



**CK Life Sciences Int'l. (Holdings) Inc.**  
長江生命科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 0775)

# ADVANCING LIFE SCIENCES SUSTAINABLY



**SUSTAINABILITY REPORT 2025**





## ABOUT CK LIFE SCIENCES

CK Life Sciences Int'l., (Holdings) Inc. is listed on the Stock Exchange of Hong Kong Limited.

With the mission of improving the quality of life, CK Life Sciences is engaged in healthcare research and development, with Commercial Businesses that enable its R&D sustainability.

CK Life Sciences is a member of the CK Hutchison Group.

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# 1.1 ABOUT CK LIFE SCIENCES

CK Life Sciences Int'l., (Holdings) Inc. ("CK Life Sciences" or the "Company", together with its subsidiaries, the "Group") is listed on the Stock Exchange of Hong Kong Limited. CK Life Sciences is a member of the CK Hutchison Group. With the mission of improving the quality of life, CK Life Sciences is engaged in healthcare research and development, with Commercial Businesses that enable its R&D sustainability.



## PHARMACEUTICAL & DIAGNOSTICS RESEARCH AND DEVELOPMENT

The Group's research and development focus on advancing pharmaceutical innovations, primarily in the areas of novel pain therapeutics, RNA therapeutics, therapeutic cancer vaccines, and molecular diagnostics for early cancer detection. Research is conducted at in-house laboratories, as well as in collaboration with partner companies and academic institutions worldwide.



## AGRICULTURE-RELATED COMMERCIAL BUSINESS

The Group owns an extensive portfolio of vineyards and orchards covering an area of 5,500 hectares in Australia and New Zealand. Most of the properties are on long-term leases with growers or wine companies.

The Group in partnership with CK Assets Holdings Limited holds pastoral leases and rights over 350,000 hectares of Australian agricultural land managed as a regenerative agriculture project. By applying sustainable practices such as controlled grazing, the project aims to restore native ecosystems and sequester approximately one million tonnes of carbon dioxide equivalent over its lifecycle.

Australian Agribusiness (Holdings) Pty Ltd ("**Australian Agribusiness**") is divided into two operating divisions: Crop Solutions ("CS") and Consumer and Professional



## NUTRACEUTICAL COMMERCIAL BUSINESS

The Group's nutraceutical business portfolio comprises Vitaquest International Holdings LLC ("**Vitaquest**") in the United States, Lipa Pharmaceuticals Limited ("**Lipa**") in Australia, as well as Santé Naturelle A.G. Ltée ("**SNAG**") in Canada, offering a diverse range of health products that promote wellness through a preventive approach.

Solutions ("CPS"). The combined capabilities of CS and CPS include Toll Formulation/Manufacturing, Storage and Handling, Formulation Development, Laboratory Services, Regulatory Services, Global Procurement and Sales and Distribution. Accensi Pty Limited ("Accensi"), being the channel to market for CS, is one of Australia's largest toll formulators of Crop Protection products. With a national footprint which includes an R&D facility in Queensland and manufacturing and warehousing sites in the three main cropping regions throughout Australia.

In addition, the Group's Salt business comprises Cheetham Salt Limited ("**Cheetham**") in Australia and Dominion Salt Limited ("**Dominion**") in New Zealand, making it the largest producer of value-added salt for domestic markets in Australasia.

## 1.2 CHAIRMAN'S MESSAGE



It is my pleasure to introduce the CK Life Sciences' 2025 Sustainability Report, reflecting strategies, progress, and achievements over the past year. The increasing frequency of climate-related events, human-made crises, and persistent health challenges underline the urgency of our sustainability priorities. Our founding purpose is to enhance quality of life, and we continue to invest in advancing human and planetary well-being, recognising that a healthy future depends on both. Our approach integrates this commitment into the core of our diverse operations – from pioneering healthcare innovations to nurturing sustainable ecosystems.

CK Life Sciences' unique structure across pharmaceuticals & diagnostics research and development, nutraceuticals, and agriculture-related businesses provide a powerful platform for creating multifaceted value. This year, each operational area has demonstrated its distinct role in our sustainability journey. From advancing the frontiers of medicine to promoting proactive wellness and making significant contributions to global climate solutions, each is uniquely positioned to drive sustainability through innovation and community impact.

### DRIVING ACTION THROUGH REGENERATIVE AGRICULTURE

In 2025, we progressed from commitment to delivery by completing, together with CK Asset Holdings Limited, the acquisition of pastoral leases and rights over 350,000 hectares of Australian agricultural land – more than three times the size of Hong Kong. Our nature-based carbon sequestration project on this land is registered with and approved by Australia's Clean Energy Regulator. By restoring native vegetation and forests through sustainable land management practices, the project sequesters carbon and generates Australian Carbon Credit Units ("ACCUs") that are tradeable in the Australian carbon market. The project positions the Group as a generator of Australian carbon credits, enabling organisations in Australia to offset their carbon footprints. Taken together, these outcomes mark an important milestone in our long-term strategy to drive measurable climate and environmental impact while creating enduring economic value.

In parallel, we maintain sustainable management practices across our agriculture-related businesses in Australia and New Zealand – across plant protection and specialty nutrition, salt and viticulture. For instance, Australian Agribusiness has recommissioned its Graphene Oxide Plant at Accensi Narangba to treat contaminated stormwater which would otherwise be disposed of as hazardous waste. This reduces environmental impacts today and strengthens long-term resilience.

### ADVANCING HUMAN HEALTH THROUGH TECHNOLOGY

In our pharmaceuticals and diagnostics research & development segment, we continue to pioneer innovative therapeutics following the reorganisation of our pharmaceutical R&D activities into three distinct companies, each focused respectively on developing pain therapeutics, RNA therapeutics and therapeutic cancer vaccines. During the year, we advanced programmes in non-opioid pain management and therapeutic cancer vaccines, including

the progression of preclinical, tumour-agnostic cancer vaccine candidates. We also leveraged artificial intelligence to accelerate cancer vaccine design and development.

These efforts reflect our broader goal of using innovation to create meaningful societal impact while driving long-term business value. To further this commitment, we increased R&D investments to support the progress of our R&D programmes, aligning with our commitment to delivering breakthrough solutions that improve patient outcomes and quality of life.

### PROMOTING PROACTIVE WELLNESS THROUGH SUSTAINABLE PRODUCT DEVELOPMENT

Across North America and Australia, our nutraceuticals portfolio demonstrates our commitment to sustainability in practice. Across these markets, we meet rising demand for proactive health through science-based product development and responsible, efficient operations, delivering products that support everyday wellbeing while advancing our decarbonisation goals. In 2025, Lipa established a new probiotic manufacturing facility and became the first in the industry to fully implement the new guideline of Australia's Therapeutic Goods Administration ("TGA") to support contract manufacturing of an extensive range of science-based probiotic formulations, further strengthening our leadership in science-based wellness and sustainable manufacturing.

Meanwhile, we advanced sustainable practices by enhancing eco-design in packaging to reduce material use and increase recyclability; and by reducing waste without compromising product quality and safety. In the United States, the majority of the corrugated packaging material used by Vitaquest are now derived from 100% recycled content. During the year, we also commenced repurposing our waste powder for use as feedstock in the agricultural sector to reduce waste sent to landfill through a sustainable outlet.

## CHARTING OUR COURSE WITH A LOW-CARBON TRANSITION PLAN

We have strengthened our strategic response to climate change by enhancing transparency and building operational resilience in 2025. To guide our decarbonisation efforts, we have developed a low-carbon transition plan that sets out the key levers to reduce emissions across the value chain, including fuel substitution, resource efficiency, process upgrades, and a greener supply chain. In 2025, Cheetham completed the transformation of traditional gas dryers into more efficient Fluid Bed Dryers for the salt refinery at the Price site to help lower LPG consumption and in turn reduce emissions. Furthermore, business units have also updated their environmental targets, including GHG emissions reduction targets, for example, Dominion has established decarbonisation and electricity reduction targets in the short, medium and long term to support the delivery of the transition plan.

Building on the climate scenario analysis initiated last year, we assessed the potential quantitative impacts of climate-related physical and transition risks and opportunities related to water and technology transition under different scenarios over the short, medium and long term. These insights directly inform our strategies to enhance the resilience of our operations.

To underpin the transition plan, we have enhanced our Scope 3 emissions accounting and disclosed category-level emissions in this report, including purchase of goods and services, capital goods, fuel and energy related activities, upstream and downstream transport and distribution, and downstream leased assets. This reinforces our commitment to manage our environmental impact and align with the evolving expectations of regulators, investors, and customers.

## INVESTING IN OUR PEOPLE AND ETHICAL VALUE CHAIN

Our sustainability commitment extends beyond environmental stewardship to encompass our fundamental responsibilities towards our workforce and the communities we operate within. We focus on two core areas which are ensuring ethical practices across our value chain and cultivating talent. Our business units continue to integrate ESG considerations into supplier selection and actively engage with partners to uphold high ethical standards and strengthen sustainability performance across our supply chain.

We are convinced that an engaged and empowered workforce is key to our long-term success. The Group engages with our business units to strengthen talent attraction and retention through competitive rewards, flexible work arrangements, and comprehensive benefits, supported by fair remuneration practices, succession planning, and recognition programmes that reinforce a high-performance culture. This demonstrated our holistic dedication to fostering positive change and upholding the well-being of all those connected to our business.

## ENSURING LONG-TERM RESILIENCE THROUGH ENHANCED ESG GOVERNANCE

Strong governance provides the critical foundation for our long-term resilience and sustainable growth. This year, we have further strengthened this foundation by reviewing and updating our core Corporate Governance and Sustainability Policies, ensuring they reflect evolving global practices. These policies receive oversight from our Sustainability Committee, with implementation led by relevant Board-level committees and Senior Management, embedding accountability throughout the Group.

Our enhanced Enterprise Risk Management (“ERM”) framework is central to building this resilience. We have systematically integrated climate-related risks into the framework, while establishing a parallel process to identify and evaluate climate-related opportunities with equal rigor. This comprehensive approach enables us to proactively manage emerging challenges, including climate change, and positions us to capitalise on new avenues for long-term value creation that align with global sustainability trends.

Demonstrating our commitment to transparency, the Group has adopted the new climate disclosure requirements under Part D of the HKEX ESG Code, aligned with the IFRS S2 Standard. This proactive approach to compliance reflects our dedication to corporate accountability and positions us to meet evolving stakeholder expectations, setting a clear path for our continued journey towards a resilient and sustainable future.

## OUR COMMITMENT TO A SUSTAINABLE FUTURE

As we move forward, we will continue to focus on leveraging the distinctive strengths of our diverse operational portfolio to advance our core objectives. From pioneering pharmaceutical research and sustainable health products development to transformative agricultural initiatives, the Group maintains an unwavering commitment to enhancing lives while promoting environmental and social progress.

I wish to express my sincere gratitude to our employees, whose steadfast commitment remains the cornerstone of our success. My thanks also extend to our shareholders, Board of Directors, and business partners for their continued trust and support. Together, we are poised to overcome obstacles, identify new possibilities, and deliver on our pledge to generate enduring value for future generations.

**Victor T K Li**  
Chairman

17 March 2026

# 1.3 2025 HIGHLIGHTS

During the year, we have stepped up our effort in sustainable development, supported by relevant, measurable framework and targets. Below is the summary of our 2025 sustainability highlights:

## ENVIRONMENT

Developed a low-carbon transition plan to guide decarbonisation



CO<sub>2</sub>  
First disclosure of Scope 3 GHG emissions  
**164,516** tonne CO<sub>2</sub>e

Water consumption ('000 m<sup>3</sup>)  
**3,429** ↓1% versus 2024

## SOCIAL

Work-related Fatalities | **Zero**



Percentage of trained full-time employees | **90.2%** (↑ increase from 85.7% in 2024)

Number of products and service related complaints received

**663** ↓1.6% versus 2024



## GOVERNANCE



Updated Corporate Governance and Sustainability Policies

Enhanced the integration of sustainability-related risks and opportunities into the Enterprise Risk Management process



Directors' Meeting Attendance | **100%**

## 1.4 ABOUT THIS REPORT

This Sustainability Report provides an overview of the Group's sustainability strategies, initiatives, and performance for the financial year from 1 January to 31 December 2025, unless stated otherwise.

This Report highlights how the Group manages essential environmental, social, and governance (ESG) factors, presenting both qualitative and quantitative data. It provides an overview of the Group's sustainability strategy, governance framework, and its efforts across environmental, social and people dimensions.

The information disclosed in this Report covers the Group's major operations in nutraceutical and agriculture-related businesses, located in the United States, Australia, and New Zealand. In 2025, the scope of disclosure for agriculture-related businesses was expanded to include vineyards, and the CPS operating division within Australian Agribusiness in addition to its CS division. Within Scope 3 GHG emissions reporting, the scope also includes the Group's vineyards business, with a particular focus on its downstream emissions accounting.

These operations contributed approximately 95% of the Group's revenue for the year ended 31 December 2025 and are considered material to the Group from a sustainability perspective.

This Report should be read in conjunction with the Annual Report 2025 of the Company, which includes a comprehensive review of its financial performance and corporate governance, along with key policies published on the Company's website.

The Board of Directors (the "Board") oversees the content of this Report, which has been reviewed by the Sustainability Committee and approved by the Board.

### REPORTING STANDARDS AND PRINCIPLES

This Report is prepared in accordance with the requirements of the ESG Reporting Code ("ESG Code") set out in the Appendix C2 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The ESG Code Content Index, found on pages 94 to 112, indicates the extent to which the Group adheres to the ESG Code, providing cross-references to relevant sections within the Report.

The following reporting principles, as set forth in the ESG Code, have been applied in preparing the Report:

### MATERIALITY

Materiality refers to the key sustainability issues which the Group's activities have a significant impact with respect to the economy, environment, and community and which are of significant interest to stakeholders. Such sustainability issues, and the Group's activities related to them, should be reported in the Sustainability Report to ensure that it remains pertinent and relevant. The Group has conducted a materiality assessment to prioritise these sustainability issues. Further details of these matters can be found under the chapter headed "Sustainability at CK Life Sciences" in this Report.

### QUANTITATIVE

The Group has adopted the ESG Code and other international organisations, such as the Greenhouse Gas Protocol, for measuring and presenting quantitative environmental and social key performance indicators (KPIs). Relevant sections of the Report describe the standards, methodologies, and assumptions used.

### BALANCE

The Report aims to present a holistic and fair view of the sustainability performance of the Group. On this account, the Board, the Sustainability Committee and the Sustainability Working Group (which consists of the management teams of various departments/business units/operating subsidiaries of the Group) have been involved in the reporting process. The information disclosed is intended to present an unbiased picture of the Group's overall sustainability performance.

### CONSISTENCY

Consistent methodologies are adopted when calculating the quantitative KPIs unless otherwise specified. Reasons would be provided for any restating of information published in the Report.

This Report is available online unless specific requests are received for a hard copy with a view to reducing paper consumption to promote environmental protection.

If there is any inconsistency or conflict between the English and the Chinese versions, the English version shall prevail.

## 2.1 APPROACH TO SUSTAINABILITY



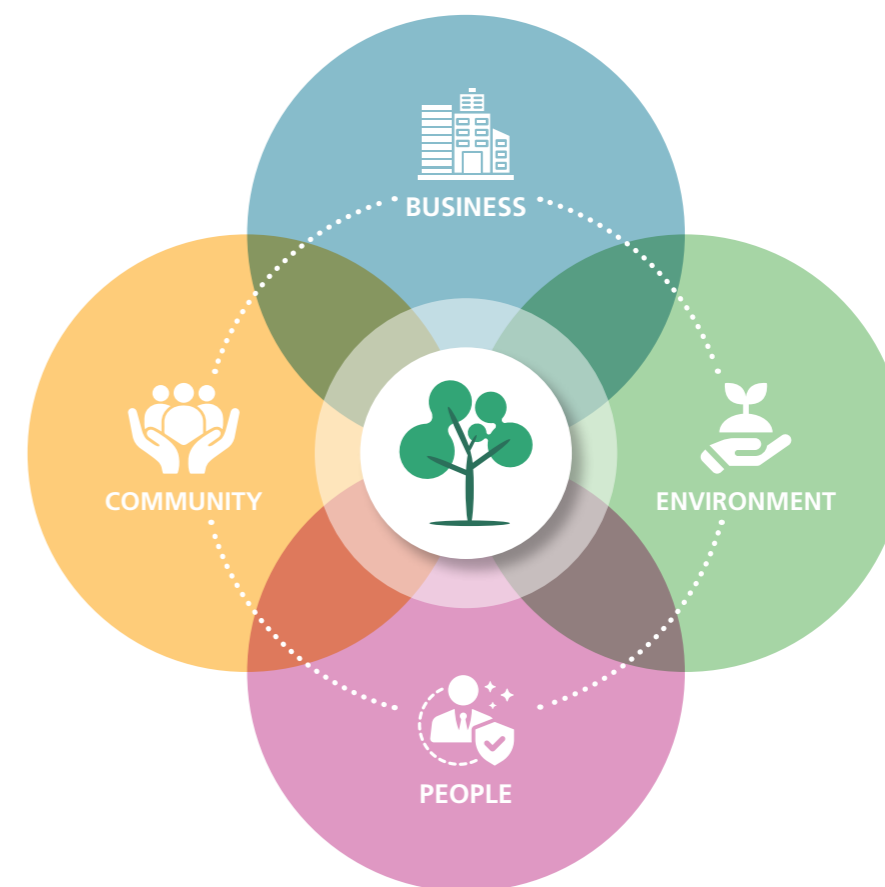
In our ongoing commitment to sustainability, we prioritise the responsible management of our operations while ensuring transparency and accountability to all stakeholders. During the reporting period, our focus was on identifying and addressing key climate-related risks and opportunities that affect our business activities. To promote sustainability across our portfolio, we monitored and reviewed environmental targets in collaboration with our business units. Additionally, we refreshed the materiality assessment this year to identify our priority sustainability topics.

### 2.1.1 SUSTAINABILITY PILLARS AND POLICIES

The Group's sustainability strategy is centred around four key pillars, namely Business, People, Environment and Community. These pillars are supported by Group-wide

policies, strong leadership and collective efforts across its businesses. Together, they provide a clear framework for embedding sustainability into every aspect of the organisation. Policies, procedures and guidelines are in place to help management address material sustainability topics across the Group, as outlined in this Report.

#### The Group's Sustainability Pillars





**BUSINESS**

- Enhance **long-term** return for its shareholders.
- Focus on **sustainable development** of its businesses and the communities in which it operates.
- Comply with all relevant and **applicable laws and regulations** within its operational frameworks.
- Conduct business with uncompromising **integrity**.
- **Safeguard** against unfair business practices.
- Achieve a **high standard of corporate governance** and emphasise a quality board, sound internal control, transparency and accountability to all stakeholders.



**PEOPLE**

- Uphold a high standard of **business ethics** and the **personal conduct** of its employees.
- Provide a **safe workplace** for all its employees.
- Adhere to **non-discriminatory** employment practices and procedures.
- Provide a **positive work environment** that values the wide-ranging perspectives inherent in its diverse workforce.
- Foster **individual growth** and achievement of business goals and offer a wide range of training and development programmes, as well as interest courses and activities.
- Maintain proper systems to ensure **internal equity and external competitiveness** of staff remuneration and recognition.



**ENVIRONMENT**

- Comply with or exceed the relevant laws and regulations to **control any GHG emissions**, discharges into water and land, and waste generation.
- Set targets and review and assess the results regularly to ensure the efficiency of the **measures to control emissions**.
- Monitor and manage the **use of resources**, including energy, water and other raw and packaging materials.
- **Minimise the negative impact** of its business activities on the environment and natural resources.
- Develop and implement **environmentally-friendly** products and processes with potential commercial applications.
- Encourage and provide support for conservation and **environmental protection** programmes.



**COMMUNITY**

- Consult with **local communities** and undertake initiatives catering to the needs and benefits of the communities within which it operates, with a focus on employee volunteerism, education, medical, health and elderly care, arts and culture, sports and disaster relief.
- Implement internal guidelines and controls on **donations** and **contributions** to safeguard stakeholders' and shareholders' interests.
- Encourage employees to play a **positive** and active role in the community.

These principles are adopted across the Group and implemented by each business unit based on local social, economic and environmental needs. Compliance and implementation of these principles are continuously monitored through regular management reviews and reporting.

For more information on relevant policies and procedures in place, please refer to the Sustainability Policies and Corporate Governance Policies on the Group's corporate website.



Sustainability Policy  
<https://www.ck-lifesciences.com/eng/content.php?page=Sustainability-Policies>



Corporate Governance Policy  
<https://www.ck-lifesciences.com/eng/content.php?page=Governance>

### 2.1.2 STAKEHOLDER ENGAGEMENT

Reinforcing our commitment to transparent and open communication, the Group actively engages with key stakeholders to gain insights into their perspectives and expectations. Our diverse portfolio allows us to interact with a wide range of stakeholders, including employees, customers and consumers, suppliers and business partners, investors and shareholders, government and regulatory authorities, and local communities and general public.

To facilitate this engagement, the Group regularly gathers feedback through various channels, such as meetings, interviews, workshops, community events, surveys, feedback programmes, social media, and the company websites. Each channel serves a specific purpose, promoting effective collaboration and ensuring we align with stakeholder expectations while building strong relationships.

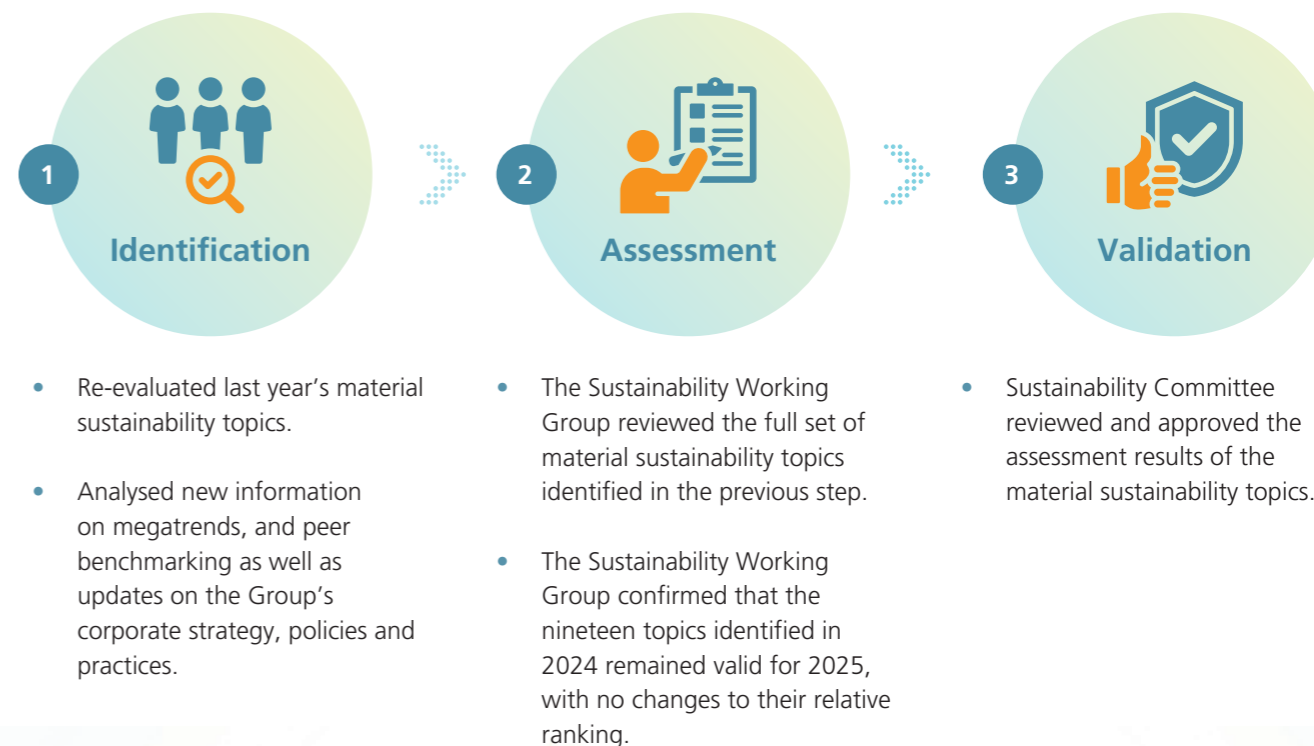
### 2.1.3 MATERIALITY ASSESSMENT

As part of our annual materiality assessment exercise, we reviewed and updated the assessment in 2025, building on insights gained from key stakeholder focus group discussions conducted in the previous year. With continued support from an independent advisor, this year's assessment advanced our understanding by incorporating a review of global megatrends and peer benchmarking to evaluate necessary updates to material sustainability topics.

