

ZXZN Qi-HOUSE HOLDINGS LIMITED 中顯智能齊家控股有限公司

(Incorporated in the Cayman Islands with limited liability) (於開曼群島註冊成立的有限公司)

(Formerly known as Qi-House Holdings Limited) (前稱齊家控股有限公司)

ZXZN Qi-House Holdings Limited 中顯智能齊家控股有限公司 | Stock code 股份代號 8395



Environmental, Social and
Governance Report 2025
環境、社會及管治報告 2025

CONTENTS

ABOUT THIS REPORT	2
REPORTING STANDARD	2
REPORTING PERIOD AND BOUNDARY	2
APPROVAL AND PUBLICATION	2
OPINIONS AND FEEDBACK	2
BOARD STATEMENT	4
ESG GOVERNANCE AND RISK MANAGEMENT	4
STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT	6
BUSINESS INTEGRITY	9
SUPPLY CHAIN MANAGEMENT	9
PRODUCT QUALITY MANAGEMENT	10
CUSTOMER SERVICE MANAGEMENT	10
CUSTOMER PRIVACY PROTECTION	12
INTELLECTUAL PROPERTY RIGHTS PROTECTION	12
ANTI-CORRUPTION	13
CARING FOR EMPLOYEES	13
LABOUR MANAGEMENT	13
Employee Rights and Benefits	15
Human Rights	15
OCCUPATIONAL HEALTH AND SAFETY	16
TRAINING AND DEVELOPMENT	16
ENVIRONMENTAL PROTECTION	18
EMISSIONS	18
Air Emissions Management	18
GHG Emissions Management	19
USE OF RESOURCES	19
Energy Management	19
Water Resources Management	20
WASTE AND PACKAGING MATERIALS	21
Hazardous Waste Management	21
Non-hazardous Waste Management	22
Packaging Materials Management	22
THE ENVIRONMENT AND NATURAL RESOURCES	23
Natural Resources Management and Green Products	23
Noise Control	23
CLIMATE CHANGE	23
COMMUNITY CONTRIBUTION	24
PERFORMANCE SUMMARY	25
ENVIRONMENTAL PERFORMANCE	25
SOCIAL PERFORMANCE	27
CONTENT INDEX	29
MANDATORY DISCLOSURE REQUIREMENTS	29
“COMPLY OR EXPLAIN” PROVISIONS	30

ABOUT THIS REPORT

ZXZN Qi-House Holdings Limited (the “**Company**”), together with its subsidiaries (the “**Group**” or “**we**”), is pleased to present this Environmental, Social and Governance (“**ESG**”) Report (the “**Report**”). This Report summarises the management approaches and performance of the Group on ESG-related issues.

REPORTING STANDARD

This Report is prepared in accordance with Appendix C2 Environmental, Social and Governance Reporting Guide (the “**ESG Guide**”) to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). For a comprehensive understanding of the Group’s ESG performance and compliance, readers may refer to the content index in the last section of this Report.

The Report adheres to the following four reporting principles as outlined in the ESG Guide:

Materiality	The Group conducted a materiality assessment to identify and prioritise material ESG issues. The confirmed material issues were then adopted as the focus for preparing the Report. For further details, please refer to the section headed “Stakeholder Engagement and Materiality Assessment”.
Quantitative	Environmental and social key performance indicators (“ KPI ”) are measured, calculated and reported with comparative historical data. The standards, methodologies and assumptions used for calculating the KPIs are detailed in the explanatory notes.
Balance	Both the achievements and challenges of the Group are disclosed in this Report to present our sustainability performance in an objective and unbiased manner.
Consistency	Unless otherwise stated, the preparation approach of this Report is consistent with the ESG report for the financial year from 1 April 2023 to 31 March 2024 (“ FY2024 ”), allowing for meaningful comparisons over time. If there are any changes in the reporting scope and calculation methodologies that may affect comparison with previous reports, explanations will be provided.

REPORTING PERIOD AND BOUNDARY

This Report covers the financial year from 1 April 2024 to 31 March 2025 (the “**reporting period**” or “**FY2025**”), which aligns with the period covered in the Annual Report, unless otherwise specified. The social-related section of the Report includes all currently operating subsidiaries. The environmental-related section of the Report focuses only on subsidiaries with significant revenue contributions and operational impact. This primarily includes TREE Limited (“**TREE**”), which operates retail stores, an office, warehouses and a café in Hong Kong, and Hefei Qijia Supply Chain Technology Co., Ltd. (“**Hefei Qijia**”), which engages in the sale of trading parts and automation equipment in the People’s Republic of China (“**PRC**”). Together, these subsidiaries contribute 100% of the Group’s revenue. For FY2025, we have extended the reporting scope of the environmental-related section to include Hefei Qijia, compared with FY2024, to provide greater transparency and a more comprehensive overview of our environmental impact. The Group will extend the scope of disclosure whenever possible.

APPROVAL AND PUBLICATION

This Report is prepared based on formal policies, documents, data and records of the Group and has been approved by the Board of Directors (the “**Board**”) of the Company. The Report is available in both Chinese and English, and has been uploaded to the websites of the Stock Exchange and the Company (<https://qihouseholdings.com/>).

OPINIONS AND FEEDBACK

Comments and suggestions of stakeholders can help the Group establish a more detailed and sound sustainability strategy. If you have any questions or suggestions about this Report or the Group’s sustainability efforts and performance, please do not hesitate to contact us through the following channels:

Address	28/F, Horizon Plaza, 2 Lee Wing Street, Ap Lei Chau, Hong Kong
Telephone	+852-2870-1582
Email address	info@qihouseholdings.com



BOARD STATEMENT

The Group acknowledges the importance of demonstrating integrity and transparency in all its ESG endeavours. This Report, therefore, serves to detail our current practices and initiatives, reflecting our ongoing commitment to address relevant ESG issues and meet stakeholder expectations.

To ensure effective oversight and management of ESG issues, the Group has established a top-down ESG governance structure with clearly defined roles and responsibilities. The Board, as the highest governance body, oversees ESG-related matters, drives decision-making and supports ESG-related initiatives. With authority delegated by the Board, the ESG Working Group is responsible for establishing environmental targets, tracking and monitoring progress toward the targets, and ensuring the implementation of ESG-related policies and measures. During the reporting period, we conducted a materiality assessment to identify the priorities of material ESG issues, providing the Board and operational teams with actionable insights to improve our ESG-related practices.

Our subsidiary, TREE, adheres to the business philosophy of “Profits with Principles”. By providing sustainably-sourced furniture and home decor items to consumers in Hong Kong, TREE exemplifies its commitment to sustainability. and we are delighted that TREE is now B Corp certified, joining a global community of businesses that are working collectively to be a force for good. B Corps (Corporations) are purpose-driven businesses that have been certified by the non-profit organisation B Lab™, meeting high standards of social and environmental performance, accountability, and transparency. They do business in ways that are not only good for their shareholders, but good for their employees, customers, communities, suppliers and the environment.

