.3	6.0

7.4. LABOUR STANDARDS

The Group strictly prohibits and combats any form of forced labour and child labour in our workplaces. We are committed to upholding, respecting and protecting human rights to create a fair and zero-discrimination working environment.

We have established internal processes and systems during recruitment to verify the identity documents of the candidates to ensure they have the right to work and their ages are above the legal minimum age for work. Besides, we ensure all employees are working voluntarily without experiencing any threat of penalty, physical abuse, or mental abuse, and provide them the right to resign in a voluntary manner with a suitable notice period, demonstrating our commitment to eliminate and prevent forced labour. In case suspected cases of child or forced labour are identified, our Human Resources Department acts swiftly and responsibly to report the case to the relevant department and take appropriate actions to safeguard the personal safety of the affected individual. Any individuals involved are immediately dismissed from their positions.

⁹ Percentage of employees trained= total number of trained employees in the specified category / number of trained employees x100%

¹⁰ Average training hours per employee = total number of training hours received by employees in the specified category / number of employees in the specified category x100%

During the Reporting Year, we ensured strict compliance with the laws and regulations relating to the prevention of forced labour and child labour, and no reported cases of violations of the related laws and regulations in the operating regions were identified.

8. OPERATING PRACTICES

8.1. SUPPLY CHAIN MANAGEMENT

To ensure quality procurement, the Group has implemented various policies and measures to assess and evaluate the performance and qualification of the potential suppliers, ensuring the engaged suppliers meet the required standards and are capable of delivering the desired products or services efficiently and effectively.

The quality of suppliers was of great importance to the Group, we evaluate and appoint suppliers based on their ability on research and development (R&D), productivity, price, and quality standards. During the primary evaluation stage, we required them to declare their interests by stating their relationship with any of our employees to avoid conflicts of interest, ensuring the procurement process was carried out fairly and preventing biases made in procurement decisions. We ensured suppliers were in compliance with our supplier code and their information was kept confidential. Besides, the Group conducts seasonal appraisals in collaboration with existing suppliers across various departments. These appraisals involve random checks on aspects such as product quality, time management and services to ensure consistent quality and enhance business outcomes. The Group also implements a transparent accountability mechanism to oversee suppliers and ensure their compliance with product safety and quality standards, labour practices, and business ethics, allowing us to track and monitor the performance of suppliers in these critical areas.

The Group's commitment to protecting the environment is reflected in its priority to source from suppliers that offer environmentally friendly products. Among our suppliers, one from Mainland China offers seawool products made from recycled bottles and oyster shells, while another recycles down jackets. Our Switzerland-based supplier also provides products crafted from ecorepel fabric. We carefully select and continually assess our suppliers to manage risks and explore opportunities to adopt more sustainable sourcing practices. Given that paper is a key raw material in our business, we strive to use it responsibly. To ensure our standards of quality and ethics, most of our suppliers holds certificates such as FSC, PEPC or Ecolabel, which confirms that their paper products are made from responsibly sourced wood fibre.

In the Reporting Year, there were 51 suppliers with 5 new suppliers engaged. The detailed distribution of suppliers by geographical location is shown below :

	Number of suppliers	
	2024/2025	2023/2024
By Geographical location		
Hong Kong	20	19
Mainland China	24	29
Japan	1	3
Sweden	2	2
Spain	1	1
Germany	1	1
Korea	0	1
Switzerland	1	1
Poland	1	1
Canada	0	1
Total	51	59

9. PRODUCT RESPONSIBILITY

9.1. PRODUCT QUALITY ASSURANCE

The Group aims to provide high-quality products that comply with all relevant safety standards and legal regulations, ensuring consistent fulfilment of customers' expectations. We strictly adhere to advertising and labelling requirements as mandated by law. Specifically, products sold in China feature labels in both Chinese and English, while those sold in Hong Kong are labelled in English only.

Quality management and product recall procedure

To maintain the quality of services and products at every stage, the Group has implemented a clear standard operating procedure (SOP) for quality management, which covers R&D, production control, finished goods and customer service. We ensure the quality standards of our products align with the image and positioning of our brands.