This comprehensive process enabled us to identify the most significant sustainability topics for the Group, confirming that nineteen topics remain valid and material. The insights gathered are essential for understanding shifts in market needs and play a crucial role in guiding our decisions regarding sustainability practices, initiatives, and disclosures.

They also help us focus on the risks, opportunities, and impacts that matter most to our business and stakeholders.

#### Materiality Assessment Process:

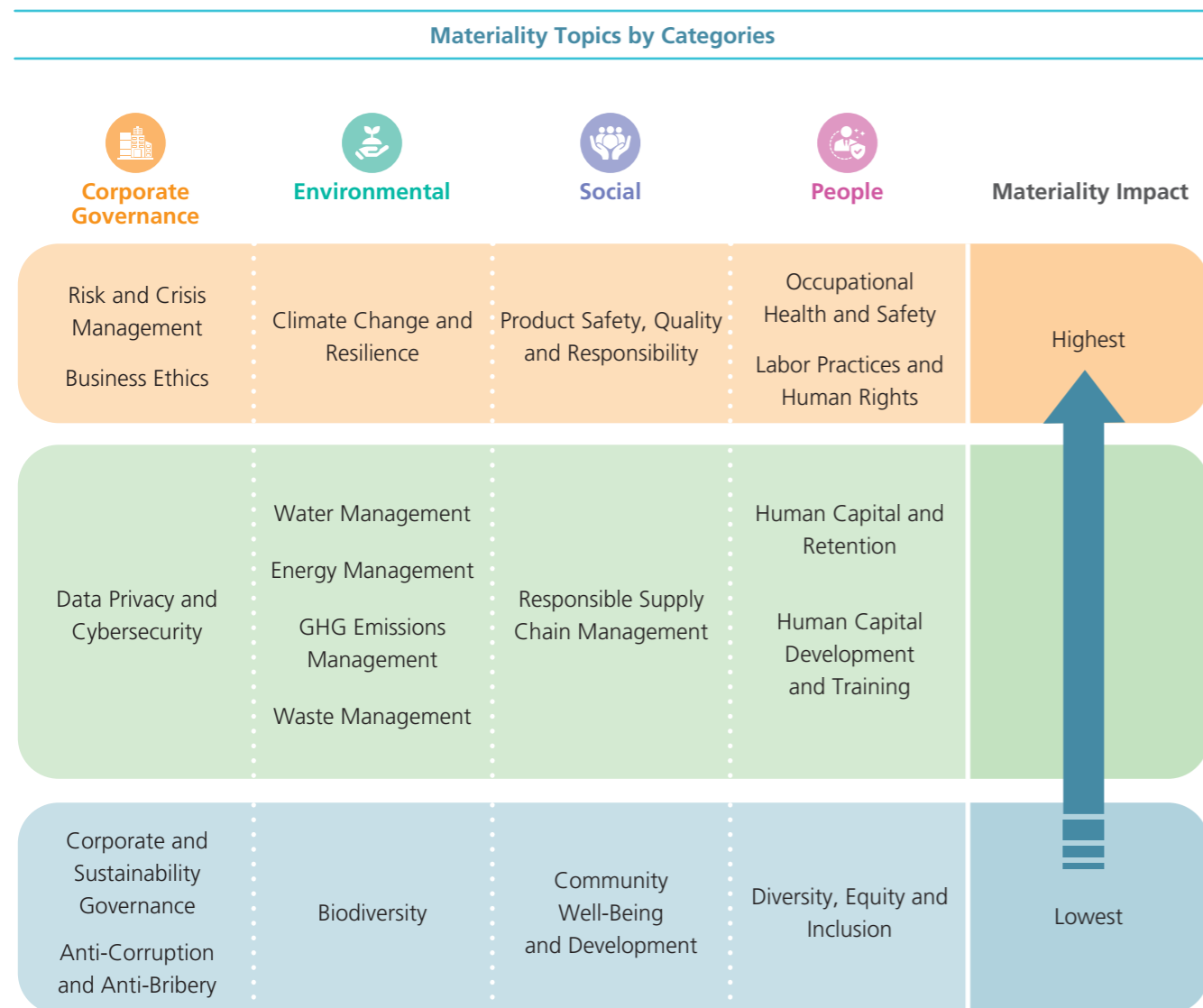


### MATERIALITY RESULTS

The materiality assessment evaluated nineteen sustainability topics according to their importance across four categories: Corporate Governance, Environment, Social, and People. Among these, six topics were highlighted as the most material to the Group, forming the primary focus areas for

its current and near-term priorities. The updated results are in line with the Group’s existing commitments, policies, guidelines, and resource allocations related to these topics. Moving forward, the Group will continue to monitor the changing sustainability landscape and the development and impacts of these topics.

The material sustainability topics identified were:



### 2.1.4 FEEDBACK IN ACTION

Stakeholder feedback and insights are essential for driving continuous improvement within the Group. Throughout

the Reporting Year, we have implemented several measures to enhance our sustainable practices. Alongside our annual materiality assessment, we continuously integrate stakeholder feedback into a range of initiatives.

Below are some of our key responses:

Stakeholders’ feedback	Our action
<b>Climate Risks and opportunities</b> The importance of integrating climate risks into operations.	In 2025, with the support of an external consultant, the Group quantified the potential financial impacts of previously identified climate-related risks and opportunities on our business through scenario analysis.  For more information, refer to the “Strategy” section under “Climate Change and Resilience”.
<b>Risk and Opportunity Assessment and Management</b> The importance of systemic assessment of climate risks and opportunities for effective management.	Climate-related risks are integrated into our enterprise risk management framework, with risk registers maintained to ensure that key and emerging risks are identified and continuously monitored at both the corporate and business-unit levels.  In 2025, our ERM process strengthens this systematic approach by establishing a parallel process to equally identify and evaluate climate-related opportunities.  For more information, refer to the “Risk Management” section under “Climate Change and Resilience”.
<b>Decarbonisation</b> The importance of understanding and reducing GHG emissions across our operations and value chain.	To better understand our full carbon footprint, we established a Scope 3 inventory in 2025 that covers upstream and downstream emissions. Additionally, we developed a low-carbon transition plan that outlines the key focus areas for decarbonisation across our operations and supply chain, guiding our efforts to reduce emissions and support a low-carbon future.  Refer to the “Carbon and Energy Management” and “Low-Carbon Transition Plan” section.

## 2.2 SUSTAINABILITY GOVERNANCE



The Group's sustainability governance structure provides a strong foundation for our commitment to sustainability, with responsibilities distributed across all levels of the organisation. It comprises the Board, the Sustainability Committee, and the Sustainability Working Group, which includes senior management and key personnel from various business sectors. These groups guide our businesses in implementing sustainability strategies, managing goal setting and reporting processes, strengthening relationships with internal and external stakeholders, and ensuring overall accountability. Additionally, this governance structure ensures sufficient resources are allocated to address and manage sustainability issues, including climate-related risks and opportunities.

### THE BOARD

- Holds ultimate accountability for the Group's sustainability strategy (including its climate strategy), management, performance and reporting.
- Examines and approves the Group's sustainability-related objectives, strategies, priorities, initiatives and goals, targets as well as the significant policies and frameworks that support their achievement.

### SUSTAINABILITY COMMITTEE

- Chaired by Mr. Paul Joseph TIGHE, Independent Non-executive Director, and comprises Mr. IP Tak Chuen, Edmond (Senior Vice President and Chief Investment Officer and Executive Director) and Ms. Eirene YEUNG (Company Secretary) as members.
- Has an overarching role in supporting the Board on sustainability matters, including climate-related risks and opportunities, and oversees the implementation of the sustainability-related initiatives of the Group, including reviewing the related policies and practices, assessing and making recommendations on matters concerning the Group's sustainability governance, strategy, planning and risks.
- Reports periodically to the Board on sustainability-related risks and opportunities, including climate-related issues, and their impact on business strategy and new investments.
- In 2025, the Sustainability Committee convened twice to review the Group's sustainability plans including the development, implementation and progress on target setting.
- For more information, please refer to the Terms of Reference of the Sustainability Committee.

### SUSTAINABILITY WORKING GROUP

- Assists the Sustainability Committee in fulfilling its responsibilities and drive strategic initiatives across the Group.
- Reports to and receives feedback from the Sustainability Committee regularly.
- Provides updates to the Board and the Sustainability Committee about best practices relating to climate governance and how climate-related risks and opportunities may impact business operations.

## BOARD'S OVERSIGHT

Our Board holds ultimate responsibility for overseeing the management of climate-related risks, opportunities, and initiatives that drive our climate mitigation and adaptation strategies. The Remuneration Committee, in assessing remuneration proposals, has taken into account the progress of the Company's performance towards achieving short- and long-term climate-related sustainability metrics and targets as adopted by the Company and the Company's progress towards other matters, such as climate and environment, and health and safety, against such applicable metrics and targets.

## SUSTAINABILITY COMMITTEE

At the next level, the Sustainability Committee, chaired by Mr. Paul Joseph TIGHE, Independent Non-executive Director, and comprises Mr. IP Tak Chuen, Edmond, the Senior Vice president and Chief Investment Officer and Executive Director, and Ms. Eirene YEUNG, Company Secretary, as members, reports directly to the Board. The Sustainability Committee is responsible for managing the Group's sustainability efforts, with a focus on identifying and addressing climate related risks and opportunities. This includes overseeing the implementation of the sustainability-related initiatives of the Group such as the development of materiality assessment, low-carbon transition plan, and climate scenario analysis. Additionally, the Sustainability Committee reviews policies and practices related to sustainability and provides recommendation to the Board on governance, strategy, planning, and risk management in this area. For more information, please refer to the Terms of Reference of the Sustainability Committee.

## MANAGEMENT LEADERSHIP

The Sustainability Working Group ("Working Group") is composed of senior management, including our Deputy Chairman, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and other key individuals responsible for overseeing the Group's various business sectors.

The Working Group is responsible for implementing and monitoring the organisation's sustainability strategies, with support from business unit management. It conducts comprehensive assessments of climate-related risks and opportunities, which are then incorporated into the annual enterprise risk assessment. This integration ensures that climate-related risks, including those linked to both the physical and transitional impacts of climate change, as well as climate-related opportunities are factored into the Group's strategic decision-making processes. The Working Group also provides regular updates to the Sustainability Committee, fostering a unified approach to the company's sustainability and climate governance.

Moreover, the Working Group is also instrumental in overseeing the allocation of resources, such as financial investments, staffing, and technology, needed to identify, mitigate, manage, and monitor climate-related challenges. This careful management of resources ensures that we are fully prepared with the tools, expertise, and personnel required to effectively navigate climate-related risks and seize opportunities in an ever-evolving environment.

## LEADERSHIP CAPACITY BUILDING FOR SUSTAINABILITY

To further ensure Board members, key personnel, and the Sustainability Working Group remain well-informed on relevant sustainability trends, the Group engages external subject matter experts to deliver targeted training. The Group organises annual Directors' training, a hybrid event that brings together Directors and the management across the CK Group to focus on forward-looking topics of strategic relevance to the organisation.

Outlined below are examples of sustainability topics covered during the annual training for Directors and the management across the CK Group in 2025:

- ✓ The Evolving Landscape of Digital Transition: Topics includes the adoption of AI and cybersecurity risks. The discussion covers governance, risk management, and responsible practices.
- ✓ Sustainability trends: Topics include climate-related integration practices, nature-related disclosures, as well as the role of AI in sustainability, with a focus on applications across multiple sectors.

These activities aim to equip our leadership with the knowledge required to make informed decisions that align with our sustainability goals and to better assess the potential impacts of climate change on our business operations.



# CORPORATE GOVERNANCE

**The Group is dedicated to upholding a high standard of corporate governance through its policies and practices. The Board believes that the Group’s governance framework and strict adherence are essential in ensuring that directors remain accountable to shareholders, effectively oversee risk management, and foster a culture rooted in ethical, lawful, and responsible behaviour across the organisation.**

## 3.1 BOARD COMPOSITION

The Group adopts corporate governance principles and practices that emphasise a quality Board, sound internal controls, transparency and accountability, to ensure constant advancement in its corporate governance practices and the cultivation of an ethical corporate culture.

### 3.1.1 THE BOARD AND MANAGEMENT

As the Group’s highest governance body, the Board of Directors (“the Board”), is responsible for developing and implementing corporate governance practices, setting the Group’s strategic direction, and ensuring effective management oversight. Chaired by Mr. Victor T K Li, the Board works collaboratively to provide guidance, promote accountability, and uphold high governance standards across all business activities.

While the Chief Executive Officer oversees day-to-day operations, the Board focuses on strategic priorities and sustainability goals, offering oversight, constructive challenge, and support to management. Board members bring extensive market experience, complemented by committees and a management structure that enable thorough oversight, detailed deliberation, and control over key operational matters.

Accountable to the shareholders under the leadership of the Chairman of the Board, Mr. Victor T K Li, the Board leads, directs and supervises the Company’s affairs to enable the long-term success of the Company.

The Board is responsible for shaping and monitoring the corporate culture, and setting long-term strategic objectives, policies and directions of the Company with an appropriate focus on values creation and risk management. The Board evaluates the Group’s operating, financial and sustainability performance, oversees the Company’s executive management with the support of various standing committees, and ensures the Company maintains effective communication with shareholders and appropriate engagement with other key stakeholders. Under the leadership of the Chief Executive Officer, the Group’s management is responsible for the day-to-day operations.

As at the date of this Report, the Board consists of a total of eleven Directors, including six Executive Directors (including the Chairman, the President, the Senior Vice President and Chief Investment Officer, the Deputy Chairman, the Vice President and Chief Executive Officer and the Vice President and Chief Scientific Officer), one Non-executive Director and four Independent Non-executive Directors. More than one-third of the Board are Independent Non-executive Directors and more than one of them has appropriate professional qualifications, or accounting or related financial management expertise.

The Board, through and by the Nomination Committee, reviews the Board’s structure, size and composition at least annually to ensure that the Board has a balance of expertise, skills, experience and diversity of perspectives appropriate to the requirements of the business of the Group and a balanced composition of Executive and Non-executive Directors.

The Directors’ biographical information and the relationships among the Directors are set on pages 36 to 39 of the Annual Report 2025 of the Company. A list setting out the names of the Directors and their roles and functions is also posted on the websites of Hong Kong Exchanges and Clearing Limited and the Company.

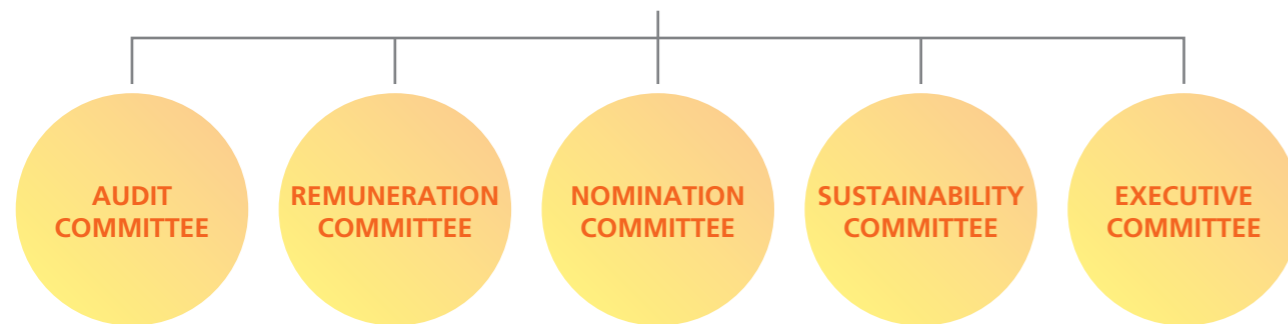
### 3.1.2 BOARD STRUCTURE AND ROLES

Our corporate governance framework is implemented through a structured hierarchy that includes the Board and five board committees: Audit Committee, Remuneration Committee, Nomination Committee, Sustainability

Committee, and Executive Committee. Each Committee is delegated authority to deal with specific matters to operating effectively, and give appropriate attention and consideration. Board Committees report regularly to the Board.



THE BOARD



Our Board Committees play a collaborative role in decision-making processes, focusing on defining strategy, setting policies, and overseeing financial performance to ensure effective leadership of the organisation. To maintain the

integrity and quality of the Board’s decisions, all major proposals are subject to thorough review and vetting by the Board Committees before any resolution is passed.

The table below provides membership information of these Committees on which Board members serve:

Directors	Audit Committee	Remuneration Committee	Nomination Committee	Sustainability Committee*	Executive Committee*
<b>Executive Directors</b>					
Victor T K LI		M	M		C
KAM Hing Lam					M
IP Tak Chuen, Edmond <sup>1</sup>				M	M
YU Ying Choi, Alan Abel					M
Lance Richard LEE YUEN					M
TOH Kean Meng, Melvin					M
<b>Non-executive Director</b>					
Peter Peace TULLOCH					
<b>Independent Non-executive Directors</b>					
KWOK Eva Lee <sup>2</sup>		C	M		
KWAN Kai Cheong	C				
Paul Joseph TIGHE <sup>1</sup>	M		C	C	
Donald Jeffrey ROBERTS	M	M	M		

Notes:

\* also comprises other key personnel

C Chairman/Chairperson of the relevant Board committees

M Member of the relevant Board committees

<sup>1</sup> Mr. Ip Tak Chuen, Edmond has retired as chairman and remains a member of the Sustainability Committee of the Company, and Mr. Paul Joseph Tighe, another member of the Sustainability Committee, has been appointed as chairman of the Sustainability Committee of the Company, with effect from 1 November 2025

<sup>2</sup> Mrs. Kwok Eva Lee was appointed as a member of the Nomination Committee with effect from the conclusion of Board meeting held on 18 March 2025

### Audit Committee

The Audit Committee plays a vital role in supporting the Board by overseeing the Group's financial reporting processes, and the effectiveness of its risk management and internal control systems. It regularly reviews the scope, extent and effectiveness of the Group's internal audit functions, risk management framework, and internal controls. Additionally, the Audit Committee is responsible for developing and updating the Group's corporate governance policies and ensuring compliance with statutory and Listing Rules requirements.

Composed of three Independent Non-executive Directors, more than one member of the Audit Committee possesses the necessary financial and business management expertise to understand financial statements and oversee the Group's governance, risk management, and internal controls. During the Audit Committee meeting in March 2025, the members had reviewed the Group's governance policies and compliance with legal and regulatory frameworks, including the Corporate Governance Policies, Anti-Money Laundering Policy, Competition Compliance Policy, Model Code for Securities Transactions by Directors, Privacy Policy and Personal Information Collection Statement, and Sanctions Compliance Policy.

For more information, please refer to the Terms of Reference of the Audit Committee and Corporate Governance Report included in Annual Report 2025 of the Company.

### Remuneration Committee

The Remuneration Committee's primary responsibilities involve recommending policies and structures for the remuneration of Directors and senior management to the Board. It determines the salary packages for all Executive Directors and senior management. Additionally, it advises on the remuneration of Non-executive Directors, aligning these with the Board's periodically revised corporate goals and objectives.

The Remuneration Committee predominantly comprises Independent Non-executive Directors and is chaired by an Independent Non-executive Director. It also includes one Executive Director and one other Independent Non-executive Director as members.

For more information, please refer to the Terms of Reference of the Remuneration Committee and Corporate Governance Report included in Annual Report 2025 of the Company.

### Nomination Committee

The Nomination Committee is tasked with reviewing the structure, size and composition (including the skills, knowledge, experience and diversity profile), of the Board, at least annually and assist the Board in maintaining a board skills matrix as well as evaluating the independence of Independent Non-executive Directors. It makes recommendations regarding the appointment or re-appointment of Directors and oversees succession planning. The Nomination Committee is responsible for reviewing and assessing each Director's time commitment and contribution to the Board as well as the Director's ability to discharge his/her responsibilities effectively, taking in account the factors as required by the Listing Rules. It also supports the regular evaluation of the performance of the Board.

Chaired by an Independent Non-executive Director, the Nomination Committee predominantly consists of Independent Non-executive Directors and includes one Executive Director and two other Independent Non-executive Directors as members.

For more information, please refer to the Terms of Reference of the Nomination Committee and Corporate Governance Report included in Annual Report 2025 of the Company.

### Sustainability Committee

The Sustainability Committee, chaired by an Independent Non-executive Director and including an Executive Director and the Company Secretary as members, was formed by the Board. Its role is to oversee and guide the development and execution of the Group's sustainability initiatives. Responsibilities include reviewing ESG-related policies and practices, and evaluating and advising on issues related to the Group's sustainable development and ESG risks.

For more information, please refer to "Sustainability Governance" on pages 20 to 23 of this report and the Terms of Reference of the Sustainability Committee.

### Executive Committee

The Executive Committee is tasked with overseeing the Group's operations. It convenes meetings regularly to deliberate and decide on issues concerning the management and operations of the Group, as well as to evaluate and make recommendations to the Board on potential acquisitions, disposal or investments.

The Executive Committee is chaired by the Chairman of the Board, and comprises all Executive Directors and three key personnel from the Company. Additionally, the Executive Committee may invite other individuals to attend all or part of any meetings as considered appropriate.

For more information, please refer to the Terms of Reference of the Executive Committee.

### 3.1.3 CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The positions of the Chairman and the Chief Executive Officer are currently held by separate individuals.

The Chairman determines the broad strategic direction of the Group in consultation with the Board and is responsible for the high-level management oversight. The Chief Executive Officer, with the support of the Executive Directors, is responsible for the strategic planning of different business functions and the day-to-day management and operation of the Group.

The Chairman provides leadership for the Board and ensures effective performance of the duties of the Board and that all key and appropriate issue are discussed in a timely manner.

The Chairman encourages and solicits opinions from the Directors and urges for Directors' active contribution to the Board's affairs, and takes the lead to ensure that the Board acts in the best interest of the Company. The Chairman promotes a culture of openness and a constructive relationship between Executive and Non-executive Directors, and encourages Directors with different views to voice their concerns. The Chairman allows sufficient time for discussion of issues and ensures that Board decisions fairly reflect Board consensus. Led by the Chairman, the Board and the management of the Company have taken appropriate steps to facilitate effective communication with shareholders and engagement with other stakeholders, and have put in place good corporate governance practices and procedures.

The Chairman leads the Board in fostering the Group's corporate culture in alignment with its purpose, values and strategy set by the Board, to reinforce the Group's vision and pursuit of success.

### 3.1.4 BOARD EFFECTIVENESS

#### 3.1.4.1 Board Independence and Diversification

As at 31 December 2025, there are eleven seats on the Board, and each Director has their own area of expertise. Four out of the eleven members of the Board are Independent Non-executive Directors accounting for 36.4% of the Board.

Separation of the roles of the Chairman and the Chief Executive Directors ensures that there is a balance of power and authority.

All the Independent Non-executive Directors of the Company have not been involved in the daily management of the Company or financially dependent on the Company which would materially interfere with the exercise of independent judgement.