In line with our commitment to operational excellence across the Group, our PRC subsidiary, Hefei Qijia, has secured ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 certifications. These certifications underscore our dedication to maintaining robust standards in quality, environmental responsibility, and occupational health and safety across our operations.

Looking forward, the Group is committed to strengthening its approach to managing ESG-related risks and opportunities, further integrating ESG principles throughout the operations.

ESG GOVERNANCE AND RISK MANAGEMENT

The Board

- Holds overall responsibility for the Group's ESG strategy and reporting;
- Provides oversight of sustainability trends, risks and opportunities for the Group's long-term planning and development;
- Establishes, maintains and reviews the Group's system of internal control and risk assessment;
- Is informed about updates on ESG-related milestones through Board meetings on a quarterly basis; and
- Approves the ESG reports.

ESG Working Group

- Led by the Executive and Managing Directors who are responsible for their business units (for example, Managing Director of TREE is responsible for TREE and Managing Director of Hefei Qijia is responsible for Hefei Qijia);
- Monitors and evaluates the Group's ESG-related performance and targets;
- Meets quarterly to discuss current and anticipated ESG-related matters; and
- Reports and proposes ESG-related actions and plans to the Chairman of the Group.

The Group ensures all Board and ESG Working Group members possess the necessary skills, experience and knowledge to effectively oversee the Group's ESG matters. To maintain expertise in this evolving field, we engage professional external consultants who provide regular updates on ESG compliance trends and assist in preparing our ESG reports.

During the reporting period, the Board confirmed that the Group maintains low-risk exposure in ESG aspects, and the established internal control systems are adequate and effective for ESG management. For more detailed information about the Group's corporate governance practices, please refer to the Corporate Governance Report of the Annual Report.



STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Stakeholder engagement is a vital process in understanding stakeholders' expectations and incorporating their opinions to advance the Group's sustainability journey. The Group maintains transparent and continuous communication with our key stakeholders.

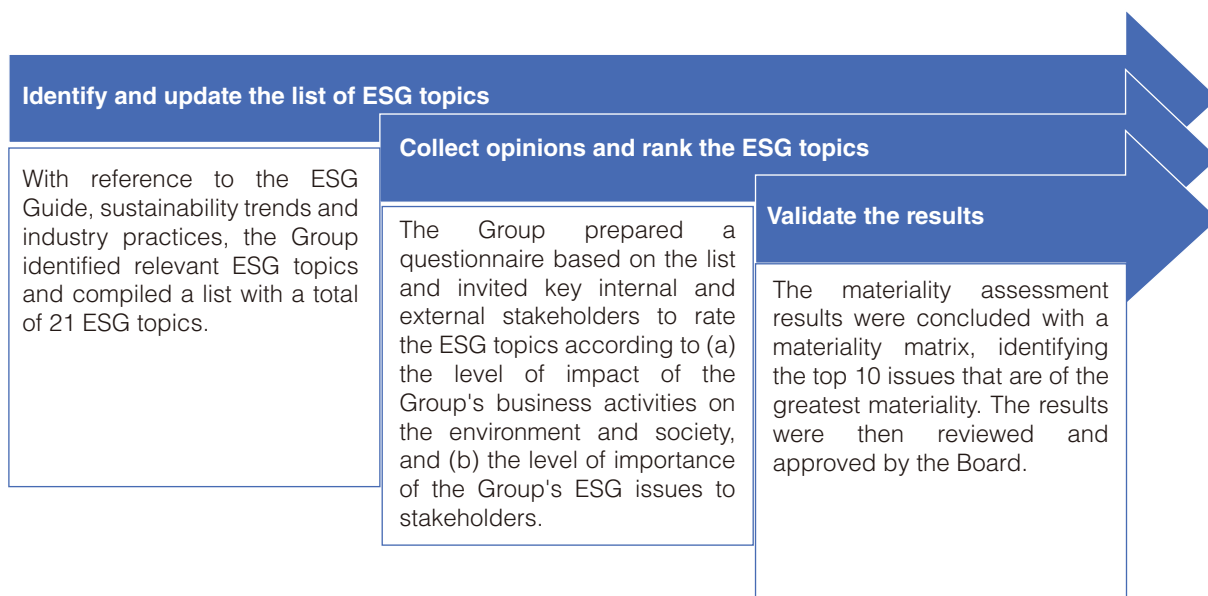
Key stakeholders

- Board
- Executive, management and general employees
- Customers
- Suppliers/Service providers/Business partners
- Shareholders and investors
- The community

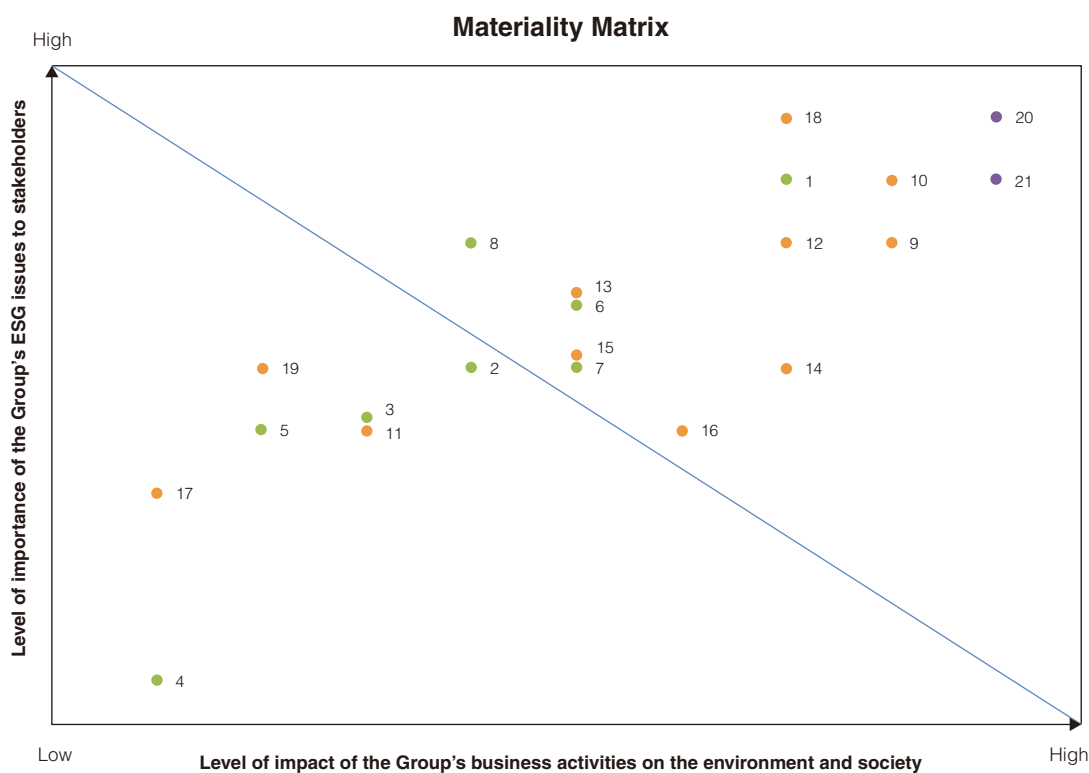
Communication channels

- Meetings
- Emails
- Financial reports and circulars
- Website and social media
- Supplier evaluations
- Community investment programmes