Product safety was another paramount concern for the Group, we take rigorous measures to ensure that all our products meet the highest safety standards. We ensure that none of our provided goods are harmful and strictly avoid the use of hazardous materials throughout the design and manufacturing process. Every style of our product was tested by an official testing laboratory in accordance with the safety requirements of relevant laws to ensure our products are safe to use and protect customers from unexpected risks. In the event that any substandard products are identified during the testing process or subsequent quality control inspections, substandard products will be returned to the respective suppliers for further investigation and resolution.

In addition to our established quality management system, the Group has developed product recall process to address any potential recalls related to health and safety reasons. In case complaints are related to health and safety concerns, we will send products to the authorised testing institute to conduct relevant tests. If the products fail these tests, we immediately notify all retail shops and customers to initiate a recall of the affected items and ensure proper destruction. During the Reporting Period, there were no reported cases of recalls of products sold or shipped due to safety and health reasons.

Handling of consumer complaints

The Group value the opinions and complaints of our customers as they provide valuable insights to improve our performance. To effectively address customer complaints, we have set up a comprehensive complaint handling system to ensure complaints can be responded to and addressed promptly. Long-term improvement methods were also established for each complaint, in which returned goods were inspected and classified into different handling categories, such that we could understand the specific area of problems and issues of the products that we need to improve on, thus minimising the number of complaints received by the Group.

During the Reporting Period, there were no complaints received regarding our products and services.

Protection of intellectual property rights and data privacy

We are committed to protecting and maintaining intellectual property rights. We require all suppliers to sign an agreement explicitly outlining the Group's intellectual property and copyright protection measures. To protect our brand identity, the Group also applied for trademarks via intellectual property rights registration in relevant countries. Moreover, we only procure genuine products and strictly prohibit the purchase of products and services that violate copyrights or intellectual property rights.

In addition to intellectual property rights, the Group is dedicated to protecting customers' privacy and ensuring that all personal data are kept confidential. We imposed guidelines and policies to handle customers' personal data to ensure strict compliance with local regulations, including but not limited to the Personal Data Privacy Ordinance (Cap.486) in Hong Kong. Consent from customers was received before collecting their data to ensure we were lawfully using personal information. The purpose of collecting personal data was to ensure customers understand the use of their personal data and obtain their trust. In case of any changes to the content of the customer's data collection agreement, we will update and communicate these changes to our customers clearly and transparently. Only authorised employees responsible for handling customer data have access rights to the collected data to prevent unauthorised access and data leakage.

In addition to protecting customer data, we also prioritize the confidentiality of our own internal information. Employees are required to handle confidential information securely, in accordance with the Confidentiality Policy of the Group.

10. ANTI-CORRUPTION

10.1. ANTI-CORRUPTION POLICY

The Group upholds high standards of integrity and impartiality in our business operations and has zero tolerance towards any corruption or misconduct cases. We have engaged an independent non-executive director and a third party to monitor the governance performance and internal control of the Group, respectively, to ensure compliance with business ethics. A series of policies and measures that adhere to the local regulations and laws in the operating regions were implemented to ensure integrity in our workplaces and prohibit any kind of fraud, bribery, or corruption.

We have formulated an '**Anti-corruption Policy**' that includes practices and guidelines for employees to prevent corruption and bribery, such as the guidelines for acceptance of advantage (e.g. gifts and discounts) and dealing with conflict of interest. We provide employees with conflict of interest declaration to ensure the decisions made are unbiased. The Group encouraged all employees and business partners, including suppliers, clients, and contractors, to comply with the practices under this policy, and we ensured all the aforementioned parties were aware of the Group's prevention practices of corruption and bribery. Regular anti-corruption training was provided to employees to raise their awareness and ensure their understanding of the anti-corruption measures taken by the Group. Furthermore, HR Manager reviews our internal anti-corruption control system at department level to prevent fraud, bribery and money laundering in the workplace.

The Group encourages employees and business partners to report any suspected or actual malpractice or corruption cases in the workplace based on the reporting procedures in the '**Whistleblowing Policy**' of the Group. As outlined in the policy, we provided channels for reporting for employees and external parties. Upon any suspicion of misconduct or corruption, employees should first report to the Head of the Division or Department, and the report will be submitted to the Chief Executive Officer after details of the suspected misconduct or corruption cases have been collected. External parties are encouraged to email the Chairman of the Board to report suspected corruption or malpractice cases if they notice any, and they can report to the Audit Committee by email if the Chairman of the Board is involved in the case. For each reported case, a full investigation is conducted fairly by an appointed seniority or dedicated committee of the Group. Once the Group identifies and confirms corruption cases, employees involved are summarily dismissed and the cases are referred to the relevant authorities (e.g. Securities and Futures Commission) if necessary.