Each Independent Non-executive Director is reminded to inform the Company and the Stock Exchange as soon as practicable if there is any change that may affect his/her independence. Each Independent Non-executive Director has provided the Company with an annual confirmation of independence taking into account the factors referred to in Rule 3.13 of the Listing Rules. The independence of each Independent Non-executive Directors is assessed by the Nomination Committee upon appointment and annually.

The Remuneration Committee reviews the remuneration of Independent Non-executive Directors and makes recommendations to the Board. No Director or any of his/her associates was involved in deciding his/her own remuneration at the meeting of the Remuneration Committee. Independent Non-executive Directors received fixed fee(s) for their role as members of the Board and Board Committee(s), such fee(s) are not based on the performance of the Group.

The composition of the Board and Board Committee is regularly reviewed by the Nomination Committee. Our Board possesses a diverse array of skills and experience in healthcare, pharmaceutical, finance, sustainability, corporate governance, and executive leadership.

The Group recognises that board diversity is essential for robust corporate governance. To guide the nomination, selection, appointment/re-appointment of board and board committee members, the Group has implemented the Director Nomination Policy and Board Diversity Policy. These policies ensure that considerations such as gender, age, cultural and educational backgrounds, ethnicity, professional experience, skills, knowledge, and length of service are considered when assessing the composition of the Board.

#### 3.1.4.2 Evaluation of Board Performance

The Company considers board performance evaluation as an essential tool for assessing Board effectiveness. The Board conducted an internal board and committees performance evaluation for 2025 with assistance from the Company Secretary and authorised officers. Each Director participated in evaluation by completing a questionnaire to provide individual ratings and comments across a range of topics and identify areas for enhancement (if any). The evaluation parameters included, amongst others, board composition and expertise, board processes, board accountability and leadership, and continuous development. The findings of the evaluation were aggregated and presented to the Nomination Committee and the Board respectively in March 2026. The results show that the Directors consider the composition of the Board and Board Committees is appropriate, and they are satisfied with the performance of the Board and Board Committees.

#### 3.1.4.3 Director Training

The Company has a long history of organising and providing Directors with tailored Continuous Professional Development training, at the cost of the Company, to enable the Directors to develop and refresh their knowledge and skills on the roles, functions and duties of a listed company director and discharge their duties and responsibilities for the benefit of the Company.

Newly appointed Directors will receive an induction package, which has been compiled and reviewed by the Company's external legal advisers, setting out the duties and responsibilities as a director and board committee member under the Listing Rules and relevant regulatory requirements, as well as the internal governance policies of the Group. The Board reviews these mechanisms at least annually to ensure their effective implementation and compliance with regulatory standards.

#### 3.1.4.4 Board Meetings

The Board regularly meets at least four times a year, with meeting dates scheduled towards the end of the preceding year. In addition to these scheduled meetings, Directors receive monthly updates and other relevant information about the Group's performance and business activities. Additional Board meetings are convened as necessary. Directors also have continuous access to detailed information about the Group. They can seek independent professional advice at the expense of the Company whenever necessary for the discharge of their duties. They are free to suggest topics for inclusion in Board agendas.

In 2025, the Company held four Board meetings with 100% attendance. In addition to regular Board meetings, the Chairman met with Independent Non-executive Directors without the presence of other Directors twice in 2025. The Independent Non-executive Directors are encouraged to provide their independent views to the Board.



## 3.2 BUSINESS ETHICS

Business ethics form the foundation for maintaining integrity and ethical behaviour across the Group. As governments and regulatory bodies introduce increasingly stringent guidelines, regulations, and policies related to business ethics, and as investors and the public demand more responsible and ethical business practices, including addressing social and environmental concerns, the Group places great importance on fostering a strong ethical mindset at every level.

The Group is committed to ethical operations and has implemented rigorous controls to ensure fair decision-making practices. All employees are required to adhere to the Employee Code of Conduct that safeguards both their personal integrity and that of the Group. To clarify moral expectations, we have provided guidelines that addresses anti-corruption, competition laws, data privacy, and whistleblowing.

### 3.2.1 CORPORATE POLICY AND GUIDELINES

The following Group policies further demonstrate our commitment to upholding business ethics within the Group, including:

Corporate policy and Guideline	Expectations and Requirements	Applicable to
Anti-Fraud and Anti-Bribery Policy	<ul style="list-style-type: none"> <li>Prohibits of Improper Payments, Kickbacks and Other Forms of Bribery</li> </ul>	All employees
Information Security Policy	<ul style="list-style-type: none"> <li>Defines the Group's information confidentiality, integrity and availability</li> </ul>	All employees
Media, Public Engagement and Donation Policy	<ul style="list-style-type: none"> <li>Provides clear, consistent and congruent messages for our businesses through the media in a speedy, professional and well-coordinated manner</li> <li>Establishes a framework for handling incoming requests for corporate donation and sponsorship activities</li> </ul>	All employees
Policy on Appointment of Third-Party Representatives	<ul style="list-style-type: none"> <li>Provides guidelines on exercising proper controls in hiring Third Party Representatives</li> </ul>	All employees
Policy on Handling of Confidential Information, Information Disclosure, and Securities Dealing	<ul style="list-style-type: none"> <li>Provides guidelines on the handling of confidential information, information disclosure and securities and dealing</li> </ul>	All employees
Whistleblowing Policy – Procedures for Reporting Possible Improprieties (“Whistleblowing Policy”)	<ul style="list-style-type: none"> <li>Provides reporting channels and guidance on reporting possible improprieties in matters relating to the Group, and reassurance to the reporting person or entity of the protection that the Group will extend to them</li> </ul>	All employees as well as independent third parties who deal with the Group
Supplier Code of Conduct	<ul style="list-style-type: none"> <li>Provides guidelines to encourage compliance with items in the Code and bring broader improvements in sustainability practices and performance</li> </ul>	All suppliers

The Employee Code of Conduct is incorporated into the Human Resources Manual. It includes guidelines for addressing potential corruption, featuring protocols for engaging dedicated approval personnel, establishing criteria, and making internal declarations of interests. These guidelines encompass, but are not limited to:

- Compliance with Laws
- Conflict of Interest
- Fair Dealing and Integrity
- Protection and Proper Use of Company Assets
- Equal Opportunities, Diversity and Respectful Workplace
- Safe and Healthy Workplace
- No Bribery

### 3.2.2 ANTI-CORRUPTION AND ANTI-MONEY LAUNDERING

The Group committed to upholding high standards of business integrity, honesty and transparency in all its business dealings. The Group strictly prohibits any form of fraud or bribery, and is committed to the prevention, deterrence, detection and investigation of all forms of fraud and bribery.

During the reporting period, the Group is not aware of (i) any breaches of laws and regulations related to bribery, extortion, fraud, and money laundering that significantly impacted the Group; or (ii) any concluded legal cases regarding corrupt practices brought against the Group or its employees.

#### 3.2.2.1 Anti-Corruption Training

The Group adopts a zero-tolerance approach towards any form of bribery, corruption and fraud. All business units and employees must comply with applicable anti-corruption laws. The Group ensures this compliance through mandatory anti-corruption training, which clearly communicates the Group's expectations across all staff levels.

Additionally, various tailored training programmes are provided to reinforce business ethics. For example, **Lipa** conducts annual training on whistleblowing and anti-corruption, including recognising and reporting misconduct.

In 2025, comprehensive Internal Control Training was delivered to headquarters and all subsidiaries, with an emphasis on anti-corruption measures and business ethics.

**Vitaquest's** finance team receives training on ethical standards and values, while **Australian Agribusiness** provides induction and bi-annual refresher training to ensure employees understand anti-corruption practices and expected behaviour. **Cheetham** regularly offers training that enhances awareness of bribery, teaching staff to detect and prevent it in the workplace.

Directors periodically receive training and materials on sustainability and corporate governance, including board diversity and legal updates, to keep them informed about governance and sustainability issues. During the reporting period, all Directors were provided with updated materials on anti-corruption policies and ethics, including how these topics should be disclosed in environmental, social, and governance reports, as well as details on whistleblowing mechanisms.

### 3.2.3 WHISTLEBLOWING MECHANISM

The Group is dedicated to upholding the highest standards of openness, probity, and accountability. As part of this commitment, we expect and encourage employees, and those who interact with our customers, suppliers, and creditors, to report any suspected improprieties, misconduct, or malpractice within the Group. Our Whistleblowing Policy outlines our procedures for keeping all complaints confidential and the steps taken during investigations. We have established a whistleblowing mechanism that allows employees and other third parties to anonymously report suspected misconduct, irregularities, and malpractices with confidence. All reported cases are promptly followed up; confirmed cases are reported to the Audit Committee and executive management. Additionally, biannual anti-bribery and anti-corruption control assessments are conducted to evaluate the effectiveness of controls for managing bribery risks and to develop actions to improve the control environment.

The Audit Committee regularly reviews and monitors the Whistleblowing Policy to ensure it remains relevant and effective.

### 3.2.4 DATA PRIVACY AND CYBERSECURITY

Given the growing global concerns regarding data privacy, the Group is acutely aware of the compliance obligations imposed by international data privacy laws. We have implemented various strategies, such as monitoring developments in data privacy regulations that affect our operations and conducting regular training sessions to enhance staff awareness.

As we expand our use of internet-based technologies, networking systems, and artificial intelligence, we are cognisant of the increasing risks posed by cyberattacks and security breaches. Our information assets remain vulnerable to potential damage, unauthorized access, and disruptions, which could negatively impact our operations, business performance, and reputation.

While the Group has yet to experience significant cyberattacks, we recognise that cyber threats are constantly evolving, and no system is completely immune. Future incidents could have serious repercussions for our reputation, business continuity, and financial health.

To mitigate these risks, we are dedicated to continuously enhancing our cybersecurity measures, which include implementing robust security protocols, conducting regular risk assessments, and keeping informed about emerging security technologies and strategies. Through these proactive efforts, we aim to protect our digital and physical assets, ensuring the resilience and sustainability of our operations in an ever-changing threat landscape.

We uphold stringent standards of integrity in managing personal data. Our policies, including the Policy on Handling of Confidential Information, Information Disclosure, and Securities Dealing, and the Information Security Policy, are designed to ensure compliance with information technology (IT) and data security standards. These policies help maintain the integrity of information and prevent unauthorised access and disclosure.

During the reporting period, the Group is not aware of any significant data leaks or information security breaches.

### 3.2.5 INTELLECTUAL PROPERTY

Intellectual Property (“IP”) plays a crucial role in driving innovation and maintaining our competitive advantage. The Group is committed to complying with IP laws and regulations in all jurisdictions where we operate, ensuring the protection and enforcement of our IP rights.

To minimise the risk of infringement, we actively remind employees to remain vigilant against IP misuse and provide ongoing guidance on compliance. We consult legal experts to develop protection strategies, including confidentiality agreements, non-competition clauses, and the registration, enforcement, or prosecution of IP rights. Any incidents are reported to management for risk evaluation, and further legal action may be pursued where necessary.

In line with our commitment to intellectual property management, **Lipa** mandates that all employees sign an “Offer of Employment” prior to commencing work. This agreement acknowledges their legal responsibilities regarding the disclosure and ownership of any Intellectual Property rights.

While safeguarding our own IP rights, we are equally committed to respecting the intellectual property of others, promoting fairness and integrity across the industry.

## 3.3 RISK MANAGEMENT

The Board holds ultimate responsibility for the Group’s risk management, internal controls, and compliance with legal and regulatory requirements. Through the Audit Committee, the Board monitors the effectiveness of these systems and conducts annual reviews to ensure they address all key controls – financial, operational, and compliance. To date, no material concerns have been identified that could affect shareholders, and the Board confirms the Group’s compliance with the risk management and internal control provisions of the Corporate Governance Code.

The Group’s risk management framework includes a defined management structure with clear limits of authority. It is designed to identify and manage risks, protect assets, maintain accurate accounting records, and ensure regulatory compliance. While these systems provide reasonable assurance against material misstatement or loss, they aim to manage rather than eliminate the risk of failure in achieving the Group’s objectives.

The Group employs an ERM framework aligned with the COSO (“Committee of Sponsoring Organisations of the Treadway Commission”) framework to manage risks related to business, operational, financial and compliance issues, as well as sustainability and climate change. This systematic approach helps manage risks effectively within a robust internal control environment, overseen by the Board through the Audit Committee as part of its commitment to strong corporate governance.

The Group’s governance structure, comprising the Board, Audit Committee, Senior management, Management of key operating business units and Internal Audit Department has been established with defined roles and responsibilities to enhance the Board’s ability to exercise proper oversight. Under this structure, the Board is responsible for the Group’s overall risk management and internal control systems. The Audit Committee assists the Board in ensuring appropriate and effective risk management and internal control systems have been maintained and overseeing management in designing, implementing and monitoring these systems. Senior management and Management of key operating business units are primarily responsible for designing, implementing and monitoring risk management and internal control systems. The Internal Audit Department supports the Audit Committee in reviewing the adequacy and effectiveness of these systems.

For more information on our corporate governance and risk management, please refer to the Annual Report 2025 of the Company.



# ENVIRONMENT

Building on earlier progress, the Group made significant strides in advancing its sustainability agenda throughout 2025 by reinforcing efforts in energy conservation and resource management. Key initiatives included quantifying the financial impacts of climate risks and opportunities, disclosing Scope 3 GHG emissions, and developing a low-carbon transition plan. Additionally, sustainable practices were further integrated into the Group’s operations to minimise environmental impacts.

## 4.1 OUR ENVIRONMENTAL PROGRESS ACROSS OPERATIONS

Demonstrating our continued dedication to sustainability, we have launched multiple initiatives across our operations designed to reduce our environmental footprint. By embedding sustainable practices into every part of our business, we are making significant progress while supporting global environmental goals. Our business units have consistently monitored and evaluated their

performance against established targets for GHG emissions, energy consumption, waste reduction, and water usage, ensuring the continuous enhancement of our environmental performance. These efforts have also been acknowledged within the industry, underscoring our strong commitment in reducing environmental footprint and tackling global sustainability challenges.



Over the years, Lipa has won various industry award from the Complementary Medicines Australia (“CMA”) including the High Quality Manufacturer Award in 2025 and 2023, the Sustainability Award in 2024 and the prestigious Judges Choice Award in 2022.

### 4.1.1 TARGETS SET ACROSS BUSINESS UNITS

The Group remains steadfast in its commitment to enhancing environmental performance by establishing clear, measurable environmental targets across all business units. In 2025, each business unit set new environmental targets covering greenhouse gas emissions, energy, waste, and water. These initiatives strengthen the Group’s overall environmental performance and long-term resilience. In establishing these targets, the factors taken into account include the latest developments in international climate agreements, national climate action plans within the operating jurisdictions, emissions reduction potential, and business planning assumptions.

To deliver on these commitments, the targets are supported by appropriate planning and resource allocation, including capital investments. To deliver on these commitments, business units have developed action plans that are subject to annual review to identify opportunities for continuous improvement. The Group has developed a low-carbon transition plan to guide decarbonisation efforts across business units over the medium and long term, detailed in the “Low-Carbon Transition Plan” section. Together, these measures ensure steady progress towards the Group’s broader sustainability objectives and reinforcing our unwavering dedication to responsible environmental stewardship.

#### Environmental Targets

##### GHG GHG Emissions

Business Unit	Target Set	Progress and Work Plan
<b>Cheetham</b>	62% reduction in Scope 2 emissions in line with state/national target by 2035 (versus 2024)	Achieve 65% renewable energy in Victoria, 50% in Queensland, and 100% in South Australia by 2035, with a 62% reduction in scope 2 emissions in alignment with Australian state renewable energy targets.
<b>Dominion</b>	15% reduction in Scope 1&2 GHG emissions by 2035 (versus 2023)	Small energy reduction target for the medium term.
<b>Lipa</b>	10% Intensity reduction on GHG emissions by 2032 (versus 2022)	Expected emission reduction impacts via improvement in energy efficiencies.



Business Unit	Target Set	Progress and Work Plan
<b>Australian Agribusiness</b>	2% reduction in electricity energy intensity by 2035 (versus 2021)	Install solar panels at Accensi Lara and Narangba sites.
<b>Cheetham</b>	10% reduction in LPG usage at Price site by 2027 (versus 2024)	Fluid Bed Dryer construction commenced in 2024 and became operational by late 2025.
<b>Dominion</b>	15% reduction in electricity consumption by 2035 (versus 2023)	Install real-time energy meters, Supervisory Control and Data Acquisition (SCADA) system at Lake Grassmere site, and improve energy storage and brine treatment.
<b>Lipa</b>	11% reduction in natural gas energy intensity by 2032 (versus 2022)	Implement energy-saving modes for Heating, Ventilation, and Air Conditioning (HVAC), water efficiency programmes by 2027 for Clean-in-Place (CIP) system upgrades, electrify hot water, and upgrade Building Management System (BMS).



Fluid Bed Dryer at Cheetham Price site



SCADA System for monitoring the salt refining process



Dried Salt



Waste

Business Unit	Target Set	Progress and Work Plan
<b>Australian Agribusiness</b>	10% reduction in waste chemical washings by 2035 (versus 2023)	Increase stormwater treatment to 100% at Accensi Narangba by 2025. Reduce volume of process washings by 10% by 2035.
<b>Cheetham</b>	100% packaging waste either recyclable or recycled by 2035 (versus 2024)	Work with suppliers to ensure 100% sustainable packaging and explore recycled plastic content.
<b>Dominion</b>	50% reduction in waste tonnes to landfill by 2033 (versus 2023)	Reduce waste from inward goods, implement easy-to-use bins, and investigate recyclers and suppliers for packaging.
<b>Lipa</b>	50% increase in non-hazardous solid waste to landfill diversion by 2029 (versus 2022)	Reduce packaging, explore recycling/reuse, and improve factory efficiency to reduce waste.
<b>Vitaquest</b>	Increase waste recycling to 65% by 2030 (versus 2024: 60%)	Research and identify new waste flows to increase recycling levels.



Water Consumption

Business Unit	Target Set	Progress and Work Plan
<b>Australian Agribusiness</b>	3% reduction in potable water usage by 2035 (versus 2021)	Explore technologies for wastewater treatment to allow reuse of cleaned water.
<b>Dominion</b>	50% reduction in town water use with underground bore by 2030 (versus 2023)	Install water meters and ground water bores at Lake Grassmere and Mount Maunganui by 2027; investigate rainwater collection and non-potable sources for solar field pumps.
<b>Lipa</b>	25% reduction in water use for non-product usage by 2032 (versus 2022)	Implement water efficiency programmes for CIP upgrades by 2027.
<b>Vitaquest</b>	Reduction in irrigation water consumption for 8 Henderson plant by 2030 (versus 2024)	Obtain metered water usage to identify savings through conservation measures.

## 4.2 CLIMATE CHANGE AND RESILIENCE

To improve our management of climate-related risks and opportunities, we continue to integrate elements of the new climate reporting requirements of The Stock Exchange of Hong Kong Limited into our climate-related disclosures. This approach enhances our credibility and reputation while providing stakeholders with increased transparency and a better understanding of the climate risks and opportunities we encounter.

### 4.2.1 GOVERNANCE

We acknowledge climate change as a critical risk to our business. Managing climate-related risks and opportunities is a key part of our corporate governance and is embedded in our business planning and decision-making processes. This approach ensures responsible leadership while supporting the achievement of our strategic goals. Climate governance is aligned with our broader ESG framework, as detailed in the "Sustainability Governance" section.

### 4.2.2 STRATEGY

As part of our long-term commitment to climate resilience and sustainable growth, the Group continues to strengthen its strategic approach to managing climate-related risks and opportunities. Our strategy centres on developing a transition plan to guide decarbonisation across our diversified portfolio. Supported by climate scenario analysis to assess climate-related impacts, we are building a robust foundation for a low-carbon and climate-resilient future.

#### Low-Carbon Transition Plan

The Group has developed a low-carbon transition plan to guide decarbonisation across our diversified businesses. The plan provides a roadmap for reducing emissions across both our operations and value chain. It identifies key transition levers addressing the major emission sources within our portfolio and sets out initiatives that promote sustainable management and low-carbon operation while reducing the Group's overall environmental footprint.

Developed in close collaboration with business units to ensure operational relevance and effectiveness, the plan has been reviewed and approved by the Sustainability Committee.

The transition plan is built around four key levers: fuel substitution, resource efficiency, process upgrades, and a greener supply chain. Clean energy transition is a central initiative for reducing our direct GHG emissions from coal use. In particular, salt production has traditionally relied on coal as a fuel source for evaporating brine in saltworks. Our business unit **Dominion** is committed to enhancing the efficiency of coal usage and advancing plans for alternative energy sources, including biomass, to decarbonise the salt production process.

Delivery of transition plan is supported by collaboration with key stakeholders, including suppliers, customers, and value-chain partners, to advance decarbonisation across operations and supply chains. The Group also leverages emerging technologies to improve efficiency, strengthen emissions monitoring, and identify low-carbon solutions.

The Group recognises that the success of our transition plan is influenced by external drivers such as evolving policies, technological advancements, market dynamics, and shifting societal expectations. We therefore monitor these trends closely across all jurisdictions in which we operate, ensuring our strategic approach remains adaptive and responsive to a rapidly changing environment.

Low-Carbon Transition Plan

Transition Lever	Initiative	Relevant Business Unit
 <p>Fuel Substitution</p>	<ul style="list-style-type: none"> <li><b>Transition to Cleaner Energy Sources:</b> Shift from coal to cleaner alternatives, such as biomass, in salt production processes</li> </ul>	
	<ul style="list-style-type: none"> <li><b>Adopt Renewable Energy:</b> Install solar panels or wind energy systems to power operations sustainably and integrate battery technology to enhance energy storage and reliability</li> </ul>	
	<ul style="list-style-type: none"> <li><b>Adopt Electric Vehicles:</b> Replace diesel heavy vehicles including forklifts with battery operated models or install EV charging stations on-site to support the use of EVs</li> </ul>	
	<ul style="list-style-type: none"> <li><b>Explore Technology:</b> Assess and adopt electrification solutions, such as heat pumps and electric boilers, and advanced drying equipment to reduce reliance on fossil fuels</li> </ul>	
 <p>Resource Efficiency</p>	<ul style="list-style-type: none"> <li><b>Improve Cooling System:</b> Replace chillers with energy-efficient models or explore using models that use eco-friendly refrigerants</li> </ul>	
	<ul style="list-style-type: none"> <li><b>Optimise Energy Use:</b> Upgrade controls for hot water boiler and close steam systems during non-production periods, and explore applying standby modes of equipment to reduce energy consumption during non-peak periods</li> </ul>	
	<ul style="list-style-type: none"> <li><b>Reduce Heat Loss:</b> Recover heat from waste by using heat streams, improving the insulation of pipes, valves, and tanks, or redirecting air compressor exhaust heat for indoor heating during the winter</li> </ul>	
 <p>Process Upgrades</p>	<ul style="list-style-type: none"> <li><b>Use Digital Technologies:</b> Deploy automated systems and metering technologies to optimise the use of resources such as energy and water</li> </ul>	
	<ul style="list-style-type: none"> <li><b>Apply Recycled Materials:</b> Use recycled materials, such as bitumen and asphalt, to build the road base on-site</li> </ul>	
	<ul style="list-style-type: none"> <li><b>Adopt Waste Reduction Technologies:</b> Implement advanced water filtration technology to treat contaminated stormwater and chemical washings</li> </ul>	
 <p>Greener Supply Chain</p>	<ul style="list-style-type: none"> <li><b>Prioritise Sustainable Suppliers:</b> Select suppliers committed to environmental practices</li> </ul>	
	<ul style="list-style-type: none"> <li><b>Optimise Shipping:</b> Consolidate shipments from multiple suppliers to minimise transport emissions</li> </ul>	
	<ul style="list-style-type: none"> <li><b>Relocate Production:</b> Position production facilities closer to customers to reduce delivery distances and associated emissions</li> </ul>	
	<ul style="list-style-type: none"> <li><b>Adopt Sustainable Packaging:</b> Use packaging made from recycled materials or optimise packaging design to reduce waste</li> </ul>	

 Australian Agribusiness
 Cheetham
 Dominion
 Lipa
 Vitaquest

Climate Scenario Analysis

The Group is committed to proactively addressing climate-related risks and opportunities. In 2024, we conducted scenario analysis of the material climate risks and opportunities relevant to our business. Building on this, in 2025, again with the support of an external consultant, the Group assessed the quantitative financial impacts of material climate risks and opportunities on our business.

both of which are widely recognised pathways developed by leading organizations, including the Intergovernmental Panel on Climate Change (“IPCC”) and the Network for Greening the Financial System (“NGFS”). By leveraging these scenarios, the Group incorporated a comprehensive range of social, environmental, political, and economic considerations into its analysis. This approach was further reinforced by detailed, location-specific research to ensure a thorough understanding of potential climate impacts relevant to our various businesses and their geographical contexts. The chosen time horizons for the analysis were aligned with our business planning timelines and the long-term nature of our agricultural assets.