The Group conducted a materiality assessment to gather opinions from both internal and external stakeholders and to evaluate the significance of various ESG issues. The procedures of the materiality assessment are as follows:



The materiality assessment results are consolidated in the following materiality matrix:



Aspects	#	ESG topics
Environmental	1	Greenhouse gas ("GHG") and air emissions management
	2	Waste management
	3	Energy management
	4	Water resources management
	5	Packaging materials management
	6	Natural resources management
	7	Climate change
Social	8	Green products
	9	Labour management
	10	Occupational health and safety
	11	Training and development
	12	Human rights
	13	Supply chain management
	14	Product quality management
	15	Customer service management
	16	Customer privacy protection
Governance	17	Intellectual property rights protection
	18	Anti-corruption
	19	Community contribution
	20	ESG governance
	21	Compliance



BUSINESS INTEGRITY

SUPPLY CHAIN MANAGEMENT

The Group aims to integrate ESG considerations into its supply chain while establishing strong and lasting relationships with suppliers. To govern the procurement process of furniture products, TREE has established a Supply Chain Policy that includes a supplier code of conduct, an ethical trading policy, and supplier management procedures. The policy is constantly reviewed, ensuring transparent oversight of the supply chain to meet the highest sustainability standards. TREE's procurement practices consistently align with its values and uphold the trading principles outlined below:

- (1) Ensure that human and civil rights, as set out in the Universal Declaration of Human Rights, are respected throughout its business activities.
- (2) Strive to establish and maintain long-term sustainable relationships with its partners.
- (3) Use environmentally sustainable resources when it is technically and economically viable. Its procurement process will include screening and validation of the ethical and ecological credentials of the product, packaging materials and suppliers.

To enhance its commitment to promoting green procurement, TREE maintains a close relationship with FSC™ Hong Kong and ensures that its signature eco-wood furniture is crafted from solid wood that is reclaimed, recycled, FSC™-certified or sustainably sourced. It also encourages business partners/suppliers to improve sustainability standards and practices through actively mitigating environmental and social impact, including:

Environmental

- Complying with relevant environmental laws
- Minimising energy use and carbon footprint
- Expanding the use of sustainably sourced products

Social

- Promoting ethical trading
- Complying with the code of conduct
- Prohibiting child labour
- Prohibiting forced labour
- Ensuring health and safety
- Protecting freedom of association and collective bargaining
- Anti-discrimination
- Disciplinary practices
- Standard working hours

TREE has established standard procedures for supplier screening. Before adding any new vendor to the approved supplier list, it evaluates the supplier by reviewing the comprehensive Supplier Assessment Report. This report includes a Supplier Information Sheet containing basic information and supported with background due diligence results and any relevant certifications. The new Supplier Assessment Application is then submitted to the Managing Director for approval based on supplier response and internal procurement requirements (e.g. prohibiting child labour or forced labour, requiring sustainable product certification such as FSC™ Certification and the Indonesian Timber Legality Assurance System (“SVLK”), etc.) before any procurement from the new supplier. Suppliers can be added to the approved supplier list only if the assessment results are satisfactory. Furthermore, TREE's merchandising team and the Managing Director will conduct a site visit to verify the information provided by the new supplier before issuing the purchase order prior to the production process. The thorough vetting process ensures that TREE only onboards suppliers that meet its rigorous standards and align with its business philosophy and values. Material suppliers are required to be assessed annually by the supplier evaluation process and the assessment results will be summarised in the Supplier Assessment Reports. TREE will terminate relationships with suppliers who fail to meet the defined criteria.

To effectively monitor quality, environmental, and social risks within the supply chain, Hefei Qijia has implemented a stringent supplier evaluation process. This process considers the results of the supplier profile and quality capability assessments, as well as sample inspections. Suppliers who meet the criteria are recorded in the Qualified Supplier Directory and are reviewed regularly. Additionally, integrity agreements have been established, which include a code of conduct for all suppliers to ensure their compliance with ethical standards.

During the reporting period, the Group had 33 suppliers primarily located in Hong Kong, the PRC, other Asian countries, and other regions (FY2024: 94). The Group's diversified supply chain ensures a stable supply to support its business operations. All suppliers are subject to supplier engagement practices.

PRODUCT QUALITY MANAGEMENT

The Group complies with all the product health and safety-related regulations, including but not limited to the Consumer Goods Safety Ordinance (Cap. 456) and the Public Health and Municipal Services Ordinance (Cap. 132) of Hong Kong, and the Law of the People's Republic of China on Protection of Consumer Rights and Interests and the Product Quality Law of the People's Republic of China. During the reporting period, there were no material instances of non-compliance with these laws and regulations, nor were there any product recalls due to safety and health reasons (FY2024: Nil).

During the sourcing process of wood furniture, TREE establishes the traceability of the wood and verifies relevant certifications, such as FSC™. TREE is also the FSC™ trademark licensee in Hong Kong, promoting and selling FSC-certified finished products that meet rigorous sustainability standards. To ensure product quality, TREE requires all suppliers to have robust quality assurance measures in place from new product development through production to the finishing stage. Final product quality and safety checks are conducted by the suppliers before shipping and by the warehouse team before delivering products to customers. Each piece of furniture has a quality control label to enable traceability. If any unsatisfactory condition is discovered, the entire batch of products will be fully inspected. In the case of wood furniture with any product quality issue that our in-house carpenters cannot resolve, TREE will request that the supplier replace the items and/or provide a credit note.

To ensure the trading parts and automation equipment we sell comply with national standards and customer requirements, Hefei Qijia has established a quality management system certified to ISO 9001:2015. In addition to supplier quality assessments and sample inspections, Hefei Qijia has implemented detailed product quality assurance procedures within their Service Management System, After-sales Service Management Manual, Non-conforming Product Control Procedures, and Corrective and Preventive Action Control Procedures. We strictly adhere to national regulations regarding product "three guarantees" (repair, replacement, and refund) for non-conforming products. Monthly, the human resources and administration department produces a market quality information report summarising issues from after-sales service, including technical complaints from customers, and holds meetings to discuss product quality improvement measures.