During the Reporting Period, the Group did not receive any cases related to corruption or whistle-blowing issues. There were no concluded or ongoing legal cases regarding corrupt practices brought against the Group or its employees. Besides, there were no cases of non-compliance with anti-corruption laws and regulations identified in the regions where the Group operates.

11. COMMUNITY ENGAGEMENT

11.1. COMMUNITY ENGAGEMENT

We are dedicated to engaging in community activities and services that contribute to the growth and cohesion of our society. Our commitment to fulfilling corporate social responsibility and dedication to creating a positive impact on the community is emphasised by the community activities.

The YGM Corporate Volunteering Team continues to facilitate employee involvement in volunteering and community support work. We have organised charitable activities with community organisations and poverty alleviation organisations. The Group continually participates in fundraising and community care activities in the name of the Group. The areas of community services that we actively contributed to include youth care and elderly visits etc.

During the Reporting Period, we have participated and collaborated with different parties on a variety of community services with full support from Hong Kong offices and retail shops of the Group, including:

- Caring Together – Celebrating Mid-Autumn Festival 2024 (「同心關懷中秋節」2024)
- Red-packet Recycling Campaign 2025 (利是封回收大行動 2025)
- TWGHs Flag Day 2024 (東華三院賣旗日 2024)
- Winter Wonder Act 2024 (寒冬送暖顯溫情 2024)
- Y-WE Youth Work Explorer Program (Y-WE 我才有用 青少年工作體驗計劃)

	
Caring Together - Celebrating Mid-Autumn Festival 2024 (「同心關懷中秋節」2024)	Red-packet Recycling Campaign 2025 (利是封回收大行動 2025)
	
TWGHs Flag Day 2024 (東華三院賣旗日 2024)	Winter Wonder Act 2024 (寒冬送暖顯溫情 2024)

12. THE STOCK EXCHANGE ESG REPORTING GUIDE CONTENT INDEX TABLE

	Description	Chapter
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.	6.1 Emissions
KPI A1.1	The types of emissions and respective emissions data.	6.1 Emissions
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.1 Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.1 Emissions
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.1 Emissions
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	6.1 Emissions
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.	6.1 Emissions
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	6.2 Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh	6.2 Use of Resources

	Description	Chapter
	in '000s) and intensity (e.g. per unit of production volume, per facility).	
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	6.2 Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	6.2 Use of Resources
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.	6.2 Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	6.2 Use of Resources
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	6.3 The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6.3 The Environment and Natural Resources
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.	6.4 Response to Climate Challenge
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.	6.4 Response to Climate Challenge
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		

	Description	Chapter
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.	7.1 Employment
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	7.1 Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	7.1 Employment
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.	7.2 Occupational Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	7.2 Occupational Health and Safety
KPI B2.2	Lost days due to work injury.	7.2 Occupational Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	7.2 Occupational Health and Safety
Aspect B3: Developing and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	7.3 Development and training

	Description	Chapter
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	7.3 Development and training
KPI B3.2	The average training hours completed per employee by gender and employee category.	7.3 Development and training
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.	7.4 Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	7.4 Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	7.4 Labour Standards
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of supply chain.	8.1 Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	8.1 Supply Chain Management
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.	8.1 Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	8.1 Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	8.1 Supply Chain Management

	Description	Chapter
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.	9.1 Product Quality Assurance
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	9.1 Product Quality Assurance
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	9.1 Product Quality Assurance
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	9.1 Product Quality Assurance
KPI B6.4	Description of quality assurance process and recall procedures.	9.1 Product Quality Assurance
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	9.1 Product Quality Assurance
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.	10.1 Anti-corruption Policy
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.	10.1 Anti-corruption Policy
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	10.1 Anti-corruption Policy

	Description	Chapter
KPI B7.3	Description of anti-corruption training provided to directors and staff.	10.1 Anti-corruption Policy
Aspect B8: Community		
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.	11.1 Community Engagement
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	11.1 Community Engagement
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	11.1 Community Engagement

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