Scenario analysis approach

Two distinct climate scenarios were used in the analysis: the Net Zero Scenario and the Business-as-Usual Scenario,

Scenario Assumptions and Parameters

	Net Zero Scenario	Business-as-Usual Scenario
<b>Assumptions</b>	This scenario is based on the premise that global economies will be implementing robust climate policies and fostering innovation to restrict global warming to 1.5°C by the end of this century. It assumes the prompt introduction of ambitious climate policies with a focus on decarbonising electricity generation, enhancing energy efficiency, and advancing the development of novel technologies.	This scenario envisions a trajectory where emissions persist in their growth until 2080, resulting in warming of exceeding 3°C by the end of this century. It assumes the retention of solely existing policies and the continuation of new technology development at the current rate.
<b>References</b>	<ul style="list-style-type: none"> <li>IPCC SSP1-2.6</li> <li>IPCC SSP2-4.5</li> <li>NGFS Net Zero 2050</li> </ul>	<ul style="list-style-type: none"> <li>IPCC SSP5-8.5</li> <li>NGFS Current Policies</li> </ul>
<b>Time horizons</b>	<ul style="list-style-type: none"> <li>Short-term (ST): current/less than 5 years (Reference year 2025)</li> <li>Medium-term (MT): 5-10 years (Reference year 2030)</li> <li>Long-term (LT): more than 10 years (Reference year 2050)</li> </ul>	
<b>Scope of operations</b>	<ul style="list-style-type: none"> <li>The Group’s major operations in agriculture-related and nutraceutical businesses located in Australia, New Zealand and the United States</li> </ul>	
<b>Limitations</b>	<ul style="list-style-type: none"> <li>Climate hazard level does not take into account any asset-level mitigation measures</li> <li>Limitations of scenarios due to use of publicly available sources only</li> </ul>	

### Qualitative Scenario Analysis Outcomes

A scenario analysis was undertaken using two climate scenarios to assess the exposure of assets located in Australia, New Zealand, and the United States (specifically New Jersey) to climate-related risks and opportunities. The findings, which include material risks and their potential financial impacts, are summarised in the following sections.

### Physical Risks

Physical risks are categorised into two categories: acute risks, which are driven by specific events, and chronic risks, which arise from long-term changes in climate patterns. The resulting heatmap illustrates key physical risks, the affected geographic regions, and the associated high-level business and financial implications identified by the Group.

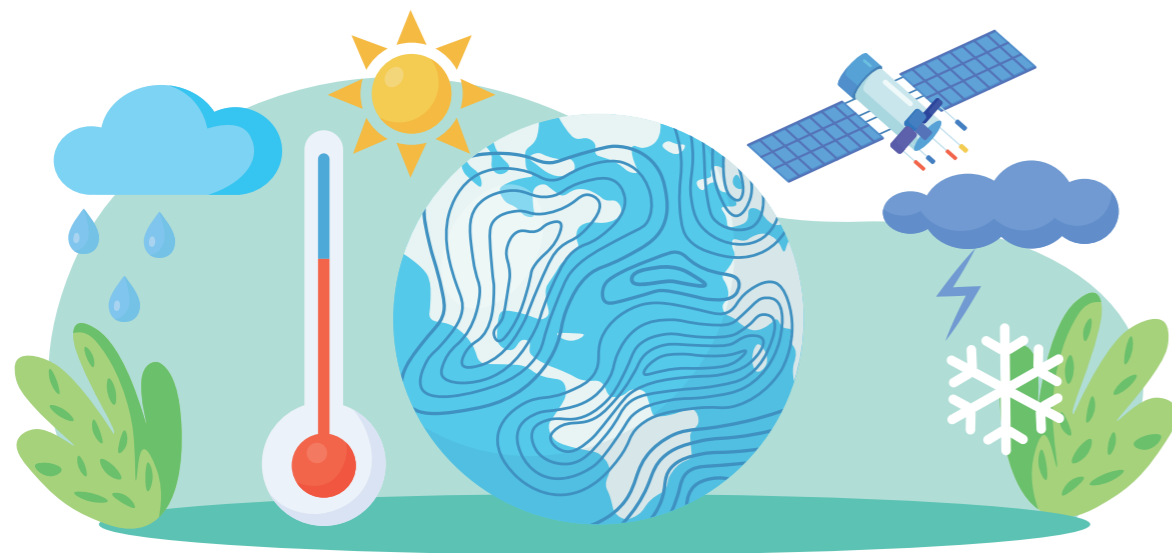
The assessment reveals that climate risks could significantly affect our business operations and value chain across various regions:

- Acute risks, such as riverine flooding, tropical cyclones, and heatwaves, can lead to operational disruptions, increased absenteeism, and higher costs for repairing damaged assets and infrastructure.

- Chronic risks, including droughts, water stress, and rising temperatures, pose long-term challenges, such as production disruptions, increased costs for water and energy, and elevated capital expenditures for cooling systems.

Additionally, these risks extend beyond our immediate operations and could trigger cascading effects throughout our supply chain. For instance, we may face delays in material deliveries and the need for increased investments in climate resilience.

Notably, our assessment indicated that Australia, particularly regions like New South Wales, South Australia, and Western Australia, currently faces very high risks of drought and water stress. These risks are anticipated to persist under both climate scenarios through 2050. Therefore, taking proactive measures is crucial to address these challenges, mitigate water shortages, and prevent disruptions in production.



### Potential Impact of Physical Risks

Category	Risk	Description	Scenario	Australia			New Zealand			United States (New Jersey)			Potential impact to the Group
				ST	MT	LT	ST	MT	LT	ST	MT	LT	
Acute	Riverine/rainfall flooding	Heightened levels of precipitation that result in increased river flow exceeding the capacity of the river channel, causing inundation of surrounding areas. Additionally, impermeable surfaces and insufficient drainage systems can exacerbate flooding during high-volume precipitation events.	Net zero	High	High	High	Medium	Medium	Medium	Medium	Medium	Medium	<ul style="list-style-type: none"> <li>Higher costs for repairing damaged assets</li> <li>Increased capital investments required to enhance the climate resilience of assets</li> <li>Potential operational disruptions caused by power outages due to grid damage</li> <li>Increased workforce absenteeism driven by health and safety concerns</li> <li>Delays in material and product deliveries resulting from supply chain disruptions</li> <li>Potential interruption to salt harvesting activities under adverse weather</li> </ul>
			Business-as-usual	High	High	High	Medium	Medium	Medium	Medium	Medium	Medium	
Acute	Tropical cyclones/extreme wind	Increasing frequency and severity of tropical cyclone events due to climate change.	Net zero	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	<ul style="list-style-type: none"> <li>Increased expenses due to potential rises in water prices</li> <li>Production disruptions and impacts on critical operations caused by insufficient water availability</li> <li>Lower demand for crop protection products due to reduced agricultural activities</li> </ul>
			Business-as-usual	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	
Acute & Chronic	Droughts and water stress	Drought refers to an extended period of abnormally low rainfall, resulting in a significant reduction in water availability. When water resources become insufficient to meet the demands of populations, ecosystems, or industries, this condition is referred to as water stress.	Net zero	High	High	High	Medium	Medium	Medium	Medium	Medium	Medium	<ul style="list-style-type: none"> <li>Operational disruptions caused by increased absenteeism.</li> <li>Higher energy consumption due to increased use of cooling systems.</li> <li>Elevated capital costs for upgrading or installing cooling infrastructure.</li> </ul>
			Business-as-usual	High	High	High	Medium	Medium	Medium	Medium	Medium	Medium	
Acute & Chronic	Heatwaves and rising temperatures	Heatwaves refer to extended periods of abnormally hot weather. Rising average temperatures occur over time driven by climate change.	Net zero	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	<ul style="list-style-type: none"> <li>Operational disruptions caused by increased absenteeism.</li> <li>Higher energy consumption due to increased use of cooling systems.</li> <li>Elevated capital costs for upgrading or installing cooling infrastructure.</li> </ul>
			Business-as-usual	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	



**Transition Risks**

Transition risks emerge from changes related to the shift towards a low-carbon future, including new policies and regulations, shifts in market dynamics, technological advancements, and reputational factors. The heatmap below summarises the key transition risks and opportunities under two climate scenarios, offering insights into their implications across different components of the Group's value chain and their potential high-level business and financial impacts.

The assessment reveals that transition risks may have a significant impact on our business and value chain, particularly in technology. Transitioning to lower-emission technologies may entail higher costs for equipment upgrades, increased investments in on-site renewable energy generation, and additional expenses for procuring

renewable energy from local grids. A significant concern lies within our salt business in New Zealand. The New Zealand Government has been gradually reducing the availability of carbon units under its Emission Trading Scheme to encourage the shift towards lower-emission energy sources. This presents increased risks for **Dominion**, which will need to purchase increasingly scarce carbon credits to offset emissions from coal and natural gas usage in the Power Drive Vacuum Plants for salt production.

Although these challenges represent considerable risks, they also offer significant opportunities for the Group. For example, adopting low-emissions technologies and renewable energy sources may enable us to benefit from policy incentives, attract growing investor interest in green and sustainability projects, and align with evolving market and customer demands. This approach positions the Group for sustainable growth and bolsters our long-term resilience.



**Potential Impact of Transition Risks and Opportunities**

Category	R&O	Description	Scenario	Australia			New Zealand			United States (New Jersey)			Potential impact
				ST	MT	LT	ST	MT	LT	ST	MT	LT	
<b>Risk</b>													
Technology	Costs to transition to lower emissions technology	Resources needed to transition to lower-emissions technologies, such as switching from fossil fuels to renewable energy.	Net zero	High	High	High	High	High	High	High	High	High	<ul style="list-style-type: none"> <li>Higher costs associated with equipment upgrades</li> <li>Increased capital investment in on-site renewable energy generation</li> <li>Additional expenses for purchasing renewable energy from local grids</li> </ul>
			Business-as-usual	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	
Policy & Legal	Mandates on and regulation of existing products and services	Government-mandated low-carbon or emissions requirements for existing products, such as the use of sustainable packaging.	Net zero	High	Medium	Medium	High	Medium	Medium	High	Medium	Medium	<ul style="list-style-type: none"> <li>Higher likelihood of fines and reputational damage</li> <li>Product write-offs and wasted investments</li> <li>Increased costs for R&amp;D and packaging improvements</li> </ul>
			Business-as-usual	High	High	High	High	High	High	High	High	High	
Policy & Legal	Enhanced emissions reporting obligations	Enhanced mandatory reporting requirements for carbon emissions.	Net zero	High	Medium	Medium	High	Medium	Medium	High	Medium	Medium	<ul style="list-style-type: none"> <li>Higher administrative and operational costs to establish internal ESG teams</li> <li>Increased expenses for data collection and monitoring</li> </ul>
			Business-as-usual	High	High	High	High	High	High	High	High	High	
<b>Opportunity</b>													
Energy source	Use of new technologies/ lower-emissions sources of energy	Adoption of low-emissions technologies and energy sources.	Net zero	High	High	High	Medium	Medium	Medium	High	High	High	<ul style="list-style-type: none"> <li>Policy incentives to ease the financial burden of transition costs</li> <li>Increasing investor interest in funding green or sustainability projects</li> </ul>
			Business-as-usual	High	High	High	High	High	High	High	High	High	



**Quantitative Scenario Analysis Outcomes**

As part of our ongoing efforts to strengthen climate resilience and support strategic decision-making, the Group conducted a quantitative scenario analysis to assess the potential financial implications of key climate-related risks and opportunities. Building on our earlier qualitative assessment, this analysis evaluated how selected climate-related physical and transition risks could affect the Group financially over the short, medium, and long term.

We assessed how the Group’s operating expenditures may change under different climate scenarios, focusing on water-related physical risks as well as energy-transition risks and opportunities. For water, we investigated how drought

and water stress, particularly regarding potential shifts in water pricing, could influence water-related operating costs. In terms of the energy transition, we analysed how fluctuations in energy prices and the Group’s planned decarbonisation measures might affect future energy-related operating expenditures.

This scenario analysis translates climate impacts into measurable financial terms, supporting long-term planning, capital allocation, and risk management across our diversified operations. It also provides forward-looking insights into how different climate scenarios may shape our resource needs and the effectiveness of our transition initiatives.

**Physical Risk**



Type of physical risk: Acute and chronic

**Risk description**  
Drought refers to an extended period of abnormally low rainfall, resulting in a significant reduction in water availability. When water resources become insufficient to meet the demands of populations, ecosystems, or industries, this condition is referred to as water stress.

Droughts could result in increased expenses from rising water prices, production disruptions affecting critical operations due to insufficient water availability, and lower demand for crop protection products stemming from reduced agricultural activity.

**Potential impact**  
The Group has evaluated potential quantitative impacts on future **water operating expenditures**, considering possible changes in water pricing and the operations’ plans for improving water use efficiency. Using 2024 as the base year, analysis shows that the expenditure could change, increasing by 0.32% to 0.94% over the short, medium, and long term under the two scenarios. However, this change would have an immaterial impact on the Group’s financial performance and cash flows.

**Our response**  
Across the Group, we are implementing targeted measures to strengthen water efficiency and build resilience to drought risk, including upgrading water-efficiency systems, expanding monitoring capabilities, piloting water-reuse technologies, and enhancing operational practices to maintain low consumption levels.

Please refer to the “Water Management Measures section” for details.

**Transition Risk and Opportunity**



**Use of new technologies/lower emission sources of energy**

Type of transition risk and opportunity: Technology/Energy source

**Risk description**  
The need to invest in lower-emissions technologies – such as shifting from fossil fuels to renewable energy – presents both a transition risk and an opportunity, requiring resource commitments while enabling long-term efficiency gains and access to cleaner energy sources.

The transition may result in higher costs associated with equipment upgrades, increased capital investment in on-site renewable energy generation, and additional expenses for purchasing renewable energy from local grids, while also creating opportunities through policy incentives that ease financial burdens and growing investor interest in funding green or sustainability projects.

**Potential impact**  
The Group has assessed potential quantitative impacts on future **energy operating expenditures**, considering possible changes in energy pricing and the operations’ energy transition plans, in comparison to 2024. In the high-emission scenario, expenditures may decline due to fossil fuels remaining affordable. In the low-emission scenario, short- to medium-term expenditure may rise due to higher fossil fuel prices driven by regulatory and transition pressures, but long-term expenditure is expected to decline as the cost of clean energy decreases with the scaling up of renewable technologies and improved efficiencies.

The Group has developed a low-carbon transition plan that identifies key transition levers, including the deployment of low-emissions technologies, and we actively monitor climate-related expenses such as energy-related operating costs and capital investments to manage transition risks effectively.

**Our response**  
Please refer to the “Low-Carbon Transition Plan” and “Climate Resilience” sections for details.

**Climate Resilience**

Based on qualitative and quantitative climate-scenario assessments, the Group considers the proportion of its assets and activities exposed to material climate-related risks to be immaterial, reflecting the resilience of its diversified portfolio. During the reporting year, the Group was not aware of any material financial impacts attributable to climate change, including significant asset damage or costs arising from extreme weather events.

The Group continues to strengthen its strategy and business model to adapt to evolving climate conditions through flexible planning, strategic capital allocation, and the integration of climate considerations into business and financial decision-making. GHG emissions reduction programmes remain central to the Group’s transition strategy, helping to mitigate regulatory and energy-related through initiatives such as energy-efficiency improvements, clean energy transition, and increased adoption of renewable energy.

To further enhance resilience to physical climate risks, the Group continues to invest in asset-level climate adaptation measures. In 2025, **Cheetham** has strengthened its infrastructure by building a new launder in Port Alma near Bajool, Australia to mitigate river erosion and flooding risks. These measures support the protection of critical facilities, enhance business continuity, and reduce long-term operational risks. Capital is proactively allocated at the business unit level to support climate-related risks and opportunities as needed, demonstrating a strong commitment to sustainability, with investments remaining efficiently managed and immaterial at the Group level during the reporting year.



Cheetham built a new launder at Port Alma to protect our operations from the impact of accelerating river creek erosion.



**Launching Regenerative Agriculture Project in Australia**

The Group, partnering with CK Asset Holdings, has completed the acquisition of pastoral leases and rights covering more than 350,000 hectares of agricultural land in Australia, marking a major milestone in the Group’s push into regenerative agriculture and nature-based climate solutions. The land area, which is more than three times the size of Hong Kong, hosts a substantial carbon sequestration initiative.

The acquisition moves the partnership from commitment to delivery, following through on an earlier agreement to invest in regenerative agriculture. The project is registered with, and approved by, Australia’s Clean Energy Regulator, positioning the Group as a generator of Australian Carbon Credit Units (“ACCU”) for the national carbon market.

At the heart of the initiative is the Human-Induced Regeneration (“HIR”) method which utilises land management practices, such as controlled grazing, on land that was cleared of vegetation and where regrowth was suppressed. By applying sustainable land management practices, the project will restore native ecosystems while capturing atmospheric carbon. It is expected to sequester approximately one million tonnes of carbon dioxide equivalent over its lifecycle.

Under Australia’s carbon credit scheme, each tonne of emissions sequestered generates one ACCU, which can be sold to organisations seeking to offset their carbon footprint. This provides a commercial return while enabling meaningful environmental outcomes, aligning the project with Australia’s climate policy and the global pathway towards net-zero emissions by 2050.

For the Group, the initiative represents a strategic step towards integrating sustainability into its agriculture-related operations while demonstrating the potential of large-scale regenerative practices to address climate challenges. In the face of increasingly severe environmental pressures, the project stands as a model of how cross-sector collaboration and innovative land stewardship can contribute to a more resilient and climate-ready future.



The Group’s regenerative agriculture project supports the restoration of native vegetation species while at the same time enhancing carbon sequestration.

### 4.2.3 RISK AND OPPORTUNITY MANAGEMENT

Climate-related risks have been incorporated into our enterprise risk management (ERM) framework, with risk registers maintained to ensure that key risks and material emerging risks are identified and continuously monitored at both the corporate and business unit levels. The Group applies its ERM framework to assess climate-related risks, including the likelihood of occurrence, potential impacts, and the mitigation measures in place. This process enables the Group to prioritise and shortlist the climate-related risks with the most significant impact across its business units.

In 2025, the Group established more formal guidelines to support the integration of material sustainability-related risks and opportunities, including climate-related risks and opportunities, into the existing ERM framework. A process to identify and evaluate climate-related opportunities is already in place, enabling business units to assess potential advantages arising from the evolving climate landscape and integrate these considerations into strategic planning and investment decisions.

Understanding the location, nature, and scale of potential climate-related risks is a key priority for the Group to effectively mitigate their impact. Between 2024 and 2025, we conducted a climate scenario analysis to assess the effects of physical and transitional risks, as well as associated opportunities, across our value chain. The Group and its business units thoroughly reviewed and validated the identified climate-related risks and impacts to ensure they accurately represent the actual conditions of our business operations. For details, please refer to "Risk Management" on page 35 under the Corporate Governance section of this report.

### 4.2.4 METRICS AND TARGETS

The Group has set specific targets for reducing GHG emissions, energy consumption, waste and water usage to minimise the environmental impact of our operations. Detailed information on these targets, along with the corresponding work plans and progress, can be found in the section "Targets Set Across Business Units" on pages 38 to 40 of the Report.

Additionally, we track and monitor GHG emissions across our businesses to gain a comprehensive understanding of the Group's climate mitigation performance. For further details, please refer to the "Appendix – Environmental and Social Performance Indicators" on pages 88 to 93 of the Report.

## 4.3 ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS

The Group is committed to reducing its environmental impact by prioritising energy consumption and greenhouse gas emissions management. In response to evolving regulations and shifting consumer expectations, the Group strengthens its resilience through the implementation of effective energy strategies, including adopting cleaner fuels and fuel-efficient technologies to boost efficiency. Furthermore, the Group also cultivates a culture of energy conservation and encourages suppliers, partners, and customers to embrace environmentally responsible practices.

### 4.3.1 OUR ENVIRONMENTAL MANAGEMENT SYSTEM

We have developed a comprehensive Environmental Policy that clearly outlines our commitment to enhancing environmental performance. To achieve this, we have implemented an Environmental Management System ("EMS") across our operations, which enables us to effectively manage environmental impacts and risks, monitor performance, and meet our sustainability goals.

Both **Australian Agribusiness** and **Cheetham** have implemented an ISO 14001-certified EMS, ensuring they meet regulatory requirements while continuously enhancing their environmental performance. To strengthen its management of environmental risks, **Australian Agribusiness** has enhanced its air emissions management by installing stack emission testing ports to regularly monitor air quality during production processes and maintain compliance with environmental standards every 6 months. **Lipa** has established an Environmental Management Team to oversee the development and monitoring of key environmental performance indicators, such as water quality, energy use, waste management, and emissions. Meanwhile, **Dominion** has implemented EMS system for both Mount Maunganui site and Lake Grassmere that aligns with ISO 14001 that MM certified in 2024 while Lake Grassmere to be certified in 2026.



Stack Emission Testing Ports at Australian Agribusiness Lara site

We prioritise fostering a culture of environmental responsibility among our employees, suppliers, and business partners by offering regular training and education focused on environmental risks and challenges.

### 4.3.2 OUR APPROACH TO DECARBONISATION

In line with the Group's commitment to decarbonisation, we have worked closely with our business units to identify and implement initiatives tailored to their operational needs. These measures encompass improving energy efficiency, transitioning to electric transportation, and utilising renewable energy sources.

At **Vitaquest**, we demonstrate our dedication to emission reduction through various initiatives, such as our pallet reuse programme, which lowers carbon emissions by minimising the demand for new materials. Additionally, we have installed electric vehicle (EV) charging stations on-site to reduce the GHG emission which produce zero tailpipe emissions, further contributing to our sustainability efforts.

**Lipa** has made substantial progress in reducing its environmental footprint by installing a 100kW solar power system and upgrading the Variable Speed Drives (“VSDs”) as part of our energy efficiency initiatives. These enhancements reduce dependence on external electricity and contribute to lowering overall GHG emissions, aligning with our broader sustainability goals.

Within **Australian Agribusiness**, the Narangba and Lara site of Accensi commissioned solar panel arrays in 2025 to enable on-site renewable energy generation, strengthening energy resilience while reducing emissions.

At **Cheetham**, the Health, Safety, Environment, and Quality team works closely with site managers to track GHG emissions monthly across all sites. This regular monitoring allows us to closely oversee our environmental performance and ensure we are meeting our emission reduction targets.

At **Dominion**, we have developed a comprehensive decarbonisation plan as part of our consent application to manage and reduce greenhouse gas emissions from the Mount Maunganui site. In support of this goal, we are exploring real-time metering to enable automated monthly reporting on resource use and costs. This initiative is currently under evaluation, with implementation targeted for 2026. Additionally, power factor correction was installed at Mount Maunganui site in 2024 and will be installed at Lake Grassmere by the end of 2026, aiming to reduce electricity consumption and lower electricity costs. This decarbonisation plan outlines strategic initiatives aimed at lowering emissions, supporting our long-term commitment to sustainable operations and regulatory compliance.