Furthermore, we have put strict controls in place for all marketing and advertising of the Group, committing to provide only accurate information to our customers. For our consumer loans service business, this commitment is formalised through specific advertising and marketing compliance guidelines found in its Policy Manual on Compliance with Cap. 163 Money Lenders Ordinance.

CUSTOMER SERVICE MANAGEMENT

The Group values customers' opinions and addresses their complaints seriously. Specifically, TREE has established a robust and comprehensive customer complaint management framework, guided by the Customer Complaint Handling Procedure. It has implemented various channels to facilitate customer communication and encourage feedback. Customers can submit complaints or comments by directly contacting customer service staff, dialling the customer hotline, sending an email, engaging through the Group's social media platforms such as Facebook and Instagram, or leveraging the LiveChat and feedback forms available on the corporate website.

The dedicated customer service team receives and handles customers' enquiries and complaints with standardised procedures in an appropriate and timely manner. The team is responsible for coordinating necessary investigations, following up on resolution and informing customers about the progress. Details of customer complaints and all subsequent steps taken to resolve complaints are documented and monitored in a dedicated Customer Complaint Register. This enables staff to closely track the progress and status of each complaint, ensuring that every issue is managed effectively and completely resolved.



During the reporting period, TREE received 123 product and service-related complaints, all of which were resolved (FY2024: 203 complaints received and 201 resolved), achieving a resolution rate of 100% (FY2024: approximately 99%). These complaints include quality issues, such as broken sofa beds, chipped vases, cracked tables, or incorrect screws. Typically, our team investigates and escalates these to our top management team to determine solutions or replace the item(s) directly if we have existing stock. The Group is committed to preserving positive relationships with its customers and upholding robust customer service management practices.

Hefei Qijia documents its service quality requirements and complaint handling procedures in its Service Management System and After-sales Service Management Manual. It actively gathers and addresses customer feedback and complaints through various channels, including customer complaints and reporting hotlines, suggestion boxes, feedback letters, and customer satisfaction surveys. Should a customer express dissatisfaction or lodge a complaint about services or products via any effective channel, the human resources and administration department records it as a customer complaint and creates a dedicated complaint file. Upon receiving a complaint call, the department promptly forwards it to the sales department for resolution, aiming to resolve the issue within one hour.

CUSTOMER PRIVACY PROTECTION

As part of the onboarding process, TREE's employees receive an Employee Manual that emphasises the importance of protecting customer information. Customer data is used solely for operational needs and shall not be shared with any external parties without our customers' prior written consent. Employees who violate these requirements will receive verbal or written warnings. Serious or repeated misconduct may result in dismissal. To safeguard commercial secrets within our PRC operations, Hefei Qijia details its privacy protection measures in its Commercial Secrets Management System under the Intellectual Property Management System. In parallel, our consumer loan service business reinforces these standards by clearly outlining its record-keeping and data protection policy in its Policy Manual on Compliance with Cap. 163 Money Lenders Ordinance.

To ensure robust security, the Group's auditors conduct an annual IT audit to assess the effectiveness of cybersecurity measures for safeguarding information privacy. Furthermore, the Group engages an external consultant to perform an internal control review and enterprise risk assessment on a yearly basis.

The Group adheres to the obligations of protecting customers' personal information, including but not limited to the Personal Data (Privacy) Ordinance (Cap. 486) of Hong Kong and the Law of the People's Republic of China on Protection of Consumer Rights and Interests. During the reporting period, there were no material instances of non-compliance with these laws and regulations (FY2024: Nil).

INTELLECTUAL PROPERTY RIGHTS PROTECTION

The Group recognises the importance of protecting intellectual property and patent rights. The Group conducts stringent screening on existing patents with similar characteristics to avoid infringement and takes appropriate action to protect our assets. The Group has registered trademarks in Hong Kong and the PRC. We maintain a trademark summary to track the status of applications and renewal needs. Regarding the Group's copyrights and other intellectual property, employees are prohibited from disclosing, exploiting, or using confidential information directly or indirectly. At TREE, employees are requested to read, understand and sign an intellectual property and confidentiality agreement upon onboarding. Failure to comply with this requirement may result in summary dismissal without compensation.

Engaged in the research and development of automation equipment and holding numerous technical patents, Hefei Qijia places significant emphasis on intellectual property protection. To this end, Hefei Qijia has implemented an Intellectual Property Management System consistent with national standards. This system aims to enhance corporate awareness of intellectual property protection and to foster innovation consciousness and capabilities. Employees are required to adhere to the corresponding manual and procedures concerning the acquisition, evaluation, utilisation, and confidentiality of intellectual property to ensure compliance.

ANTI-CORRUPTION

The Group has established an Anti-corruption Policy that enforces a strict zero-tolerance approach against all forms of bribery and corruption. The Group fully complies with relevant laws and regulations that prohibit such practices, including but not limited to the Prevention of Bribery Ordinance (Cap. 201) and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) of Hong Kong, the Guideline on Anti-Money Laundering and Counter-Financing of Terrorism issued by the Hong Kong Monetary Authority (“**HKMA**”) and the Anti-Money Laundering Law of the People’s Republic of China. During the reporting period, there were no material instances of non-compliance with these laws and regulations, nor were there any concluded legal cases of corrupt practices against the Group or its employees (FY2024: Nil).

The Group upholds integrity and professionalism and expects all employees to adhere to the highest standards of ethical conduct. TREE has outlined its employee code of conduct in the Employee Manual. Employees are forbidden from engaging in any form of illegal activities, such as extortion, fraud and money laundering, in addition to bribery and corruption. Employees are prohibited from offering, soliciting, or accepting any items of material value from or to fellow employees, customers, suppliers, or other business partners without the Managing Director’s consent. Directors and employees should avoid conflicts of interest. Employees must read, sign, and declare any known relationships that may constitute a conflict of interest to the Group. All employees must review and sign to confirm their understanding of the Employee Manual on their first employment day as part of their induction.

Recognising the critical importance of financial integrity, we have established an Anti-Money Laundering and Counter-Terrorist Financing Policy Manual for our consumer loan services business. This policy outlines precise guidelines and responsibilities for all relevant staff, enabling them to effectively identify, mitigate, and manage the inherent risks of money laundering and terrorist financing.

We proactively extend these principles to our external partners. Hefei Qijia, for instance, explicitly details its code of conduct within the integrity agreements it establishes with all suppliers, thereby ensuring a unified approach to ethical business practices throughout our operations and supply chain.

The Group encourages all employees to actively contribute to maintaining a high standard of conduct. The Group’s Whistleblowing Policy outlines procedures for employees to report misconduct cases. Employees can report suspected misconduct through various channels, such as reporting to their Line Manager, HR Manager, or the Managing Director. The Group’s management will review and confidentially investigate each reported incident and consider reporting serious misconduct cases to the police or the Independent Commission Against Corruption (“**ICAC**”). Identified cases will be followed up with appropriate legal action. To monitor the effectiveness of the mechanism, the Group regularly reviews for any patterns of improprieties or alleged improprieties that require attention.

To reinforce the concept of integrity and ensure a high standard of business conduct, the Group regularly arranges anti-corruption training. During the reporting period, 2 Board members and 17 employees attended training to raise their awareness on anti-corruption (FY2024: 2 Board members, the Financial Controller, members of the back-office team and sales managers attended the anti-corruption training).

CARING FOR EMPLOYEES

LABOUR MANAGEMENT

Employees are our most valuable asset, and we treat all employees equally and appreciate their dedication and commitment to our business success. To this end, the Group has established robust procedures to protect employment rights and achieved mutual growth with our employees.

The Group believes that creating a diverse and inclusive workplace is fundamental to business success and sustainability, as it enhances creativity and decision-making capabilities, and facilitates communication. To ensure fair and efficient operations and full compliance with labour laws, Hefei Qijia operates through its Employee Recruitment and Employment Management Measures and Attendance Management System. In parallel, TREE has established an Employee Manual to govern its practices related to the recruitment, recognition, reward, termination, and dismissal of employees.



During the recruitment process, all candidates are given equal opportunities and are assessed based on their experience, knowledge, and skills. The human resources department handles all applications prudently and is committed to recruiting top talent for the Group. If employees breach the terms of their contracts or violate the code of conduct, they may receive a warning or face dismissal. In such cases, the Group ensures that compensation is paid to dismissed employees in accordance with relevant laws and regulations.

Employee Rights and Benefits

The Group provides comprehensive employee benefits. Compensation is determined based on an individual's contribution to the business and is benchmarked against market standards. The Group conducts annual performance reviews and rewards employees with salary adjustments and bonuses accordingly. Promotion decisions are made thoughtfully, considering job requirements, qualifications, relevant experience, performance, behaviour and potential, in alignment with the overall performance of the Group. In addition, the Group complies with legal obligations by contributing to the Mandatory Provident Fund and purchasing compensation insurance for required employees. Furthermore, the Group provides medical insurance coverage to employees who have passed their probation.

As an employee-centric organisation, the Group is dedicated to fostering a harmonious and inclusive work environment that is free from harassment and discrimination. To uphold this commitment, TREE actively communicates with employees and promotes awareness of non-discrimination, anti-harassment, and anti-bullying through its Employee Manual and internal meetings. This dedication is further reflected in our unbiased recruitment process, which assesses candidate solely on their experience, knowledge, and skills, regardless of race, colour, religion, age, gender, sexual orientation, citizenship, health status, marital status, or other subjective factors. The Group also offers employment opportunities to employees who have reached retirement age. Employees are encouraged to raise formal complaints to management if they encounter any situations related to discrimination or bullying. Management ensures that investigations into these cases are handled with seriousness and confidentiality.

The Group understands that employees value work-life balance and therefore sets a balanced work schedule, providing flexible work arrangements for back-office employees and allowing them to take breaks as needed. The Group offers various leave options such as birthday leave and compassionate leave to cater to the personal and family needs of employees. Furthermore, the Group respects and accommodates the religious and cultural beliefs of its diverse workforce, granting breaks for employees to fulfil their religious obligations, where appropriate. The Group provides paid maternity and paternity leave in compliance with labour regulations, supporting employees in balancing their family and professional commitments.

During the reporting period, the Group's total turnover rate was approximately 32% (FY2024: 18%). In response, the Group is reinforcing its continuous efforts and commitment to employee development and retention.

Human Rights

Respect for human rights has always been a core part of the Group's mission. We do not employ anyone under the legal minimum working age. We prohibit any form of action or behaviour which cause discomfort, physical threat, or compel employees to work. Employees are encouraged to report any potential violations through the Group's reporting mechanisms. Management will thoroughly investigate such cases and take appropriate follow-up action.

The Group strictly adheres to labour laws and legislation prohibiting child and forced labour, including but not limited to the Employment Ordinance (Cap. 57), the Mandatory Provident Fund Schemes Ordinance (Cap. 485) and the Minimum Wage Ordinance (Cap. 608) of Hong Kong, the Labour Law of the People's Republic of China and the Labour Contract Law of the People's Republic of China. During the reporting period, there were no material instances of non-compliance with these laws and regulations (FY2024: Nil).

OCCUPATIONAL HEALTH AND SAFETY

The Group is committed to safeguarding the safety, health, and well-being of all employees. Our workplace safety practices go beyond regulatory occupational health and safety standards, including but not limited to the Employees' Compensation Ordinance (Cap. 282), the Occupational Safety and Health Ordinance (Cap. 509) and the Fire Safety (Buildings) Ordinance (Cap. 572) of Hong Kong, and the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases. During the reporting period, there were no material instances of non-compliance with these laws and regulations (FY2024: Nil).

We provide a safe working environment for our employees and prevent them from being exposed to occupational hazards. The Group also closely monitors and regularly adjusts its employee medical insurance coverage. TREE's offices, retail stores, and café are equipped with adequate fire-fighting equipment, such as fire extinguishers and fire hoses, which are regularly inspected to ensure they are in good working condition. The flagship store has two registered first-aiders available to provide immediate emergency assistance in the event of an accident. TREE has outlined safety requirements and guidelines for accident or injury management in its Employee Manual, which is distributed to employees during their induction, ensuring they are informed and that the protocols are strictly followed. In addition, delivery and warehouse team employees are required to attend a safety training course organised by the Occupational Safety and Health Council to raise their safety awareness regarding potential hazards, such as manual lifting operations.

Striving for continuous improvement, TREE closely track and monitor its health and safety performance. In the past three years including the reporting period, there were no work-related fatalities. During the reporting period, there were 3 work-related injury cases recorded, resulting in a total of 25.5 workdays lost (FY2024: 3 work-related injury cases, resulting in 4.3 workdays lost). All workplace incidents are reported to the Commissioner for Labour and other local authorities. Employees who suffer from work-related injuries are entitled to sick leave and reimbursement of medical expenses from the insurance company, enabling them to receive the necessary treatment and rest for recovery.

Hefei Qijia operates under an occupational health and safety management system certified to ISO 45001:2018. This system facilitates the implementation of occupational health and safety policies and objectives, including zero electrical shock incidents in production areas, zero major personal injuries or fatalities, and zero potential fire occurrences. Potential hazards associated with activities, products, and services are regularly identified, evaluated, and controlled.