### 4.3.3 OUR CARBON AND ENERGY PERFORMANCE

Recognising the importance of mitigating climate change, the Group has been tracking its carbon footprint and energy performance. The carbon footprint coverage includes both operational emissions and value-chain emissions. In 2025, the Group expanded the scope of KPIs, enhancing data coverage. The KPIs additionally includes vineyards and the CPS operating division within Australian Agribusiness.

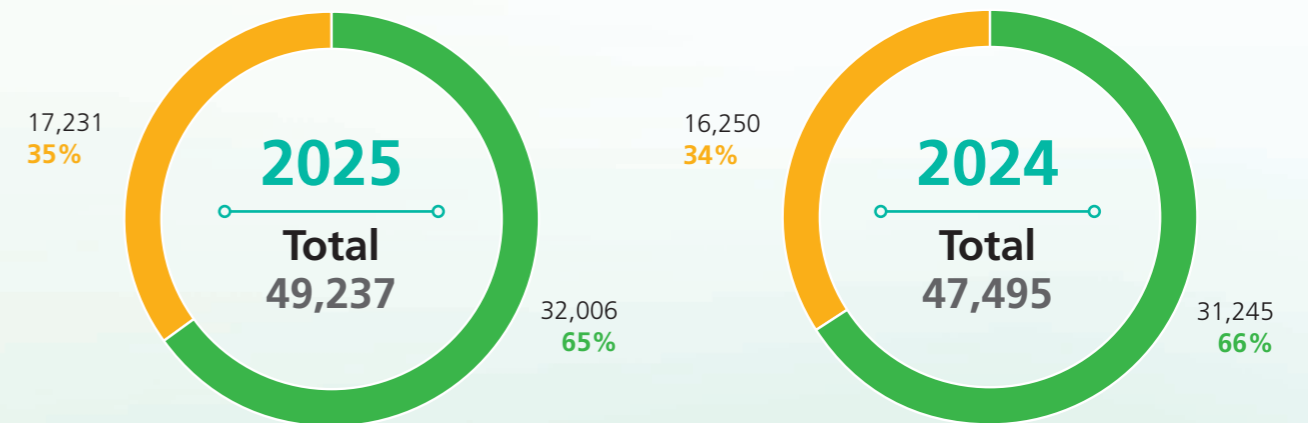
#### Scope 1 and 2 emissions

During the year, the Group generated a total Scope 1 and 2 emissions of 49,237 tonnes of carbon dioxide equivalent

from its operations. 65% of these GHG emissions were direct emissions (Scope 1). Total Scope 1 and 2 emissions in 2025 increased 4% compared to 2024. This modest rise primarily reflects normal fluctuations in operational activities and is not attributable to the recent inclusion of vineyards and CPS operating divisions within the reporting scope.

Taking into account the overall business performance, the revenue-based intensity of Scope 1 and 2 GHG emissions (tonne CO<sub>2</sub>e/HK\$’000 revenue) in 2025 is 0.010, remaining at a similar level compared with 2024, reflecting the effectiveness of the Group’s ongoing energy-saving initiatives.

Scope 1 and 2 GHG emissions (tonne CO<sub>2</sub>e)



Scope 1 and 2 GHG Intensity (tonnes of CO<sub>2</sub>e/ HK\$’000 revenue): 0.010

Scope 1 and 2 GHG Intensity (tonnes of CO<sub>2</sub>e/ HK\$’000 revenue): 0.010

- Scope 1 – Direct emissions from operations that are owned or controlled by the Group.
- Scope 2 – “Energy indirect” emissions resulting from the generation of purchased or acquired electricity, heating, cooling and steam consumed within the Group.

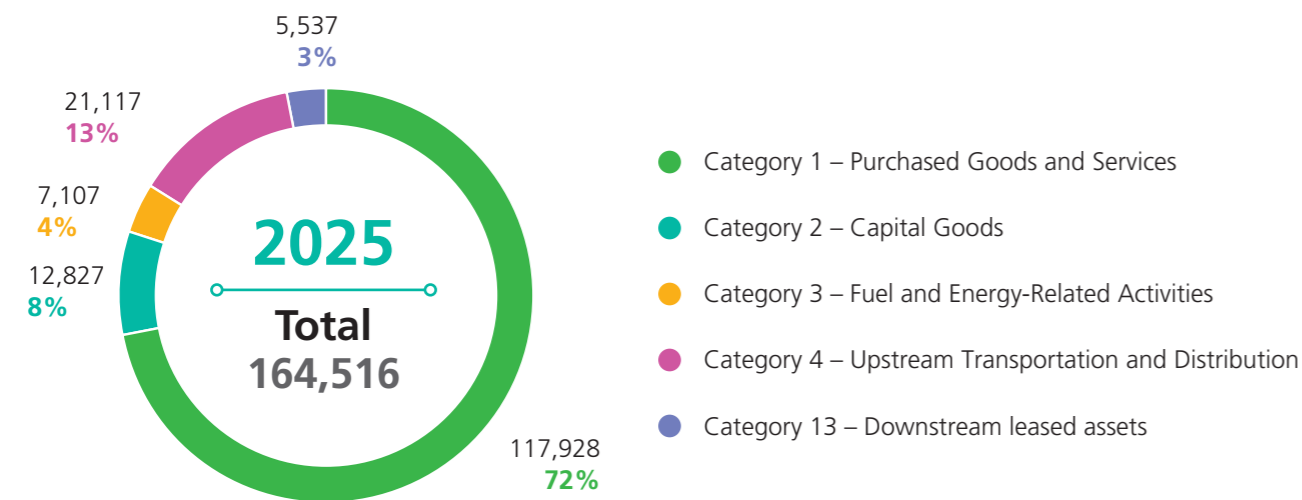


### Our Scope 3 Emissions Profile

While the Group continues to proactively manage its operational GHG emissions by implementing cost-effective measures such as sourcing renewable electricity and enhancing energy efficiency, it is also working to develop a clearer understanding of emissions across its value chain. To this end, the Group has started disclosing Scope 3 GHG emissions by identifying the key upstream and downstream

sources, calculated in alignment with the Greenhouse Gas Protocol. Current efforts are focused on strengthening data collection and emissions calculation for Scope 3 categories. Starting from 2025, the Group commenced disclosure of Scope 3 emissions for selected categories where data is available, covering the following five key categories. Details of the Scope 3 calculation methodology are provided in "Appendix – Environmental and Social Performance Indicators" on pages 88 to 93 of the Report.

Scope 3 GHG emissions (tonnes CO<sub>2</sub>e)



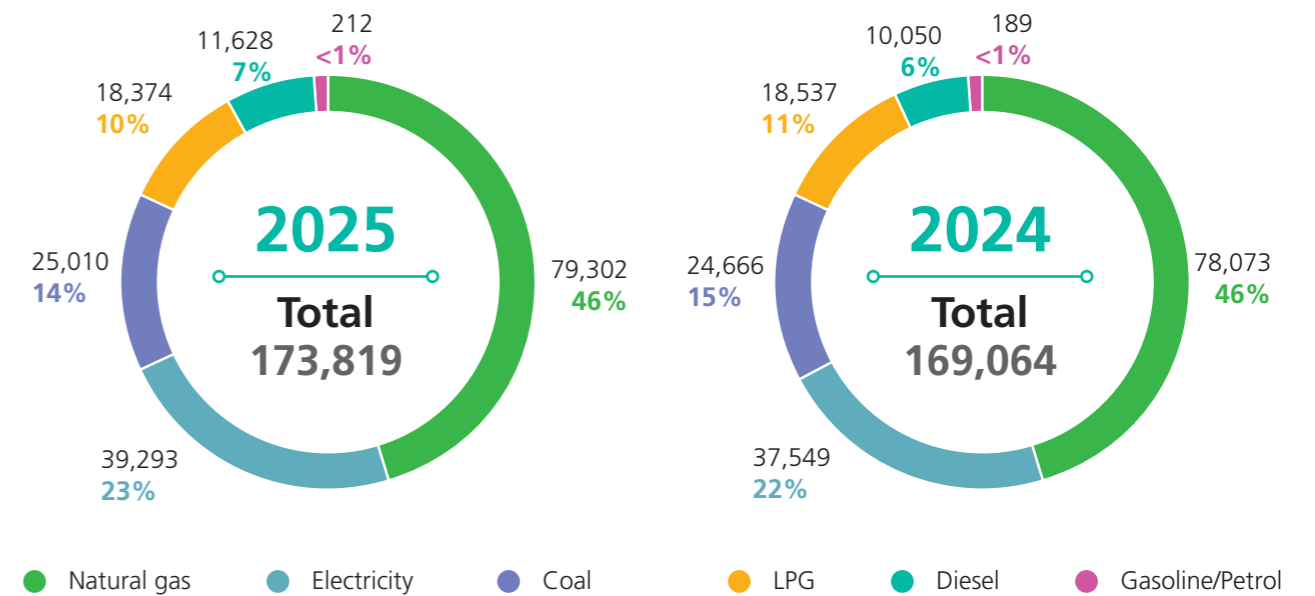
### Energy Consumption

The Group consumed a total of 173,819,000 kWh of energy in 2025. Natural gas was the predominant energy source, accounting for 46%, followed by electricity at 23% and coal at 14%. Although total energy consumption increased by 3% compared to 2024, the fuel consumption profile remained consistent. This slight increase is attributed to normal fluctuations in operational activities and is not driven by the recent inclusion of vineyards and CPS operating divisions within the reporting boundary.

The Group's low-carbon transition plan outlines a range of decarbonisation initiatives. The adoption of renewable and cleaner energy sources and energy optimisation are some of the key initiatives supporting the Group in reducing its overall energy consumption. Additionally, our business units have established energy-related targets, demonstrating a commitment to energy reduction. For further information, please refer to the "Low-Carbon Transition Plan" section on page 42 and the "Targets Across Business Units" section on pages 38 to 40.

Considering overall business performance, the total energy consumption intensity (kWh/HK\$ revenue) improved, decreasing from 0.037 in 2024 to 0.034 in 2025.

Energy Consumption by Type ('000 kWh)



## 4.4 RESOURCES CIRCULARITY AND BIODIVERSITY

The Group recognises the impacts of waste management and its close linkages to issues like public health, climate change, and resource security. As waste regulations become stricter, we expect operational challenges to arise. To address these, we are dedicated to the “4Rs” – Reduce, Reuse, Recycle, and Replace – embedding circular economy principles across our value chain to guide our waste management strategies. This commitment helps us manage regulatory risks while promoting innovation, improving resource efficiency, and lowering costs.

To support our commitment to waste reduction, the Group’s Environmental Policy provides detailed guidelines for business units to carry out effective waste management. This includes proper segregation, storage, and handling of both hazardous and non-hazardous waste, alongside initiatives to optimise resource use. Whenever feasible,

we prioritise adopting, developing, and implementing environmentally friendly materials, products, and processes that are commercially viable. By embracing these eco-friendly alternatives, we actively contribute to building a more sustainable supply chain while reducing waste throughout our operations.

Aligned with our broader environmental commitments, the Group is dedicated to the protection of nature and the preservation of biodiversity. The Group’s Biodiversity Policy outlines approaches to minimise adverse impacts on natural habitats while encouraging biodiversity conservation through stakeholder engagement.

To support biodiversity conservation, in 2025, **Cheetham** installed a wildlife hydration station in Sea Lake site to support local fauna during extreme heat in summer, which has since been actively used by native species including kangaroos.

### 4.4.1 WASTE MANAGEMENT MEASURES

Our waste management strategy is built upon key principles aimed at enhancing efficiency, reducing consumption, and minimising waste. These principles include:

- **Streamlining processes** to reduce the use of everyday materials, such as paper and electronic equipment.
- **Minimising waste generation** by encouraging recycling and reuse, with waste reduction and recycling targets set where feasible.
- **Sourcing materials** from recycled content or sustainably managed forests to reduce the use of virgin products.
- **Ensuring full compliance with regulations** governing the safe handling and disposal of hazardous materials.



Cheetham installed a Wildlife hydration station

#### 4.4.1.1 Sustainable packaging

**Vitaquest** is actively exploring a multiple sustainable packaging solutions to minimise environmental impact. These initiatives include the use of eco-friendly labels, compostable materials, post-consumer recycled (“PCR”) content, and biodegradable alternatives, which are certified by standards such as the Sustainable Forestry Initiative (“SFI”), Forest Stewardship Council (“FSC”), or American Tree Farm System (“ATFS”).

Our packaging team continues to prioritise increasing the use of these environmentally responsible materials, aiming to reduce **Vitaquest’s** reliance on conventional packaging and strengthen its sustainable packaging footprint.

As a signatory of the Australian Packaging Covenant Organisation (“APCO”), **Lipa** demonstrates a firm commitment to promoting sustainable packaging solutions. We are accelerating our efforts to identify and apply eco-friendly packaging materials, while conducting detailed analyses of materials under our control to improve sustainability performance. Consistent with APCO commitments, **Lipa** publicly reports annually on key packaging metrics and ongoing initiatives focused on improving packaging sustainability.

At **Dominion**, the purchasing team actively collaborates with suppliers to identify and source more sustainable packaging options. A packaging stewardship plan has been developed and a Packaging Working Group comprising the Procurement, Sustainability and Sales functions meets regularly to continuously improve recyclability of product packaging. These continuous efforts are part of **Dominion’s** strategic approach to shift towards packaging solutions that minimise environmental impact, supporting our long-term sustainability goals.

Additionally, **Cheetham** has been actively updating the recycling instruction on all recyclable and reusable packaging in 2025. By improving recycling information transparency and accessibility, **Cheetham** aims to reduce contamination and

boost recycling rates. These steps are key to strengthening its sustainability strategy, advancing sustainable packaging, and minimising environmental impact.

#### 4.4.1.2 Waste Reduction and Recycling

In 2025, **Vitaquest** implemented a range of initiatives to strengthen waste reduction and recycling efforts. A dedicated baler was installed to manage super sacks and stretch film, reducing these waste streams and supporting ongoing improvement. Obsolete product powders were repurposed as livestock feed, avoiding disposal in landfills. **Vitaquest** also partnered with an electronic waste recycling company to securely erase company data before disposition of obsolete electronic equipment, refurbish usable assets for reuse, and responsibly recycle any unusable items. Our streamlined approach ensures maximization of asset value while prioritizing data security and environmental sustainability. Looking ahead, the team will assess opportunities to repurpose cardboard shippers within the packaging process to further minimise waste.

Through digitisation initiatives, **Vitaquest** has greatly reduced paper usage, which enabled the company to clear out a significant number of obsolete storage cabinets. To find alternative recycling options, the operation introduced a pilot programme with a new recycling outlet for by-product materials from manufacturing and packaging process which were previously disposed of as waste. This recycling company not only accepted the recyclable waste materials and large volume of obsolete storage cabinets due to be discarded but also paid **Vitaquest** for these recycled items. Over the year, **Vitaquest** successfully diverted 303 tonnes of metal, equivalent to two compact cars, from local landfills. Furthermore, **Vitaquest** revamped its plastic recycling programme to increase capacity and more effectively segregate waste stretch film and super sacks for recycling. Employees received training on targeted waste capture efforts. Consequently, **Vitaquest** has recycled 1,853 tonnes of plastics (“HDPE” and “LDPE” combined) and decreased 6.6% compared to 2024 due to the reduction of production volume.

**Dominion** remains committed to waste reduction across all operations. The company monitors and reports monthly on key environmental metrics, including waste, and align these efforts with the waste reduction targets outlined in the Group’s sustainability strategy. In addition to recycling materials such as paper, cardboard, and plastic wrap, we also repair wood pallets for reuse, significantly reducing wood waste. At the Mount Maunganui site, the company has introduced general recycling bins in the cafeteria and glass bottle recycling in the laboratory to encourage responsible waste disposal among staff.

**Lipa** has implemented reusable drums for bulk shipments to contract packers, creating a closed-loop system that greatly minimises the use of single-use cardboard shippers. Furthermore, the company has renegotiated waste contracts and collaborated with specialised waste management firms to manage particular waste streams more effectively. These initiatives have led to a comprehensive revamp of **Lipa**’s waste management system, enhancing landfill diversion rates and lowering waste disposal expenses.

**4.4.1.3 Ongoing Staff Training**

At **Lipa**, waste management practices are prioritised for refinement through continuous staff training. By equipping staff with knowledge on proper waste segregation and introducing new bins, **Lipa** makes the sorting process more efficient. Furthermore, training focused on correct plastic baling methods has elevated the quality of our plastic bales, leading to consistent acceptance from recycling facilities.

**4.4.1.4 Environmental Protection Measures**

**Australian Agribusiness** prioritises responsible resource management and collaborates closely with customers to promote sustainable procurement of raw materials. At Accensi Narangba site, extensive measures are implemented to protect the environment from potential chemical spills. These initiatives include sealing all concrete joints within bunded areas and hardstand zones to prevent chemicals from entering the soil or groundwater. At the same site, over 3 kilometres of concrete joint sealing was completed in 2024 and early 2025, leading to positive environmental outcomes. As a result, environmental monitoring has demonstrated a clear reduction in contaminants in the groundwater, reflecting the effectiveness of these and earlier remedial measures.

In addition, bulk chemical decant bunds for isotanks and road tankers have been coated with chemical-resistant epoxy, and concrete joint sealant has been applied within the warehouse facility, further minimising the risk of pollution. Ongoing environmental monitoring has shown a measurable decrease in contaminant levels as a result of these enhancements.

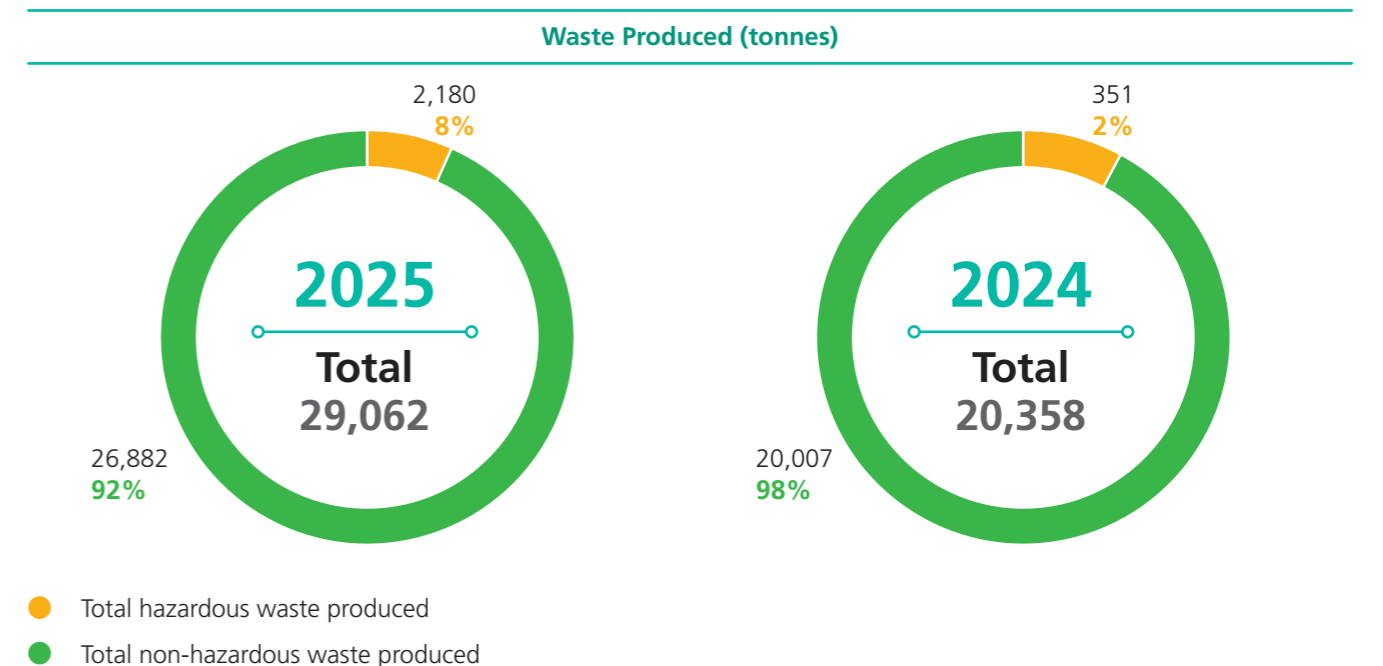
**Accensi** has also invested in decanting frames for 22,000-litre isotanks to help prevent spills during bulk chemical transfers. Elevating the isotanks allows spill trays to be positioned under the valves, providing a safer environment for employees to connect and disconnect hoses without the danger of leakage. Following comprehensive site upgrades in 2025, these improvements were fully deployed across all bunded areas.

Furthermore, **Accensi** has performed a thorough audit of all chemical spill containment bunds at Narangba site to evaluate their capacity to manage major spills from bulk tanks, mixing vessels, and packaged storage areas. The audit revealed that bunds required capacity upgrades to satisfy both operational and emergency response requirements, preventing offsite contamination. All required bund enhancements has been completed, greatly improving the company’s environmental protection measures.

At **Lipa**, an external party is engaged to conduct monthly wastewater testing, which provides a deeper insight into water quality. This proactive monitoring allows the operation to keep a close watch on discharge levels, ensuring they consistently meet regulatory standards and remain within acceptable limits.

Additionally, **Lipa** has upgraded its trade waste treatment equipment to reduce the amount of oil entering the sewer. This improvement has not only improved the quality of discharged water but has also led to a reduction in trade waste fees charge. These efforts demonstrate our continued dedication to environmental stewardship and operational efficiency by reducing both our environmental impact and operational costs.

Total hazardous waste produced increased compared with 2024, primarily due to the site clean-up of regulated waste accumulated over the years at **Australian Agribusiness**. On the other hand, total non-hazardous waste produced increased compared with 2024, mainly driven by increased wastewater discharge at **Lipa**, reflecting the higher production of liquid and cream products.



# 4.5 WATER MANAGEMENT

Effective water management plays a crucial role in today's business environment to support sustainability. It demands a thorough understanding of consumption patterns, risk assessment, and the application of tailored management strategies. The Group's Environmental Policy underscores our dedication to responsible water use by integrating strategic water management practices throughout all operations. The Sustainability Committee actively monitors and regularly reviews this policy, fostering a culture of water conservation among all stakeholders, including employees, contractors, and suppliers, while supporting environmental stewardship and operational resilience.

The Group is fully dedicated to complying with or surpassing all relevant legal and regulatory requirements related to water discharges. To achieve this, we have introduced various initiatives that closely monitor and control water usage, helping to maintain compliance and promote sustainable operations.

## 4.5.1 WATER MANAGEMENT MEASURES

Throughout the Group's operations, various initiatives have been implemented to improve water efficiency and minimise environmental impact.

**Cheetham** sealed the haul road surface in Bajool site to suppress dust generation from vehicle movements. Not only did this initiative significantly reduce the need for repeated watering and hence decrease water consumption, but it also improved air quality and workplace safety at the site.