To prevent fire hazards, Hefei Qijia complies with national fire safety regulations, ensuring that relevant personnel are trained and appropriate fire-fighting equipment is available at all office and service locations. Electrical usage strictly follows internal policies, with unauthorised wiring strictly prohibited. Regular fire safety inspections are also conducted to promptly identify and eliminate any potential fire risks.

TRAINING AND DEVELOPMENT

The Group believes that employees' career development is interrelated with business growth. As such, the Group encourages its employees to pursue continuous education and development. Through periodic performance reviews and goal setting, we support ongoing improvement, ensuring that both our employees and the organisation thrive together. At TREE, the Employee Manual outlines the procedures for employees to propose learning needs aligned with their roles and company goals, detailing potential company support. Meanwhile, Hefei Qijia has developed the Employee Training Control Procedures. Annual training plans are developed based on these procedures, ensuring systematic employee development and skill enhancement.

The Group conducts an induction programme for all new employees. To continuously enhance employees' competencies in areas of product knowledge, customer service, marketing, and business management, the Group organises regular in-house training courses. These courses keep employees updated on the latest market trends and internal procedures. We also offer regular product and promotional training. Apart from in-house training, the Group encourages employees to discuss any training needs or desires for further education with their managers. The Group supports employees who wish to undertake external training or acquire professional qualifications that are relevant to their career aspirations. Flexible working arrangements and financial assistance or reimbursement are offered on a case-by-case basis to facilitate employees' development.



During the reporting period, the Group achieved an overall training rate of approximately 47% (FY2024: 46%), with an average of approximately 5.1 hours of training completed per employee (FY2024: 2.9 hours). The Group is committed to investing more resources in employee training and development for them to grow alongside the Group.

ENVIRONMENTAL PROTECTION

The Group acknowledges that environmental protection depend on the concerted efforts of all industries and society. With the Environmental Policy and practices in place, TREE remains committed to protecting the planet through process management and ongoing improvement. Its environmental initiatives are regularly communicated through internal guidelines, staff briefings and voluntary events. Staff are encouraged to suggest new ideas for the ongoing improvement of sustainability practices. In recognition of its efforts, TREE has achieved the Carboncare® Star Label for three consecutive years (2022–24) and was recognised with the CarbonCare® Label Champion for both 2023 and 2024, further highlighting its ongoing commitment to sustainability.

To effectively identify, assess, and manage significant environmental factors associated with its PRC operations, Hefei Qijia has established an ISO 14001:2015 certified environmental management system. The approach to managing relevant environmental impacts is detailed in the List of Important Environmental Factors.

TREE complies with all relevant environmental laws and regulations of Hong Kong, including the Waste Disposal Ordinance (Cap. 354), the Water Pollution Control Ordinance (Cap. 358), the Air Pollution Control Ordinance (Cap. 311) and the Product Eco-responsibility Ordinance (Cap. 603). Meanwhile, Hefei Qijia complies with all relevant environmental laws and regulations in the PRC, including the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Water Pollution Prevention and Control Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Control of Noise Pollution. During the reporting period, there were no material instances of non-compliance with these laws and regulations (FY2024: Nil).

EMISSIONS

Air Emissions Management

TREE's operations produce air emissions, including Nitrogen Oxides ("**NO_x**"), Sulphur Oxides ("**SO_x**"), and Respirable Suspended Particulates ("**RSP**"), primarily due to fuel consumption of vehicles used for the delivery of goods.

TREE operates three delivery trucks that are equipped with EURO V and EURO VI engines to reduce air emissions. It optimises the utilisation of its delivery vehicles through route planning, allowing more products to be transported in each trip within close proximity, thereby reducing unnecessary transport emissions. Moreover, the delivery team is instructed not to leave the trucks idling. Regular vehicle maintenance is conducted every 4–6 months to ensure fuel efficiency and environmental standards are met. Furthermore, wooden furniture is treated with OSMO, an environmentally friendly wood protection system using natural oils, when requested by customers. The furniture in its office is solid wood and has low volatile organic compounds ("**VOC**") content.

During the reporting period, TREE's NO_x, SO_x and RSP emissions were approximately 120.3 kg, 0.2 kg and 5.6 kg respectively (FY2024: 132.0 kg, 0.2 kg and 6.1 kg respectively). The reduction is attributed to a decrease in sales, which in turn led to reduced deliveries.

Hefei Qijia may generate cutting dust, cutting fumes, welding fumes, and VOC during its production processes. Each cutting machine is equipped with a collection hood and an exhaust fan, which channel waste gases through a piping system to the fan for collection. These gases are then treated using a bag filter and discharged through an exhaust chimney. Welding operations are centralised, with welding fumes managed by a mobile smoke purification device. This setup ensures compliance with the GB16297–1996 Class II Comprehensive Emission Standard of Air Pollutants and meets the requirements for unorganised emission limits. During the reporting period, Hefei Qijia generated an insignificant amount of air emissions during its production activities. Also, there are no records of company vehicle travel, therefore, disclosure related to air emissions data from vehicles is not applicable.

GHG Emissions Management

The principal GHG emissions of TREE were energy indirect GHG emissions (Scope 2) generated from purchased electricity, followed by direct GHG emissions (Scope 1) resulting from fuel consumption by delivery trucks. To mitigate GHG emissions, TREE has implemented measures to reduce energy consumption, as detailed in the sections headed “Air Emissions Management” and “Energy Management”. During the reporting period, TREE purchased an additional 301 tonnes of carbon dioxide equivalent (“tCO₂e”) in carbon credits from the Renewable Energy Power Project by DDWL, India to offset FY2024 emissions. These carbon credits are certified by the Gold Standard.

TREE has a comprehensive carbon management strategy in place to regularly monitor the GHG emissions of its significant operations and evaluate the effectiveness of its internal carbon reduction initiatives. It has established a five-year target to reduce its total GHG emissions (Scope 1, 2 and 3) by 5% compared with the financial year from 1 April 2019 to 31 March 2020 (“FY2020”) baseline, which was approximately 318.7 tCO₂e. Compared with the FY2020 baseline, the total GHG emissions (Scope 1, 2 and 3) of TREE decreased by approximately 15.5% to approximately 269.2 tCO₂e in FY2025. This achievement surpassed the target of a 5% emissions reduction.

Compared with FY2024, the decrease in the intensity of total GHG emissions (Scope 1 and 2) (per floor area) in FY2025 reflects a combination of reduced business activity and improved operational efficiencies. Considering future business prospects and the commitment to stable environmental performance, TREE has set a new target of maintaining the intensity of total GHG emissions (Scope 1 and 2) for the financial year from 1 April 2025 to 31 March 2026 (“FY2026”) at the FY2024 baseline.