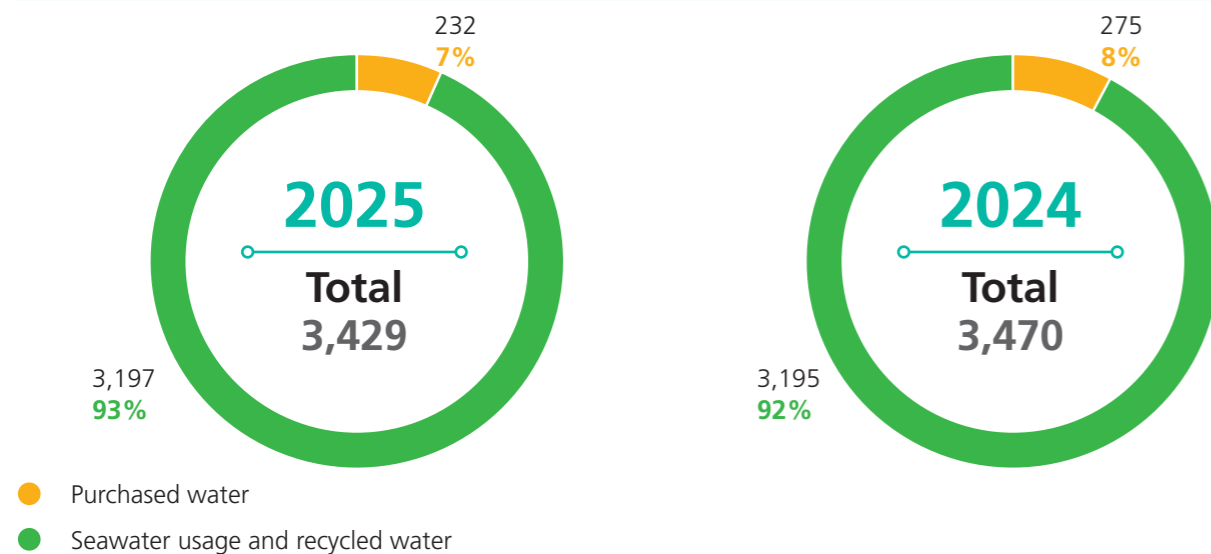
At **Vitaquest**, collaboration has been undertaken with an irrigation repair vendor to procure and install functional rain detection devices. These devices help detect irrigation system faults, enhance sensor accuracy, and ensure accurate water metering. Additionally, **Vitaquest** introduced low-flow sinks and flushometers to reduce water usage across its facilities. An ultrasonic water meter paired with a flow monitoring program has also been installed, allowing the company to more effectively track and manage water consumption.

**Dominion** monitors and reports environmental metrics, including water efficiency, on a monthly basis to keep all team members informed. In 2025, it installed additional water meters to improve its understanding of water usage across different sites, enabling more precise tracking of where and when water is consumed. Additionally, **Dominion** is exploring the possibility of installing a groundwater bore at Mount Maunganui site, aiming for use in 2026. It plans to assess the feasibility of a similar installation at Lake Grassmere afterward, with the aim of reducing potable water consumption and lowering water costs. These initiatives are aligned with its broader sustainability strategy, which sets clear targets for improving water efficiency and reducing overall consumption. By regularly tracking these metrics, **Dominion** aims to make informed decisions and continuously improve our environmental performance.

At **Lipa**, focus is placed on sustaining recent improvements in water usage to ensure continued efficiency relative to the baseline. This involves ongoing efforts to encourage staff to conserve water by incorporating more efficient cleaning practices such as Clean-in-Place (CIP) improvements for 2026.

The Group's water consumption decreased by 1% compared with 2024, maintaining efficient usage levels.

Water Consumption ('000 m<sup>3</sup>)



### Enhancing Water Management with Upgraded Stormwater Treatment Facility

In **Australian Agribusiness**, Accensi Narangba has strengthened its water management capabilities by recommissioning its reconfigured Graphene Oxide Plant in 2025. The upgraded facility currently processes more than 3 million litres each year to meet environmental licence requirements.

Using advanced nanofiltration technology, the plant removes herbicides, insecticides, fungicides, PFAS (to "nil detect" levels in parts per billion), as well as hydrocarbons and metals (to "nil detect" levels in parts per million). The treated water is safely discharged to Trade Waste, eliminating the need for offsite hazardous waste disposal.

The system supports real-time remote monitoring, with plans to add flow meters and level sensors to further enhance oversight.



# SOCIAL

We recognise that our social impact extends across our supply chain, products, and the communities we serve. By integrating social responsibility into our core business through upholding ethical supplier relationships, prioritising product safety and quality, investing in community development, and advancing human health through innovative research and development, we strengthen stakeholder trust and support long-term, sustainable value creation.

## 5.1 RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Our operations depend on a diverse range of suppliers for materials and services, and the Group acknowledges the need to address supply chain challenges such as labour practices, environmental impact, ethics, and corruption. This approach helps protect the Group’s reputation, ensures regulatory compliance, and reduces long-term costs. Sustainability is embedded throughout our procurement and supply chain processes, from supplier evaluation to ongoing monitoring.

In response to rapid innovation and change within the pharmaceutical industry, the Group proactively monitors emerging trends in sustainable supply chain management, including risk mitigation, geopolitical factors, and advancements in technology. By integrating environmental, social, and economic sustainability into our supply chain management, we strive to enhance resilience and cultivate fair, transparent partnerships with our suppliers. This strategy supports the development of a compliant, eco-friendly, and innovation-focused supply chain.

### 5.1.1 Our Supply Chain Policies

All business partners, including product and service providers, are bound by the Supplier Code of Conduct, which offers guidance on adopting sustainable practices and enhancing performance. The Code is aligned with international charters and conventions, such as the United Nations Universal Declaration of Human Rights and the International Labour Organisation’s (“ILO”) Declaration on Fundamental Principles and Rights at Work. Compliance with the Code is mandatory for all suppliers. It addresses a wide range of environmental and social issues, including:

- Business ethics;
- Health and safety;
- Human rights, with statutory and regulatory compliance established as the baseline standard; and
- Prohibition to suppliers from engaging in forced labour, child labour, human trafficking, or any other forms of modern slavery.

### THE GROUP’S SUPPLIER CODE OF CONDUCT



To promote a sustainable and ethical supply chain, we have established and implemented the following policies in addition to the Supplier Code of Conduct:

Supply chain-related policies	Expectations and Requirements
<b>Human Rights Policy</b>	The Group seeks to enhance the protection and enjoyment of human rights in the communities where it operates and expects its business partners and suppliers to adhere to the principles outlined in the Policy.
<b>Modern Slavery and Human Trafficking Statement</b>	The Group has a zero-tolerance policy towards modern slavery and is fully dedicated to preventing modern slavery and human trafficking in all areas of its business and supply chains.
<b>Environmental Policy</b>	The Group understands the indirect environmental impact of its influence on the performance of its value chain and investments. It aims to engage suppliers by raising awareness of environmental issues, promoting ecofriendly practices and highlighting best practices in environmental management.

### 5.1.2 Our Supplier Management Process

We aim to raise sustainability standards throughout every facet of our operations. To achieve this, we rigorously assess not only the quality of our suppliers' products and services but also their sustainability performance. This approach ensures that our partners align with our values and dedication to sustainability, allowing us to work together towards a more sustainable future.

#### 5.1.2.1 Supplier Selection and Evaluation

ESG considerations are central to the selection and evaluation of suppliers and contractors. The Group's business units have implemented supplier management standards that incorporate sustainability and risk management throughout the selection, purchase requisition, and contract performance processes.

For instance, **Vitaquest** maintains operating procedures, such as "Management of Purchased Materials" and "Management of Service Suppliers", to guide procurement

while minimising supply chain quality risks, with the Food Safety Team overseeing service supplier agreements to ensure compliance with quality and food safety standards.

**Dominion** has introduced the Ethical Sourcing and Responsible Trading Policy to promote sustainable sourcing and manage supply chain risks, focusing on worker welfare, health, safety, and environmental impacts. Complementing this, **Dominion** has implemented a packaging stewardship plan and sustainability strategy in 2025 aimed at further managing and improving supply chain risks by enhancing resource efficiency, reducing environmental footprint, and ensuring responsible materials management throughout the supply chain. Quality agreements with key packaging suppliers are reviewed biennially to encourage broader adherence to these standards.

All packaging products are selected based on their suitability and recyclability. Polyethylene and clear plastics are recyclable, while cartons and paper products are unbleached and recyclable. Flexible intermediate bulk containers ("FIBCs") are designed to facilitate recycling.

In identifying key suppliers, the Group assesses factors beyond material criticality, including potential environmental, social, and governance impacts. A systematic mechanism is used to screen suppliers, providing the basis for prioritising risk management and developing strategy.



#### 5.1.2.2 Continuous Monitoring and Assessment

The Group conducts regular monitoring, audits and evaluations to assess supplier performance. **Cheetham** has implemented an ongoing approved supplier programme, reviewing major raw material and packaging suppliers this year. The Ethical Sourcing Policy and Integrated Management System Procedure have been updated to include green procurement procedures, **Dominion** enforces compliance with health and safety and ethical sourcing requirements through quality agreements with suppliers of raw materials which are reviewed on a biennial basis.

**Vitaquest** has implemented Procurement Vendor Scorecards for its key suppliers to monitor performance and encourage ethical practices, using metrics such as On-Time In-Full ("OTIF") to enhance understanding and improve supply chain operations. The company has also established a Supplier Code of Conduct to uphold high ethical, social, and moral standards among suppliers. The Procurement Team uses these scorecards to track supplier performance and address any instances of non-compliance. Concurrently, regular audits are carried out to verify adherence to food safety and ethical standards, helping to mitigate risks related to product safety and labour practices.

### 5.1.2.3 Supplier Engagement and Communication

The Group emphasises the importance of suppliers maintaining high ethical standards in health and safety, environmental protection, and fair labour practices. Open communication channels and regular discussions are encouraged to promote engagement, exchange ideas, and improve the sustainability performance of the supply chain.

Compliance with labour laws is critical for all subsidiaries. Policies such as the Modern Slavery Policy and verification of Australian Working Rights ensure adherence to legal standards. **Lipa** applies its Modern Slavery Policy across its supplier network, requiring suppliers to provide auditing information and details of their practices. Additionally, **Lipa** provides training to employees to help them recognise signs of modern slavery and understand due diligence practices, ensuring they are informed about potential indicators and the appropriate actions to take if concerns arise.

**Cheetham** has established its Modern Slavery Policy, effective in 2025, and conducts regular Sedex Members

Ethical Trade Audit (“SMETA”) to verify ethical sourcing. **Lipa** also conducted regular on site SMETA Audit to audit the employment, labour and ethical standards. An approved supplier programme supports high ethical standards, complemented by a robust complaint-handling process. Similarly, **Dominion** complies with policies prohibiting child and forced labour policies and carries out ongoing audits to ensure adherence to health and safety standards, demonstrating its commitment to transparency through a comprehensive Code of Conduct and employee training.

**Accensi** conducted a comprehensive Labour Hire Licensing compliance check to ensure that all labour hire operations adhere to the relevant legal and regulatory requirements in 2025.

Through these initiatives, the Group fosters a culture of open communication and collaboration with suppliers to drive continuous improvement in ethical and sustainable practices.

## 5.2 PRODUCT SAFETY, QUALITY AND RESPONSIBILITY

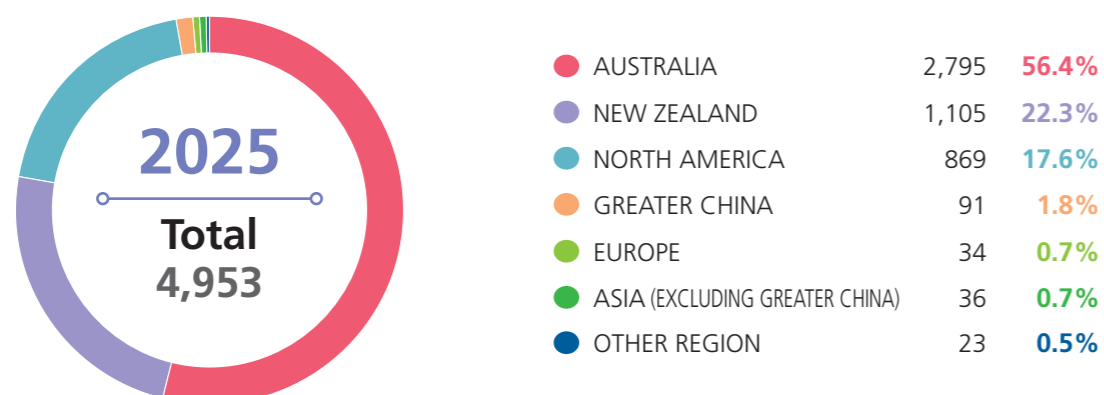
The Group is committed to upholding the highest safety and quality standards in response to heightened scrutiny from consumers and regulatory authorities regarding nutraceutical ingredients and finished products. Recognising the complexities of marketing, labelling, and product claims, the Group ensures compliance with regulatory requirements while thoughtfully managing consumer expectations.

Product quality is fundamental to the Group’s operations, underpinned by high-quality raw materials, consistent manufacturing processes, and continuous research and development to enhance product efficacy. All products undergo rigorous testing and evaluation to ensure regulatory compliance, batch-to-batch consistency, and consumer satisfaction.

To meet stringent safety and quality standards, the Group takes a proactive approach, regularly improving product quality and conducting self-assessments. A robust quality management system spans the entire product lifecycle, ensuring regulatory compliance and coordinating activities to protect product quality and consumer safety. This comprehensive approach reinforces the Group’s commitment to delivering safe, high-quality products while prioritising consumer trust and satisfaction.

**Lipa** employs a Quality Management System (“QMS”) that complies with the GMP requirements for medicinal products. This comprehensive system of documentation and procedures is designed to guarantee that all manufactured products are safe, effective, and meet customer expectations, while fully complying with Therapeutic Goods Administration (“TGA”) regulations. During the year, **Lipa** has established a new probiotic manufacturing facility and become the first in the industry to fully implement the new Australian’s TGA guideline to support contract manufacturing of an extensive range of science-based probiotic formulations. The QMS is reviewed annually by both internal teams and external auditors, and features a vendor rating system to assess potential suppliers. This evaluation process includes laboratory testing and facility inspections to ensure suppliers consistently meet rigorous quality standards. In 2025, **Lipa** was honoured with the Complementary Medicines Association (“CMA”) Manufacturer of the Year Award, which recognises the manufacturer that has made the most significant contribution to the complementary medicines industry over the past year.

Number of Suppliers by Geographical Region



### 5.2.1 Our Approach to Product Safety and Quality Management

Rigorous quality assurance and control procedures are implemented at every production stage. Raw materials are subject to compliance screening prior to procurement, and designated process owners oversee the manufacturing process. Finished products undergo comprehensive laboratory testing to verify conformity with quality standards and customer expectations, in alignment with certifications such as Good Manufacturing Practices (“GMP”).



Lipa was named the winner of CMA High Quality Manufacturer of the Year in 2025.

**Australian Agribusiness** has obtained ISO 9001 certification for its facilities in Queensland and Western Australia and has undertaken supplementary training. Similarly, **Cheetham** has established ISO 9001 accredited quality management systems, which are regularly reviewed and audited by independent third-party assessors. It also holds Hazard Analysis and Critical Control Points (“HACCP”) certification for food safety.

Meanwhile, **Dominion** holds the Food Safety System Certification (“FSSC”) 22000 (Version 6.0), which includes aspects of ISO 9001. It undergoes annual surveillance audits and a three-year recertification cycle, and has also achieved certification for National Programme 3 under the Food Act 2014 for salt manufacturing.

Additionally, **Vitaquest** was the first company in the US to attain FSSC 22000 certification for nutraceutical and functional food manufacturing. To ensure ongoing compliance with US Food and Drug Administration (“FDA”) regulations, the company has established a four-member Recall Committee and adheres to rigorous standard operating procedures.

To prepare for potential product recalls, **Lipa’s** quality assurance team carries out regular mock recall exercises to ensure operational readiness. **Australian Agribusiness** oversees product quality through its Quality Manual and Product Recall Procedure. Similarly, **Cheetham** and **Dominion** have each established their own recall procedures to maintain product quality and effectively manage potential recalls.

In our pharmaceuticals and diagnostics research and development segment, we apply the same commitment to safety, quality, and oversight by advancing innovative therapeutics supported by strong scientific and regulatory foundations. During the year, we advanced programmes in non-opioid pain management and therapeutic cancer vaccines, including the progression of preclinical, tumor-agnostic cancer vaccine candidates. We also leveraged artificial intelligence to accelerate cancer vaccine design and development. These advancements reinforce our focus on responsible innovation that delivers meaningful health outcomes.

## 5.2.2 Enhancing Customer Satisfaction

The Group is committed to maintaining open communication with customers to better understand their needs and expectations. Customer feedback and suggestion are regularly collected and summarised through various channels, analysed, and used to implement corrective actions aimed at enhancing satisfaction.

At **Lipa**, regular customer engagement includes monthly reviews with its key customer and periodic meetings with other customers throughout the year. These interactions provide valuable insights into customer expectations, enabling **Lipa** to take proactive steps to enhance satisfaction.

Over the last three years, **Cheetham** conducted customer engagement research encompassing Net Promoter Score (“NPS”) surveys to collect customers’ feedback on our products and services, helping us better ascertain their needs and preferences.

Comprehensive policies and procedures are implemented across all operations to ensure a consistent approach to managing customer complaints. In **Lipa**, all complaints are directed to the quality assurance manager, with reasons documented in the investigation report. Investigations begin within 24 to 48 hours, depending on the risk category, enabling timely assessment and tracing of issues. A root cause investigation is conducted to determine the validity of the complaint and identify traceability of the problem within the process or system. Findings are reviewed during the Quality Review Meeting to identify improvements and minimise future occurrences. Finally, a comprehensive complaints management assessment is completed to resolve the issue effectively.

As outlined in its Complaint Response Procedure, **Australian Agribusiness** acknowledges customer complaints within 24 hours and provides follow-up responses within 48 hours. Weekly meetings are held to review and improve resolution processes. This ongoing analysis enables the development of targeted improvement measures for recurring issues.

During the year, we received 663 complaints related to products and services, representing a 1.6% decrease as compared to 2024.

## 5.3 COMMUNITY INVESTMENT AND ENGAGEMENT

Recognising that a successful business depends on a thriving community, the Group is dedicated to investing in its local community by providing sustainable and healthy environments and uplifting community groups across society.

**Dominion** is an annual sponsor of the Graeme Dingle Foundation, an organisation dedicated to empowering young people through mentorship and development programmes. This support enables the Foundation to continue its vital work in providing resources and guidance that cultivate resilience, confidence, and life skills among youth. In 2025, **Dominion** hosted site tours for a range of groups at its Lake Grassmere site, including veterinary students studying animal nutrition and conference delegates from the environmental and resource management community. These engagements strengthened stakeholder engagement through knowledge sharing, education, and industry collaboration.



Veterinary students visiting Dominion's Lake Grassmere site



Participants from Resource Management Law Association ("RMLA") Conference visiting Dominion's Lake Grassmere site



**Vitaquest** actively supports community well-being through a range of initiatives. These include coat drives and fundraising events for organisations like JBWS, which advocates for the prevention of domestic violence, helping to provide warm coats to those in need during the cold winter months. The company also participated in a 5K run to support JBWS, further promoting awareness and raising funds for life-saving services for survivors of domestic violence. Additionally, **Vitaquest** has matched employee donations to Vitamin Angels, a nonprofit dedicated to improving global health by supplying essential vitamins to vulnerable populations such as pregnant women, new mothers, and children under five in underserved communities. Through these partnerships and initiatives, **Vitaquest** demonstrates its strong commitment to advancing health and well-being of the community.

In 2025, **Cheetham** strengthened its commitment to community and environmental stewardship. The team partnered with OzHarvest for a "Cooking for a Cause" volunteering session, rescuing 40 kilograms of surplus food and preparing 125 nutritious meals for local charities supporting people in need.



Vitaquest participated in Coat Drive organised by non-profit organisation Jersey Cares to support local residents in need



Cheetham partnered with OzHarvest for volunteering session



# PEOPLE

The Group recognises that sustained success and growth are intrinsically linked to the contribution and well-being of its people. It is committed to cultivating a diverse, inclusive, and supportive workplace where every employee has the opportunity to thrive. By investing in talent development, prioritising well-being, and upholding the highest standards of health and safety, the Group empowers its workforce to reach its full potential. This people-centred approach enhances employee satisfaction and retention, drives innovation, and strengthens the Group’s capacity to meet the evolving needs of its stakeholders and communities.

## 6.1 HUMAN CAPITAL MANAGEMENT AND DEVELOPMENT

Our operational success depends on skilled professionals who drive innovation, lead clinical trials, navigate regulatory requirements, and bring new products to market. In a rapidly evolving business environment characterised by increasing complexity and technological advancement, attracting and retaining top talent from a highly competitive and limited pool is essential to sustaining our competitive advantage and supporting long-term growth.

The Group is committed to nurturing and retaining talent by offering competitive remuneration packages, ensuring equitable access to professional development opportunities, and promoting a supportive workplace culture. In accordance with our Corporate Social Responsibility Policy, we uphold rigorous non-discriminatory practices and are committed to:

- Creating a positive work environment that appreciates the diverse perspectives of our workforce while supporting individual growth and the achievement of business objectives;
- Fostering a culture of growth by offering a variety of training programmes and development opportunities, along with practical courses and engaging activities;
- Upholding fairness in employee compensation and recognition and maintaining both internal equity and competitiveness in the external market; and
- Ensuring a safe and healthy workplace for all employees.

### 6.1.1 Attraction and Retention of Talent

In today’s competitive landscape, attracting and retaining exceptional talent is essential to the Group’s success. We are committed to cultivating a supportive and dynamic work environment that addresses the diverse needs of our employees and encourages their meaningful contributions to our shared objectives. This commitment is reflected in our comprehensive approach to employee incentives, benefits, and flexible working arrangements, all designed to enhance job satisfaction and engagement.

#### 6.1.1.1 Rewards, Benefits and Performance Incentives

To attract and retain a diverse workforce, the Group offers a competitive rewards package designed to enhance employee engagement and drive performance. Our incentive-based compensation framework aligns individual contributions with the Group’s strategic objectives, motivating employees at all levels and reinforcing our commitment to fostering an inclusive environment in which everyone has the opportunity to succeed.

We recognise the importance of workplace flexibility and actively support a culture that accommodates diverse employee needs through generous leave entitlements and flexible working arrangements, including part-time roles and hybrid working options. Employees may also opt to take “time off in lieu” in place of overtime pay, helping to balance professional responsibilities with personal commitments.

To support employee welfare, the Group provides a comprehensive benefits package that includes medical care, life insurance, and retirement plans.

**Australian Agribusiness** has established robust policies to ensure a fair and equitable approach to employee remuneration. Annual remuneration reviews are conducted to ensure compensation remains competitive and equitable.

**Dominion** provides permanent employees with access to health insurance and a voluntary superannuation scheme after three months of continuous service, with employer contributions exceeding standard KiwiSaver rates to support long-term retirement savings. Medical insurance is fully subsidised under the Southern Cross Well-being One plan. The company also voluntarily adopts the independently calculated living wage, which is determined annually by the Family Centre Social Policy Research Unit.

**Cheetham** offers salary continuance insurance to both full-time and part-time employees, providing financial security during periods of illness.

**Vitaquest** strengthens its benefits package by providing life insurance that covers both short- and long-term disabilities, while also contributing 3% of employees' annual compensation towards their retirement, helping them build financial security for the future.

**Lipa** provides financial support to employees requiring time off for parental reasons and offers the option to take Time Off in Lieu instead of overtime pay.

**Dominion** supports employee well-being through flexible working arrangements, including flexible working hours. Special leave is also available for study, family, or personal matters, enabling staff to better manage their work-life balance in line with individual circumstances.

**Lipa** offers flexible working arrangements to help employees balance professional and personal commitments. These include 'work from home' options for those unable to attend the office or managing significant personal responsibilities, as well as the opportunity to transition to part-time roles. Eligible staff may submit requests for part-time working, which **Lipa** reviews in light of the operational requirements of their position.

**Australian Agribusiness** maintains a Remote Work Policy aligned with external market expectations for hybrid working arrangements in applicable roles. Additionally, the Aus-Ag Leave Policy is maintained to uphold all national entitlements in accordance with Fair Work legislation. This approach also supports preparedness for emerging legislative developments, including the ongoing review of awards relating to permanent work-from-home provisions within industrial instruments.