During the reporting period, Hefei Qijia did not consume any fuel and therefore generates no direct (Scope 1) GHG emissions. The majority of its GHG emissions are energy indirect (Scope 2) emissions, resulting from purchased electricity. Its operational site utilises electricity partly sourced from solar panels, thereby contributing to national decarbonisation goals. Additional measures related to energy conservation are detailed in the section titled “Energy Management”.

USE OF RESOURCES

Energy Management

TREE’s energy consumption mainly comprises purchased electricity for its daily operations, followed by diesel and petrol for its vehicle fleet. During the reporting period, TREE achieved the target of promoting energy-saving practices among its employees. Such practices include but are not limited to:

- Reminding all employees to turn off idle electrical and electronic appliances when not in use;
- Engaging a professional engineering company to conduct monthly cleaning of dust filters and fan coil units to maintain efficiency;
- Using electric fans to improve air circulation and reduce the energy consumption of air conditioners;
- Prioritising the procurement of appliances with high energy efficiency ratings or certifications;
- Installing automated timing controls for our lighting and HVAC systems;
- Replacing traditional light bulbs with LED and compact fluorescent lamps to reduce energy consumption; and
- Participating in and promoting the World Wildlife Fund’s Earth Hour annually.

Compared with FY2024, the decrease in the intensity of total energy consumption (per floor area) in FY2025 reflects a combination of reduced business activity and improved operational efficiencies. Considering future business prospects and the commitment to stable environmental performance, TREE has set a new target of maintaining the intensity of total energy consumption for FY2026 at the FY2024 baseline.

Hefei Qijia's energy consumption primarily comprises purchased electricity. To minimise energy consumption, it has established the Energy and Resource Management System to govern the following energy-saving practices, including but not limited to:

- Gradually phasing out energy-intensive office equipment and updating to energy-efficient products;
- Providing rewards to departments and individuals that excel in energy conservation; and
- Appointing a designated person to turn off the power at the end of the workday, ensuring the "three no lights" principle: not using lights when there is sufficient natural light, not using large bulbs, and not using lights that remain on continuously.

Water Resources Management

The majority of the TREE's water consumption comes from the operation of the café in the flagship store. TREE sources water from the Water Supplies Department ("**WSD**") of Hong Kong and has not encountered any issues in sourcing water that is fit for purpose.

TREE recognises that water resources are precious, and reducing water usage can also help reduce the associated Scope 3 GHG emissions from freshwater and sewage treatment. During the reporting period, TREE achieved the target of promoting water-saving practices among its employees. It has trained its café staff to avoid leaving taps running unnecessarily and use water-saving dishwashers.

Compared with FY2024, the decrease in the intensity of total water consumption (per floor area) in FY2025 reflects a combination of reduced business activity and improved operational efficiencies. Considering future business prospects and the commitment to stable environmental performance, TREE has set a new target of maintaining the intensity of total water consumption for FY2026 at the FY2024 baseline.

Hefei Qijia consumes water for its daily operations, and it has not encountered any issues in sourcing water that is fit for purpose. To minimise water consumption, it has established the Energy and Resource Management System to govern the following water-saving practices, including but not limited to:

- Engaging professionals to promptly repair any leaks; and
- Promoting a culture of water-saving among employees and encouraging the recycling of wastewater.

All wastewater generated during TREE's operations is discharged into the public sewerage system. Meanwhile, the domestic wastewater produced in Hefei Qijia's area is first treated in a septic tank before being directed into the municipal sewage network, which then transports it to the sewage treatment plant for further processing.

WASTE AND PACKAGING MATERIALS

Hazardous Waste Management

TREE's office operation may generate e-waste and used fluorescent light bulbs. It is committed to responsible waste management and environmental stewardship by ensuring the proper disposal and recycling of electrical and electronic waste, as well as the repurposing of reusable items.

TREE's Environmental Policy outlines the proper disposal of non-functional electrical items. Whenever needed, it utilises the e-waste collection service provided by the Environmental Protection Department ("**EPD**") to handle the disposal of electronic items. The collected e-waste is then sent to the WEEE Park facility for dismantling and recycling. Moreover, TREE has set a new policy to participate in the Fluorescent Lamp Recycling Programme, supported by EPD. Employees are required to carefully treat the used fluorescent light bulbs and tubes by wrapping them and dropping them off at the collection points. During the reporting period, TREE disposed of 1 obsolete air conditioner through a licensed contractor and donated 4 working printers to a charity organisation under EPD's Computer & Communication Products Recycling Programme (FY2024: Nil).

During the reporting period, Hefei Qijia did not generate any hazardous waste. Should hazardous waste be generated in the future, Hefei Qijia aims for a 100% classified management and disposal rate for solid waste generated on its production site. To achieve this, staff receive training on proper waste handling and disposal, ensuring adherence to relevant regulations. All solid waste generated from its operations is centrally collected and disposed of to prevent secondary pollution. Below are the specific classifications and disposal methods employed:

- Used toner cartridges and drums are uniformly collected for supplier recycling;
- Domestic waste, along with dust from bag filters and waste welding slag, is centrally collected and then processed by sanitation departments; and
- Waste oil, grease trap oil, and waste emulsions are stored separately in designated hazardous waste areas and sent to qualified facilities for disposal.

Non-hazardous Waste Management

TREE generates non-hazardous waste, including paper, plastic, metal, glass bottles and general waste, during its operations. Committed to minimising its environmental impact, TREE adopts resource-efficient printing methods and sources sustainable paper. For example, TREE encourages its staff to avoid printing where possible and use double-sided printing when necessary, and over 99% of its printing materials are FSC-certified. TREE is also working towards becoming paperless across its operations. It has introduced digital e-business cards, accessible via Near-Field Communication (“**NFC**”) on mobile devices, eliminating the need for printed business cards. In addition, TREE designs all promotional items with sustainability in mind.

Furthermore, TREE promotes waste reduction practices and involves customers in its efforts.

Café in the flagship store

- Offering a \$3 discount to customers who bring reusable cups for beverage purchases to reduce the use of disposable paper cups; and
- Adopting a QR code-based ordering system in the café and offering e-receipts to minimise paper use.

Retail stores

- Introducing electronic customer information forms that allow customers to input their personal details and delivery address through a digital platform to support paperless operations;
- Encouraging customers to “bring their own bags” and providing those without bags with 100% cotton tote bags, which are reusable and more sustainable than single-use plastic. These tote bags are charged to further incentivise the use of reusable bags;
- Distributing reusable umbrella bags as gifts to discourage the use of disposable plastic bags; and
- Assisting customers in donating used furniture to charitable organisations, helping redistribute items to families in need.