**Australian Agribusiness, Lipa** and **Cheetham** have implemented a Right to Disconnect policy to promote a healthy work-life balance, in line with legislative requirements.



**Lipa** celebrated its 30th anniversary together with employees

### 6.1.1.2 Workforce Recruitment and Retention

To effectively attract and retain top talent, the Group implements a merit-based remuneration strategy underpinned by regular reviews of compensation packages. These reviews ensure alignment with prevailing market benchmarks and the specific requirements of individual roles. The approach includes annual remuneration assessments and continuous internal benchmarking to uphold a fair, transparent, and competitive pay structure that supports employee engagement and reinforces equitable reward practices.

**Dominion** demonstrates its commitment to equitable compensation through consistent annual reviews and internal benchmarking. As part of its annual review cycle, **Australian Agribusiness** assesses both its remuneration and operator competency frameworks. These frameworks are benchmarked externally against third-party data and internally across the organisation to ensure consistency, pay equity, and the appropriate recognition of key talent.

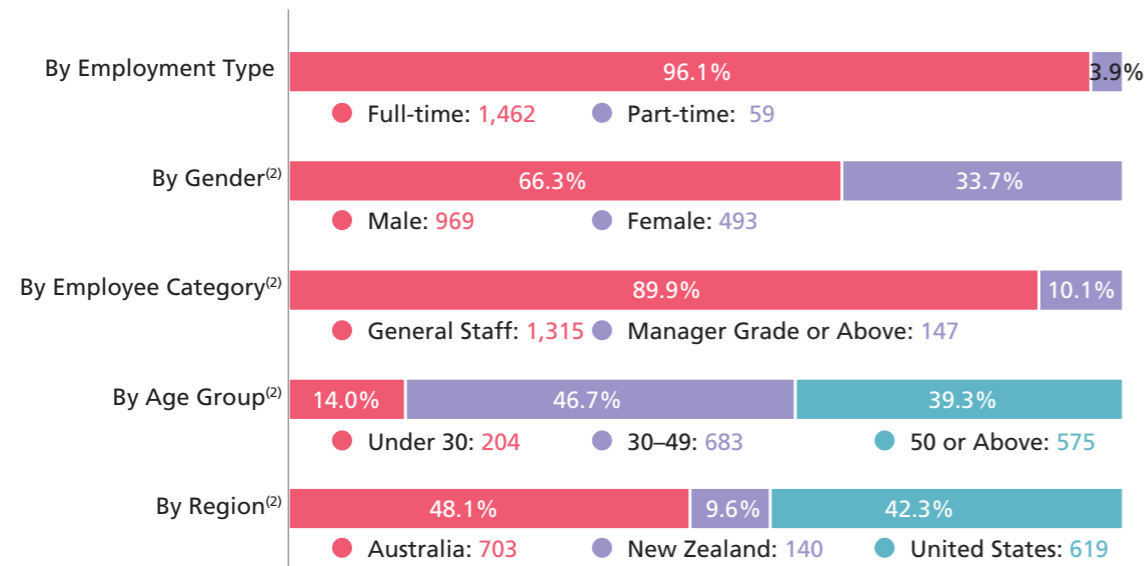
**Cheetham** leverages third-party market insights to inform and adjust compensation levels across various roles, ensuring alignment with prevailing industry benchmarks. **Cheetham** also conducts regular alignment and engagement surveys to gauge employee sentiment and enhance workplace engagement, with findings providing actionable feedback for management. To date, role evaluations within HSEQ, Engineering, Sales, and Finance have been carried out as part of the recruitment and remuneration review process, supporting consistent and market-informed hiring and reward practices.

We prioritise internal recruitment by announcing all open positions to current employees before seeking external candidates, promoting a culture of mobility and professional growth. At **Australian Agribusiness** and **Dominion**, succession planning and development frameworks establish clear career pathways that acknowledge employee dedication and contributions. Additionally, **Vitaquest** supports its recruitment efforts with an Employee Referral Programme that rewards employees for successful candidate referrals.

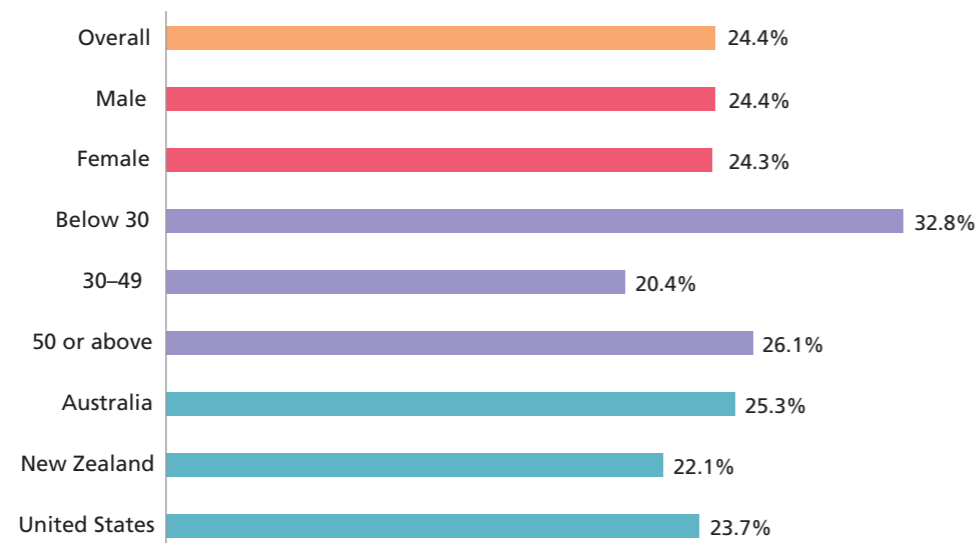
We recognise exceptional individuals across its various business functions through systematic reporting and cohesive campaigns and celebrate top performers with recognition programmes that include bonuses and awards. **Vitaquest** recognises top performers for overcoming challenges with PROUD Champion Awards at the annual Company Holiday Party. Additionally, the Every Day Proud Awards, nominated by supervisors, reward those who exceed expectations with gift cards.

**Australian Agribusiness** fosters a culture of recognition with the Agri-Achievers Awards, motivating employees to nominate colleagues who embody the Group's core values: Respect, Ownership, Achievement, Excellence, and Teamwork. These awards are featured in the Group's newsletter and celebrated at on-site meetings, emphasising the significance of teamwork and collective success throughout the organisation.

Employee Profile<sup>(1)</sup>



Employee Turnover<sup>(1)</sup>



Notes:

- (1) In-scope entities only
- (2) Full-time employees only

6.1.2 Training and Development

The Group recognises employee capacity building and career development as integral components of its human capital management strategy. It is committed to equipping its workforce with the skills and knowledge necessary to excel in their roles and contribute effectively to the achievement of business objectives. This commitment is operationalised through comprehensive training and development programmes, which incorporate regular skills gap analyses, targeted coaching for employees not meeting performance expectations, and structured mentorship opportunities that promote experiential learning. The Group also places strong emphasis on leadership development and sustainability literacy, ensuring employees are prepared to address both current operational demands and future challenges.

**Lipa** has launched a Team Assurance platform designed to manage job training relating to standard operating procedures, compliance, safety and policy updates. This platform monitors the training programmes and assessments completed by individual employees, ensuring they possess the necessary skills for their roles. To further address knowledge gaps and support skill growth, **Lipa** developed a Work Place Trainers and Assessors (“WTA”) system, putting experienced staff with newer staff in each shift to provide ongoing training support on job skills and implement skill competency assessments to ensure consistency and improve training outcome across all work shifts in the production lines. To foster a supportive performance culture, **Lipa** has implemented early intervention measures, including targeted manager coaching and support, to address underperformance constructively and facilitate employee development. Additionally, the Counselling and Discipline Procedure provides guidance to managers and supervisors on addressing unacceptable employee behaviour or performance through coaching and both informal and formal counselling, prior to taking more serious disciplinary measures.

**Lipa** has enhanced its vocational training and employee development offerings. A leadership training programme for line leaders commenced, equipping participants with essential management skills. Comprehensive training is being delivered through practical and theoretical assessments via the Team Assurance platform to ensure compliance with standard operating procedures (SOPs) and Therapeutic Goods Administration (“TGA”) licensing requirements.

**Lipa** has also prioritised sustainability awareness, providing targeted training on environmental issues and regularly communicating updates on sustainability initiatives through quarterly newsletters.

Based on feedback from the employee alignment and engagement survey, **Cheetham** has implemented a “Train the Trainer Programme” to equip managers and designated trainers with the tools and skills necessary to effectively lead and support team-based training initiatives, thereby enhancing training quality and impact.



Cheetham’s “Train the Trainer Program” aimed to foster continuous learning culture and growth opportunities throughout the company

## 6.2 OCCUPATIONAL HEALTH AND SAFETY

Leadership training is coordinated across various business units, including **Australian Agribusiness**, **Cheetham** and **Dominion**, to strengthen the capabilities of frontline leaders and enhance overall management effectiveness. Refresher training sessions on infrequently performed tasks are provided to ensure **Lipa** employees maintain current knowledge and competency. Additionally, paid training courses are arranged for maintenance and electrician staff to support the attainment of required licences.

At **Vitaquest**, online and in-person training programmes are delivered year-round to meet organisational needs and ensure compliance with US Food and Drug Administration (“FDA”) regulations. These include annual general safety training and Current Good Manufacturing Practices (“cGMPs”) training, which cover a broad range of safety topics and emergency procedures, as well as Hazard Communication (“HAZCOM”) training to review general standards. In addition, **Vitaquest** has introduced initiatives to strengthen employees’ sustainability awareness. These include the development of an environmental charter for internal and external communications and the launch of an ESG tracker on the company website, which demonstrates its commitment to environmental stewardship through the production of health-promoting products.

**Australian Agribusiness** has established comprehensive frameworks and conducted detailed training needs analyses, identifying critical skill requirements for operators in areas such as mobile process equipment operations, labelling, sampling, quality assurance checks, and quarantine management. The introduction of the Individual Performance Plan (“IPP”) framework, the Operator Competency Framework (“OCF”), and a refreshed Training and Development Procedure has strengthened the alignment between identified capability gaps and targeted development activities, thereby enhancing employees’ knowledge and operational competence. Continued investment in succession planning and the renewal of the AIM partner package in 2025, which extended access to an additional 33 management courses across the workforce, has fostered greater employee ownership of career progression and contributed to an increase in internal promotions over the past two years. In August 2025, all people leaders at **Australian Agribusiness** attended the Leadership Conference, which provided a clear articulation of the company’s strategic objectives, role expectations, and resilience training. The conference equipped Aus-Ag managers with the knowledge and skills required to effectively fulfil their responsibilities, establish team objectives, and coordinate activities in alignment with the organisation’s strategic priorities.

The Group’s agricultural operations inherently face a range of occupational risks, including falls from height, transportation incidents, equipment malfunctions, and heat-related illnesses. Safeguarding the health, safety, and well-being of its workforce while maintaining operational efficiency is essential to the Group’s responsible and sustainable operations.

The Group is committed to providing a safe, secure, and healthy working environment for all employees, contractors, suppliers, service providers, and visitors across its sites. Achieving this objective requires the active participation and shared responsibility of all personnel at every operational site. We adopt a continuous improvement approach to health and safety, regularly reviewing and enhancing its systems to proactively identify, manage, and mitigate risks.

This dedication is reflected in our Health and Safety Policy, which encompasses several key principles:

- Comply with all applicable laws and regulations in the relevant jurisdictions;
- Meet industry-specific standards or reference relevant industry best practices;
- Adopt local or international health and safety guidelines for goods and services purchased;
- Maintain a safe working environment;
- Provide employees and contractors with guidelines, training and development specific to their job requirements;
- Assess the health and safety performance of contractors and suppliers regularly;

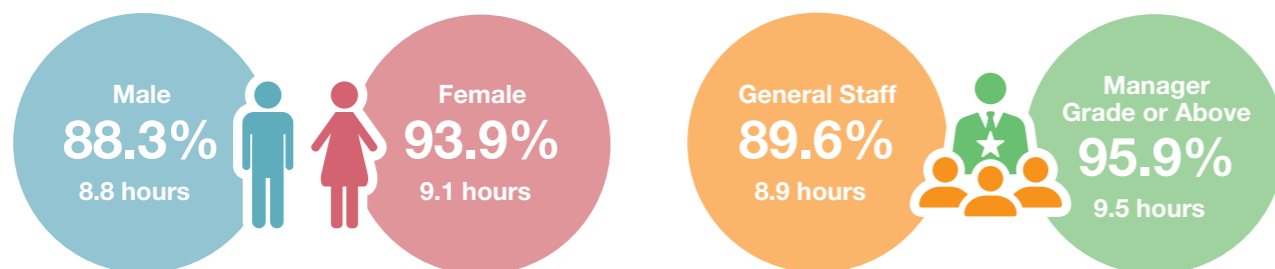
- Engage employees and contractors through information sharing and programmes to improve their health and well-being, and solicit feedback for continuous improvements;
- Monitor and report health and safety performance;
- Provide sufficient resources to implement the Policy; and
- Enforce the implementation of the Policy with regular reviews and internal audits.

### 6.2.1 Health and Safety Management System

Health and safety management systems are implemented across various business units to ensure compliance with local regulations. Both **Cheetham** and **Dominion** hold ISO 45001 certification, and each successfully completed its annual audit during the reporting period. **Australian Agribusiness**, **Lipa**, and **Vitaquest** have also established their occupational health and safety management systems in accordance with the ISO 45001 standard.

Workplace safety at **Australian Agribusiness**, **Cheetham**, and **Lipa** is overseen by the Operations Director, Group Manager – HSEQ & People, and Work Health Safety Business Partner respectively, ensuring that robust occupational health and safety management systems are in place. At **Dominion**, every employee is responsible for workplace safety. The Health & Safety team reports to the Site Manager, with ultimate oversight provided by the CEO.

Percentage of Employees Who Received Training<sup>(1)</sup> and Average Hours of Training Per Employee<sup>(2)</sup>



Notes:

- (1) Permanent full-time employees including terminated employees who left the Company during the reporting period. Percentage of employees who received training = number of employees trained/total workforce at the end of the reporting period x 100%.
- (2) Average training hours = total hours of training received by employees/total workforce at the end of the reporting period.

**6.2.1.1 Employee Health and Safety Initiatives**

**Vitaquest** enhanced its safety measures by acquiring and installing the KAIVAC cleaning unit for comprehensive multi-surface cleaning and sanitisation. The older Automated External Defibrillator (AED) and Cardiopulmonary Resuscitation (CPR) units were replaced with advanced models featuring Wi-Fi monitoring to ensure reliability. Recognising the risks associated with working at heights, **Vitaquest** has introduced fall arrest trauma safety straps, providing critical emergency rescue support for employees in elevated positions.

At **Australian Agribusiness**, Powered Air Purifying Respirators (PAPRs) have been deployed at the production facility in Narangba, Lara and Kwinana. Explosion-proof respirators are distinguished by their orange colour, whereas non-explosion-rated units are blue, minimising the risk of misuse in flammable environments. The integrated MEX Maintenance software enables regular inspections, enhancing respiratory protection and substantially reducing incidents of respiratory fatigue. The use of PAPRs with cooling vests helps manage heat stress and mitigate associated fatigue, supporting safer and more efficient work in high-temperature conditions.

**Lipa** maintains a compliant First Aid Room staffed by trained personnel to effectively manage minor injuries and first aid needs, thereby helping to mitigate the severity of potential incidents. The company also provides free influenza vaccinations, coordinating regular immunisation opportunities and actively promoting them to employees, which has led to high uptake and supports overall workforce health. In addition, **Lipa** has reduced fire and explosion, and bushfire exposure risks, by substituting ethanol-based materials with water-based coatings in tablet production.

Similarly, **Dominion** organises comprehensive health and wellbeing programs, including annual health checks, flu vaccinations, and skin screenings. Furthermore, **Australian Agribusiness** has introduced Diphoterine (DAP) as part of its first aid measures to enhance treatment for employees exposed to strong acids or alkalis, helping to prevent permanent eye or skin damage.

**6.2.1.2 Promotion of Mental Health**

The Group recognises that employee well-being encompasses both physical and mental health. To support this, a range of policies and initiatives have been implemented to promote mental wellness across the organisation. A key measure is the adoption of hybrid working arrangements in various business units, which enables employees to work from home where appropriate. This flexibility is designed to support a sustainable balance between professional responsibilities and personal commitments, thereby contributing to overall psychological well-being.

In addition to flexible work options, **Australian Agribusiness** and **Cheetham** have launched an Employee Assistance Programme designed to support mental health. This programme provides employees with access to professional counselling services, including hotlines and online platforms, ensuring that help is readily available to those in need.

**Dominion** hosted an annual mental health and well-being workshop under the theme “From Frustration to Flow” in 2025. This engaging workshop explored how emotions manifest in the workplace and how we can manage them in supportive ways. Participants also learned practical techniques, including breathing exercises, reframing strategies, and quick resets that can be easily practiced at work.

**Australian Agribusiness** has established a partnership with the Beny Wellbeing App, which offers employees discounts on a wide range of Australian services, along with valuable resources on health and wellness topics, and connects them to support services tailored to various lifestyle needs.

All our Australian business units, including **Australian Agribusiness**, **Cheetham** and **Lipa** have participated in the Australian national initiative “R U OK?” Day to advocate mental health awareness and promote a caring culture in the workplace. These collective efforts underscore the Group’s dedication to fostering a healthier workforce and creating a nurturing environment that prioritises mental health and overall well-being.



Australian Agribusiness participated in the Australian national initiative “R U OK?” Day



On “R U OK?” day, Australian Agribusiness arranged a toolbox talk delivered by representatives from HSE on the importance of mental health awareness

## 6.2.2 HAZARD IDENTIFICATION AND RISK ASSESSMENT

Through regular risk assessments and proactive safety inspections, the Group systematically identifies and evaluates potential risks and hazards across all business units. Strict safety measures and preventive actions are implemented to prevent workplace incidents and minimise occupational hazards.

To support the identification and resolution of safety issues, **Lipa** holds quarterly Work Health and Safety (WHS) meetings, providing a platform for departments to raise potential risks and concerns to the Safety Committee. Hazards identified during these sessions are documented, and corrective actions, along with assigned responsibilities, are established to address them.

**Cheetham** has conducted ongoing safety risk assessments across all operational locations, including comprehensive machine safety evaluations. Where high-risk activities were identified, targeted remedial actions were developed and implemented. In parallel, behavioural safety assessments have been rolled out to encourage safe work practices and reinforce a proactive safety culture.



**Cheetham** launched behavioural safety training to promote safety practices and culture

In addition to regular meetings and assessments, the Group acknowledges the importance of promoting health and safety awareness among employees to mitigate risks further.

At **Vitaquest**, a series of initiatives have been implemented to strengthen occupational health and safety performance. The annual respirator examination mandated by the Occupational Safety and Health Administration (“OSHA”) was conducted during the reporting period, supported by a newly established internal process for both medical evaluations and in-house fit testing. This process is designed to minimise work-related downtime while ensuring regulatory compliance. In parallel, Environment, Health and Safety (“EHS”) training sessions are delivered regularly, with a focus on equipping personnel to conduct structured risk assessments and effectively identify potential hazards.

At **Lipa**, Duty of Care training has been rolled out to leadership and management, while hazard identification training has been provided to all employees as part of ongoing efforts to strengthen health and safety awareness.

The Group has recorded no work-related fatalities with a lost time injury rate(1) of 3.5 per million hours in 2025. All work-related injuries are not serious. We will continue to improve our health and safety measures and ensure a safe working environment for our employees.

Note:

(1) Lost-time injuries rate per million hours worked, calculated using the formula: (Number of lost-time injuries)/(Total hours worked in the reporting period) x 1,000,000

## 6.3 HUMAN RIGHTS AND LABOUR PRACTICE

We comply with all applicable labour and human rights laws and regulations in every region where we operate, ensuring that our workforce is free from forced labour, child labour, and human trafficking. We are equally committed to fostering a respectful and inclusive workplace, free from violence, harassment, intimidation, harsh or degrading treatment, and any other inappropriate working conditions. All employees are entitled to fair and favourable terms of employment, including safe working environments, reasonable working hours, maternity protection, and access to paid periodic leave.

The Group’s Human Rights Policy applies not only to its own operations but also extends to business partners and suppliers, who are encouraged to adopt comparable principles. The policy aligns with international human rights standards, including the ILO Declaration on Fundamental Principles and Rights at Work.

A core element of the policy is our commitment to equality, diversity, and inclusion, underpinned by an explicit prohibition discrimination and harassment based on the basis of protected characteristics. Recruitment, development, and advancement decisions are based solely on qualifications, competence, and performance. We also respect employees’ rights to join or form trade unions without fear of reprisal, committing to engaging in constructive dialogue and good faith bargaining with union representatives. Furthermore, we maintain a zero-tolerance approach to modern slavery and categorically prohibits all forms of child labour, forced labour, human trafficking, and slavery across the operations and supply chains.

The Group recognises modern slavery as a serious human rights violation encompassing various forms of exploitation. Accordingly, it is committed to preventing any occurrence of slavery or human trafficking within its operations and

supply chains. Robust systems and controls are in place, underpinned by transparency and enhanced through ongoing due diligence to identify, assess, and address modern slavery risks. This commitment is embedded in the Group’s Human Rights Policy and reflected in its Supplier Code of Conduct. To further strengthen ethical standards, the Group has introduced a Whistleblowing Policy, supported by comprehensive training for relevant personnel.

**Australian Agribusiness** has established dedicated reporting forms and a designated mailbox to create a formal process for raising systemic concerns or reporting breaches of ethics and compliance. **Australian Agribusiness** has also demonstrated its commitment to a respectful workplace by delivering training on anti-bullying, anti-harassment, and non-discrimination during employee onboarding and annually thereafter. This training ensures that staff are informed about the procedures for addressing bullying and reinforces that such behaviour is unacceptable.

Similarly, **Vitaquest** provides anti-harassment training to all employees, setting clear expectations regarding appropriate workplace conduct.

At **Lipa**, employees have access to an anonymous whistleblowing mechanism that enables them to raise concerns related to discrimination in a safe and confidential manner. All reported cases are thoroughly investigated, and where appropriate, accountable individuals are subject to disciplinary procedures.

In 2025, **Cheetham** relaunched its employee handbook, which consolidates all company policies, and delivered refresher training to all employees to reinforce understanding and adherence.

## 6.4 DIVERSITY, EQUITY AND INCLUSION

The Group is dedicated to respecting, supporting, and valuing individuals from diverse perspectives, backgrounds, cultures, abilities, sexual orientations, genders, ethnicities, ages, religions, and life experiences. We proudly embrace and promote diversity, equity, and inclusion (DEI).

Our commitment to providing all employees with equal opportunities and fair treatment is embedded in our Workforce Diversity Policy. The policy promotes respect for individual differences, upholds the dignity of all employees, and places particular emphasis on gender equality, empowerment, and equal opportunities in recruitment and career advancement. The Sustainability Committee regularly reviews the policy's effectiveness, and employees receive ongoing training on diversity and inclusion.

To promote an inclusive workplace, the Group offers a family-friendly leave policy covering marriage, maternity, paternity, and bereavement leave. There was no confirmed incident of discrimination during the reporting period.

To enhance DEI awareness among employees, both **Australian Agribusiness** and **Cheetham** deliver induction sessions focused on anti-discrimination and equal opportunity. These are supplemented by regular refresher

training to reinforce the principles of equal employment opportunity and diversity in business practices. Consistent with this commitment, **Australian Agribusiness** regularly reviews the Site Operator Competency Framework and performs an annual remuneration review aligned with the framework's expectations. This approach emphasises skills-based assessments and ensures pay equity across production roles, strengthening our commitment to preventing discrimination and promoting equal employment opportunities. Additionally, a Human Resource Calendar has been developed for all employees, ensuring that the organisation observes key national days of recognition and action, underscoring our commitment to diversity, equity, and inclusion.

**Cheetham** holds annual membership with the National Alliance of Women's Organisations ("NAWO"), demonstrating its support for initiatives focused on the development and empowerment of women.

At **Lipa**, we ensure that job advertisements do not specify a preferred gender, making all roles open to candidates of all genders. We provide equal opportunity for all individuals to apply, with no disadvantage or bias based on gender.



# APPENDIX

# 7.1 ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATOR

Environmental KPIs <sup>1,2</sup>	Unit	2025	2024
<b>GHG emissions<sup>3</sup></b>			
Total Scope 1, 2, and 3 GHG emissions	tonne CO <sub>2</sub> e	213,753	–
Total Scope 1 and 2 GHG emissions		49,237	47,495
Scope 1 GHG emissions		32,006	31,245
Scope 2 GHG emissions (location-based)		17,231	16,250
Scope 3 GHG emissions		164,516	–
Category 1 – Purchased Goods and Services		117,928	–
Category 2 – Capital Goods		12,827	–
Category 3 – Fuel and Energy-Related Activities		7,107	–
Category 4 – Upstream Transportation and Distribution		21,117	–
Category 13 – Downstream leased assets		5,537	–
Total Scope 1 and 2 GHG emissions intensity <sup>4</sup>	tonne CO <sub>2</sub> e/ HK\$'000 revenue	0.010	0.010
Scope 1 GHG emissions intensity		0.006	0.007
Scope 2 GHG emissions intensity		0.003	0.004
<b>Use of energy</b>			
Total energy consumption	'000 kWh	173,819	169,064
Direct energy consumption		134,526	131,515
Gasoline/Petrol		212	189
Diesel		11,628	10,050
Natural gas		79,302	78,073
LPG		18,374	18,537
Coal		25,010	24,666
Indirect energy consumption		39,293	37,549
Electricity		39,293	37,549
Total energy consumption intensity <sup>5</sup>	kWh/HK\$ revenue	0.034	0.037
Direct energy consumption intensity		0.026	0.029
Indirect energy consumption intensity		0.008	0.008
<b>Use of water</b>			
Water consumption	'000 m <sup>3</sup>	3,429	3,470
Water consumption intensity <sup>6</sup>	m <sup>3</sup> /HK\$'000 revenue	0.665	0.758
<b>Air emissions</b>			
NO <sub>x</sub> emissions	tonnes	0.633	0.624
SO <sub>x</sub> emissions		0.019	0.017
Particulate matter emissions		0.026	0.025

Environmental KPIs <sup>1,2</sup>	Unit	2025	2024
<b>Waste Produced</b>			
Total hazardous waste produced <sup>7</sup>	tonnes	2,180	351
Total non-hazardous waste produced <sup>8</sup>		26,882	20,007
<b>Packaging material</b>			
Total packaging material used for finished products <sup>9</sup>	tonnes	9,123	7,076
Plastic		4,943	3,570
Paper		2,092	1,990
Metal		303	29
Glass		380	432
Other packaging materials		1,405	1,055

- In 2025, the scope of KPIs was expanded. For agriculture-related businesses, the scope additionally includes vineyards and the CPS operating division within Australian Agribusiness.
- Any discrepancies between (i) totals provided and the sum of the numbers presented; and (ii) percentages provided and the associated numbers throughout the Report are due to rounding.
- Greenhouse gas (GHG) emissions comprise carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. The data are calculated using local/industry-specific methodology where applicable under regulations. Otherwise, the Scope 1 emissions are calculated using the latest available emission factors in line with the Greenhouse Gas Protocol, International Energy Agency's ("IEA") Energy Statistics Manual, United States Environmental Protection Agency's ("US EPA") Emission Factors for Greenhouse Gas Inventories, the Sixth Assessment Report ("AR6") by the Intergovernmental Panel on Climate Change ("IPCC") and Environmental Protection Department and the Electrical and Mechanical Services Department's Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purpose) in Hong Kong (2010 Edition). Scope 2 emissions refer to the emissions associated with purchased electricity. The calculation methodology has been enhanced by shifting from using the IEA's worldwide emission factor to location-based emission factors. Australia: the emission factor is sourced from Australia's National Greenhouse Accounts Report, utilising state-based emission factors; New Zealand: the emission factor is based on the "Measuring Emissions: A Guide for Organisations 2024 Detailed Guide" by the Ministry for the Environment of the New Zealand Government, utilising country-based emission factors; United States: the emission factor is sourced from the U.S. Environmental Protection Agency (US EPA), utilising country-based emission factors. Greenhouse gas (GHG) emissions comprise carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. The data are calculated using local/industry-specific methodology where applicable under regulations. Otherwise, the Scope 1 emissions are calculated using the latest available emission factors in line with the Greenhouse Gas Protocol, International Energy Agency's ("IEA") Energy Statistics Manual, United States Environmental Protection Agency's ("US EPA") Emission Factors for Greenhouse Gas Inventories, the Sixth Assessment Report ("AR6") by the Intergovernmental Panel on Climate Change ("IPCC") and Environmental Protection Department and the Electrical and Mechanical Services Department's Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purpose) in Hong Kong (2010 Edition). Scope 2 emissions refer to the emissions associated with purchased electricity. The calculation methodology has been enhanced by shifting from using the IEA's worldwide emission factor to location-based emission factors. Australia: the emission factor is sourced from Australia's National Greenhouse Accounts Report, utilising state-based emission factors; New Zealand: the emission factor is based on the "Measuring Emissions: A Guide for Organisations 2024 Detailed Guide" by the Ministry for the Environment of the New Zealand Government, utilising country-based emission factors; United States: the emission factor is sourced from the U.S. Environmental Protection Agency (EPA), utilising country-based emission factors.
- "Scope 1 and 2 GHG emissions intensity" equals "Total Scope 1 and 2 GHG emissions" over total revenue contributed by the in-scope Business Units, which is considered an appropriate intensity basis for the nature of the relevant business units.
- "Total energy consumption intensity" equals "Total energy consumption" over total revenue contributed by the In-scope Business Units, which is considered an appropriate intensity basis for the nature of the relevant business units.
- "Water consumption intensity" equals "Water consumption" over total revenue contributed by the In-scope Business Units, which is considered an appropriate intensity basis for the nature of the relevant business units.
- Total hazardous waste produced increased by 522% compared with 2024. This is mainly due to one-time site remediation activities at Australian Agribusiness, which involved the removal of historically accumulated regulated hazardous waste.
- Total non-hazardous waste produced increased by 34% compared with 2024, primarily driven by site clean-up activities and production line relocations at Australian Agribusiness, as well as higher wastewater volumes at Lipa resulting from increased water usage in line with operational scale-up.
- Packaging material used for finished products is estimated based on the volume of raw materials purchased. Total packaging material used increased by 29% compared with 2024, primarily due to expanded production volume at Australian Agribusiness.

### Scope 3 GHG emissions Calculation Methodology

Category	Methodology
1 Purchased Goods and Services:  Emissions from the extraction, production, and transportation of goods and services purchased or acquired	Emissions in this category are calculated using a spend-based method that determines GHG emissions from procurement spend on goods and services and applying third-party provided emission factors.  Emissions factor source: Zenodo, 2025, Australian spend-based emissions factor dataset; Auckland Council, 2023, Consumption emissions modelling; U.S. Environmental Protection Agency, 2024, Supply Chain Greenhouse Gas Emission Factors
2 Capital Goods:  Emissions from the extraction, production, and transportation of capital goods purchased or acquired	Emissions in this category are calculated using a spend-based method that determines GHG emissions from procurement spend on capital goods and applying third-party provided emission factors.  Emissions factor source: Zenodo, 2025, Australian spend-based emissions factor dataset; Auckland Council, 2023, Consumption emissions modelling; U.S. Environmental Protection Agency, 2024, Supply Chain Greenhouse Gas Emission Factors
3 Fuel and Energy-Related Activities:  Emissions from the extraction, production, and transportation of fuels and energy purchased or acquired, not already accounted for in Scope 1 or Scope 2	Emissions in this category are calculated using average-data method, which involves calculating upstream emissions of fuel and electricity as well as transmission and distribution losses, and by application of third-party provided emission factors.  Emissions factor source: AU DCCEEW, 2025, National Greenhouse Accounts Factors; NZ MfE, 2025, Measuring Emissions: A guide for organisations – 2025; UK DESNZ, 2025, Greenhouse gas reporting: conversion factors 2025; US EPA, 2025, eGRID with 2025 Data
4 Upstream Transportation and Distribution:  Emissions generated from the transport and handling of products and materials between suppliers and the company's operations	Emissions in this category are calculated using a spend-based method that determines GHG emissions from CKLS various subsidiaries' spending on each transportation and distribution services and applying third-party provided emission factors.  Emissions factor source: Zenodo, 2025, Australian spend-based emissions factor dataset; Auckland Council, 2023, Consumption emissions modelling; U.S. Environmental Protection Agency, 2024, Supply Chain Greenhouse Gas Emission Factors
13 Downstream leased assets:  Emissions from the operation of assets that are owned and leased to other entities in the reporting year that are not already included in scope 1 or scope 2	Using a activity-based method, whereby third-party provided emission factors have been applied to the plantable Gross Floor Area for the vineyard business.  Emissions factor source: Sustainable Winegrowing New Zealand, 2023, National Greenhouse Gas Emissions Report

Social KPIs <sup>1,10</sup>	Unit	2025	2024
<b>Employee profile</b>			
Number of employees	Number	1,521	1,402
Number of employees by employment type			
Full-time	Number	1,462	1,345
Part-time		59	57
Number of employees by gender <sup>11</sup>			
Male	Number	969	875
Female		493	470
Number of employees by employee category <sup>11</sup>			
Manager grade or above	Number	147	131
General staff		1,315	1,214
Number of employees by age group <sup>11</sup>			
Under 30	Number	204	177
30-49		683	598
50 or above		575	570
Number of employees by region <sup>11</sup>			
Australia	Number	703	537
New Zealand		140	145
United States		619	663
<b>Employee turnover</b>			
Overall turnover rate <sup>12</sup>	%	24.4%	22.1%
Turnover rate by gender			
Male	%	24.4%	24.7%
Female		24.3%	17.2%
Turnover rate by age group			
Under 30	%	32.8%	39.0%
30-49		20.4%	23.4%
50 or above		26.1%	15.4%

Social KPIs <sup>1,10</sup>	Unit	2025	2024
Turnover rate by region			
Australia	%	25.3%	24.6%
New Zealand		22.1%	24.1%
United States		23.7%	19.6%
<b>Health and safety</b>			
Number of work-related fatalities of full-time employees	Number	0	0
Rate of work-related fatalities of full-time employees	%	0%	0%
Number of lost days due to work-related injuries	Days	314	250
Lost time injury rate per million hours worked <sup>13</sup>	Rates	3.5	2.6
<b>Training and development</b>			
Percentage of trained full-time employees	%	90.2%	85.7%
Percentage of trained full-time employees by gender			
Male	%	88.3%	84.9%
Female		93.9%	87.2%
Percentage of trained full-time employees by employee category			
Managers	%	95.9%	100.0%
Non-managers		89.6%	84.2%
Average number of training hours completed by full time employees	Hours	8.9	7.7
Average number of training hours completed by full time employees by gender			
Male	Hours	8.8	7.5
Female		9.1	8.0
Average number of training hours completed by full time employees by employee category			
Managers	Hours	9.5	9.7
Non-managers		8.9	7.5

Social KPIs <sup>1,10</sup>	Unit	2025	2024
<b>Supply chain management</b>			
Number of suppliers by geographic location			
Australia	Number	2,795	2,507
New Zealand		1,105	1,109
North America		869	906
Greater China		91	62
Europe		34	30
Asia (excluding Greater China)		36	25
Other Region		23	6
<b>Product responsibility</b>			
Percentage of total products sold or shipped subject to recalls for safety and health reasons	%	0.00	0.00
Number of products and services related complaints	Number	663	674
<b>Community contribution</b>			
Total amount of cash and in-kind donations	HK\$'000	624	1,112
Total hours of volunteer work	Hours	56	320

10. In-scope entities only.

11. Full-time employees only.

12. The turnover rate refers to full-time employees of the in-scope entities only, which is calculated by the number of employee departures during the year, divided by the total number of employees as of 31 December 2025.

13. Lost-time injuries rate per million hours worked, calculated using the formula: (Number of lost-time injuries)/(Total hours worked in the reporting period) x 1,000,000. All work-related injuries are not serious. We will continue to improve our health and safety measures and ensure a safe working environment for our employees.

## 7.2 HONG KONG STOCK EXCHANGE ESG CODE CONTENT INDEX

### Part B: Mandatory Disclosure Requirements

Mandatory Disclosure Requirements	Reference and Remarks
<p>Governance Structure 13</p> <p>A statement from the board containing the following elements:</p> <p>(i) a disclosure of the board’s oversight of ESG issues;</p> <p>(ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and</p> <p>(iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses.</p>	3 Corporate Governance
<p>Reporting Principle 14</p> <p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose:</p> <p>(i) the process to identify and the criteria for the selection of material ESG factors;</p> <p>(ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	1.4 About This Report 2 Sustainability at CK Life Sciences 7.1 Environmental and Social Performance Indicators
<p>Reporting Boundary 15</p> <p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	1.4 About This Report

### Part C: “Comply or explain” Provisions

Subject Area, Aspects, General Disclosure, KPIs	Reference and Remarks	
<b>A. Environmental</b>		
<b>Aspect A1: Emissions</b>		
<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste</p>	2 Sustainability at CK Life Sciences 4 Environment	
KPI A1.1	The types of emissions and respective emissions data	7.1 Environmental and Social Performance Indicators
KPI A1.2	Repealed 1 January 2025	–
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	7.1 Environmental and Social Performance Indicators
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	7.1 Environmental and Social Performance Indicators
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them	4 Environment
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	4 Environment

Subject Area, Aspects, General Disclosure, KPIs		Reference and Remarks
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	2 Sustainability at CK Life Sciences 4 Environment
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)	4 Environment 7.1 Environmental and Social Performance Indicators
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	4 Environment 7.1 Environmental and Social Performance Indicators
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	4 Environment
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	2 Sustainability at CK Life Sciences 4 Environment
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	7.1 Environmental and Social Performance Indicators
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	2 Sustainability at CK Life Sciences 4 Environment
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	4 Environment
<b>Aspect A4: Climate Change</b>		
General Disclosure	Repealed 1 January 2025	–
KPI A4.1	Repealed 1 January 2025	–

Subject Area, Aspects, General Disclosure, KPIs		Reference and Remarks
<b>B. Social</b>		
<b>Aspect B1: Employment</b>		
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	6 People 7.1 Performance Data Summary
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	6 People 7.1 Environmental and Social Performance Indicators
KPI B1.2	Employee turnover rate by gender, age group and geographical region	6 People 7.1 Environmental and Social Performance Indicators
<b>Aspect B2: Health and Safety</b>		
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	2 Sustainability at CK Life Sciences 6 People
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	6 People 7.1 Environmental and Social Performance Indicators There were no work-related fatalities occurred in the past 3 years
KPI B2.2	Lost days due to work injury	6 People 7.1 Environmental and Social Performance Indicators
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	6 People

Subject Area, Aspects, General Disclosure, KPIs		Reference and Remarks
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	6 People
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	6 People 7.1 Environmental and Social Performance Indicators
KPI B3.2	The average training hours completed per employee by gender and employee category	6 People 7.1 Environmental and Social Performance Indicators
<b>Aspect B4: Labour Standards</b>		
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	6 People
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	6 People
KPI B4.2	Description of steps taken to eliminate such practices when discovered	6 People

Subject Area, Aspects, General Disclosure, KPIs		Reference and Remarks
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain	5 Social
KPI B5.1	Number of suppliers by geographical region	5 Social 7.1 Environmental and Social Performance Indicators
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	5 Social 7.1 Environmental and Social Performance Indicators
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	5 Social
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	3 Corporate Governance 4 Environment 5 Social
<b>Aspect B6: Product Responsibility</b>		
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	5 Social
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	5 Social 7.1 Environmental and Social Performance Indicators
KPI B6.2	Number of products and service related complaints received and how they are dealt with	5 Social 7.1 Environmental and Social Performance Indicators
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	3 Corporate Governance
KPI B6.4	Description of quality assurance process and recall procedures	5 Social
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	3 Corporate Governance During the reporting period, the Group did not experience any significant data privacy breaches or receive any complaints.

Subject Area, Aspects, General Disclosure, KPIs		Reference and Remarks
<b>Aspect B7: Anti-corruption</b>		
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	3 Corporate Governance Annual Report 2025 — Corporate Governance Report
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	3 Corporate Governance During the reporting period, there were no incidents of non-compliance concerning corrupt practices.
KPI B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored	3 Corporate Governance
KPI B7.3	Description of anti-corruption training provided to directors and staff	3 Corporate Governance Annual Report 2025 — Corporate Governance Report
<b>Aspect B8: Community Investment</b>		
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	5 Social
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	5 Social
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	5 Social 7.1 Environmental and Social Performance Indicators

**Part D: Climate-related Disclosures**

Core Content	Section
<b>(I) Governance</b>	
Paragraph 19	
An issuer shall disclose information about:	
<p>(a) The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:</p> <ul style="list-style-type: none"> <li>(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;</li> <li>(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;</li> <li>(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;</li> <li>(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and</li> </ul> <p>(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:</p> <ul style="list-style-type: none"> <li>(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and</li> <li>(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.</li> </ul>	<p>2.2 Sustainability Governance 3.3 Risk Management 4.2.3 Risk and Opportunity Management</p>

APPENDIX

Core Content	Section
<b>(II) Strategy</b>	
<b>Climate-related Risks and Opportunities</b>	
Paragraph 20	
An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer’s cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer’s cash flows, its access to finance or cost of capital over the short, medium or long term;	4.2.2 Strategy
(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	
(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	
(d) explain how the issuer defines ‘short term’, ‘medium term’ and ‘long term’ and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	
<b>Business Model and Value Chain</b>	
Paragraph 21	
An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer’s business model and value chain. Specifically, the issuer shall disclose:	
(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer’s business model and value chain; and	4.2.2 Strategy
(b) a description of where in the issuer’s business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	

Core Content	Section
<b>Strategy and Decision-making</b>	
Paragraph 22	
An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	4.1.1 Targets Set Across Business Units 4.2.2 Strategy
(i) current and anticipated changes to the issuer’s business model, including its resource allocation, to address climate-related risks and opportunities;	
(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	
(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer’s transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	
(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	
(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	
Paragraph 23	
An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	4.1.1 Targets Set Across Business Units

Core Content	Section
<b>Financial Position, Financial Performance and Cash Flows</b>	
Paragraph 24 – Current financial effect	
An issuer shall disclose qualitative and quantitative information about:	
(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	4.2.2 Strategy
(b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	
Paragraph 25 – Anticipated financial effect	
The issuer shall provide qualitative and quantitative disclosures about:	
(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	4.2.2 Strategy
(i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and	
(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	
<b>Climate Resilience</b>	
Paragraph 26	
An issuer shall disclose information that enables an understanding of the resilience of the issuer’s strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer’s identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer’s circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	

Core Content	Section
(a) the issuer’s assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	4.2.2 Strategy
(i) the implications, if any, of the issuer’s assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	
(ii) the significant areas of uncertainty considered in the issuer’s assessment of its climate resilience; and	
(iii) the issuer’s capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	
(b) how and when the climate-related scenario analysis was carried out, including:	
(i) information about the inputs used, including:	
(1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;	
(2) whether the analysis included a diverse range of climate-related scenarios;	
(3) whether the climate-related scenarios used for the analysis are associated with climate – related transition risks or climate-related physical risks;	
(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	
(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	
(6) time horizons the issuer used in the analysis; and	
(7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	
(ii) the key assumptions the issuer made in the analysis; and	
(iii) the reporting period in which the climate-related scenario analysis was carried out.	

Core Content	Section
<b>(III) Risk Management</b>	
Paragraph 27	
An issuer shall disclose information about:	
(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	3.3 Risk Management 4.2.3 Risk and Opportunity Management
(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	
(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	
(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	
(iv) whether and how the issuer prioritises climate – related risks relative to other types of risks;	
(v) how the issuer monitors climate-related risks; and	
(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	
(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	
(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer’s overall risk management process.	

Core Content	Section
<b>(IV) Metrics and Targets</b>	
<b>Greenhouse Gas Emissions</b>	
Paragraph 28	
An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO <sub>2</sub> equivalent, classified as:	
(a) Scope 1 greenhouse gas emissions;	4.3 Energy Consumption and Greenhouse Gas Emissions 7.1 Environmental and Social Performance Indicators
(b) Scope 2 greenhouse gas emissions; and	
(c) Scope 3 greenhouse gas emission.	
Paragraph 29	
An issuer shall:	
(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	7.1 Environmental and Social Performance Indicators
(b) disclose the approach it uses to measure its greenhouse gas emissions including:	
(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	
(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	
(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	
(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location – based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer’s Scope 2 greenhouse gas emissions; and	4.3 Energy Consumption and Greenhouse Gas Emissions 7.1 Environmental and Social Performance Indicators
(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer’s measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	

Core Content	Section
<b>Climate-related Transition Risks</b>	
Paragraph 30	
An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	4.2.2 Strategy
<b>Climate-related Physical Risks</b>	
Paragraph 31	
An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	4.2.2 Strategy
<b>Climate-related Opportunities</b>	
Paragraph 32	
An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	4.2.2 Strategy
<b>Capital Deployment</b>	
Paragraph 33	
An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	4.2.2 Strategy

Core Content	Section
<b>Internal Carbon Prices</b>	
Paragraph 34	
An issuer shall disclose:	The Group has developed a low-carbon transition plan and established business unit-level greenhouse gas emissions reduction targets, which support its decarbonisation efforts. The Group is not currently adopting internal carbon pricing as an additional tool.
(a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	
(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	
<b>Remuneration</b>	
Paragraph 35	
An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	2.2 Sustainability Governance
<b>Industry-based Metrics</b>	
Paragraph 36	
An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	The Group is not currently disclosing industry-based metrics.

Core Content	Section
<b>Climate-related Targets</b>	
Paragraph 37	
An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals, and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	
(a) the metric used to set the target;	4.1.1 Targets Set Across Business Units 2.2 Sustainability Governance
(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	
(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	
(d) the period over which the target applies;	
(e) the base period from which progress is measured;	
(f) milestones or interim targets (if any);	
(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	
(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	

Core Content	Section
Paragraph 38	
An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
(a) whether the target and the methodology for setting the target has been validated by a third party;	4.1.1 Targets Set Across Business Units 2.2 Sustainability Governance
(b) the issuer's processes for reviewing the target;	
(c) the metrics used to monitor progress towards reaching the target; and	
(d) any revisions to the target and an explanation for those revisions.	
Paragraph 39	
An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	4.1.1 Targets Set Across Business Units
Paragraph 40	
For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
(a) which greenhouse gases are covered by the target;	4.1.1 Targets Set Across Business Units
(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	
(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	
(d) whether the target was derived using a sectoral decarbonisation approach; and	

Core Content	Section
<p>(e) the issuer’s planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:</p> <ul style="list-style-type: none"> <li>(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;</li> <li>(ii) which third-party scheme(s) will verify or certify the carbon credits;</li> <li>(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and</li> <li>(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).</li> </ul>	<p>4.1.1 Targets Set Across Business Units</p>
<p><b>Applicability of Cross-industry Metrics and Industry-based Metrics</b></p>	
<p>Paragraph 41</p> <p>In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).</p>	<p>Please refer to the response for Paragraph 36.</p>





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