To manage non-hazardous waste responsibly, TREE ensures that waste sorting and disposal procedures are carried out correctly and appropriately. It has achieved the target of ensuring proper disposal practices. General waste is collected separately by a designated waste collector. During the reporting period, the amount generated remained immaterial. For recyclable waste including paper, metal, plastic and glass bottles, TREE engages an external recycling company for collection and processing. The recycler provides monthly reports on the amount of waste recycled. During the reporting period, the increase in the intensity of total non-hazardous waste generation (per revenue) in FY2025 is mainly due to a shift from canned beverages to heavier glass alternatives in the café and a rise in plastic waste from increased café purchases. Considering future business prospects and the commitment to stable environmental performance, the Group has set a new target of maintaining the intensity of total non-hazardous waste generation for FY2026 at the FY2025 baseline.

During the reporting period, Hefei Qijia did not generate any non-hazardous waste. However, any general solid waste that arises will be collected and sent to recycling companies for comprehensive utilisation.

Packaging Materials Management

TREE’s operations utilise various packaging materials, such as corrugated cardboard, cello plastic film, sticky tape, bubble wrap, mailing boxes and wrapping paper, to ensure the protection of finished furniture and home accessories products and displayed items during delivery and storage. To minimise unnecessary packaging, TREE prioritises the reuse of suppliers’ secondary packaging. For its café, TREE sourced all food packaging materials from Sustainable, a supplier that provides environmentally responsible packaging solutions both locally and globally. In addition, TREE provides food packaging that is recyclable or made from FSC™-certified bamboo to support the regulation of disposable plastic tableware in Hong Kong.

During the reporting period, the decrease in the intensity of packaging materials consumption for furniture and home accessories products (per revenue) is mainly due to reduced business activity and the implementation of reuse initiatives.

The products of Hefei Qijia are primarily equipment and parts, which do not require extensive packaging. During shipment, items are simply wrapped with protective film and placed on pallets. The amount of packaging materials consumed is negligible.

THE ENVIRONMENT AND NATURAL RESOURCES

Natural Resources Management and Green Products

TREE strives to minimise its environmental impact while conducting business. It exemplifies this commitment by offering a variety of green menu choices, organic and fair trade beverages and free drinking water in café to reduce carbon footprint. Furthermore, TREE integrates sustainability into its business operations by sourcing furniture made from reclaimed, recycled, sustainably sourced and/or FSC™ certified wood. It continuously educates customers to look for the globally recognised FSC™ logo on furniture pieces, both in-store and online.

Case sharing: Furniture rental service

TREE provides bespoke furniture rental solutions that meet customer expectations and offer environmental benefits. It understands that purchasing furniture may not always be the best option for every customer, making this service a valuable alternative that supports the circular economy. Looking ahead, TREE intends to enhance the promotion of this service to all stakeholders.

Noise Control

Hefei Qijia optimises the layout of its factory premises and selects low-noise equipment to effectively manage noise levels. For high-noise machinery, it implements measures such as vibration reduction, sound insulation, and noise suppression to ensure that noise emissions at the factory boundary comply with regulatory standards.

CLIMATE CHANGE

We recognise that climate change poses escalating risks and challenges to the global economy. In response to the community's growing concern about climate change, TREE has developed a Climate Change Policy and evaluated the impact of climate-related risks on its business. These risks are integrated into the Group's Enterprise Risk Management framework to ensure comprehensive oversight. The identified climate-related risks and the actions to manage them are as follows:

The increasing occurrence of extreme weather events (such as typhoons, floods, and extreme heat) may pose risks to the Group, including damage to property and equipment, transportation disruptions, and supply chain interruptions. These events could also endanger the environment, employees and public safety, leading to increased operational and maintenance costs as well as higher insurance investments, ultimately reducing the Group's profitability.

As a countermeasure, the Group has developed business continuity plans for emergencies and purchased insurance for its employees and assets to mitigate potential losses. All employees have been informed about these plans in advance to ensure they are prepared to respond to extreme weather events, thereby reducing or preventing loss. The Group may also source from alternative suppliers if our current suppliers are affected by extreme weather conditions.

To achieve sustainable development, governments around the world are tightening regulations to support the global decarbonisation vision, which may increase the Group's compliance and operational costs. Failure to meet these compliance requirements and proactively address climate-related risks could also expose the Group to reputational risks.

To mitigate the impact of policy and legal risks, the Group will regularly monitor existing and emerging climate-related trends and regulations, enhance communication with regulatory bodies, promptly adjust our risk management strategies, and improve the transparency of our climate-related disclosures. These efforts will help maintain a positive corporate image and avoid reputational issues stemming from slow responses. Furthermore, the Group actively promotes green and low-carbon transformation. During FY2025, TREE continued its long-standing collaboration with Trees4Trees, an Indonesian non-profit organisation dedicated to reforestation and promoting sustainable practices through tree-planting and educational programmes. We aim to leverage their expertise in supporting tree planting efforts in Indonesia to help create a synergy between forest cultivation and farming. This initiative not only fosters a sustainable environment but also equips the community with the skills to maintain their vulnerable landscape. It will also enhance our reputation as a responsible and forward-thinking organisation committed to environmental stewardship.

COMMUNITY CONTRIBUTION

To maintain transparency and accountability in its community contribution efforts, TREE has established a Community Investment Policy that outlines its commitments and guidelines for engaging with and supporting community initiatives. In FY2025, TREE made donations to several charity groups in Hong Kong, including Habitat for Humanity and Greeners Action, contributing a total of HKD\$21,780 (FY2024: HKD\$25,000). TREE has also actively turned social commitment into actions, by collaborating and participating in different charitable events.

We supported Habitat for Humanity Hong Kong by donating prizes for their 20th anniversary celebration. We are pleased to be part of this milestone event, reinforcing our commitment to community engagement and support for meaningful causes.

We also prioritise environmental responsibility, especially in Indonesia, where we source most of our wood furniture. This region is currently facing environmental degradation, deforestation, and economic challenges. To address this, we have partnered with Trees4Trees through a forestry initiative that supports a village in Central Java. We are proud of being one of the early adopters and long-term supporters of such initiatives, as environmental stewardship has always been a core element of our brand.

Furthermore, we support other environmentally responsible campaigns. In December 2024, we participated in a beach cleanup activity in Sai Kung organised by Greeners Action. Our team dedicated over 30 hours to cleaning the beach, demonstrating our ongoing commitment to environmental stewardship.

The Group will continue these efforts and ensure that the sustainability concept is well-communicated to the public to raise their environmental awareness.

PERFORMANCE SUMMARY

ENVIRONMENTAL PERFORMANCE

	Unit	TREE			Hefei Qijia
		FY2025	FY2024	FY2023	FY2025
Air Emissions ¹					
NO _x	kg	120.3	132.0	167.6	—
SO _x	kg	0.2	0.2	0.3	—
RSP	kg	5.6	6.1	7.8	—
GHG Emissions ²					
Fossil Fuel Combustion	tCO ₂ e	32.6	38.3	43.1	—
Scope 1 Sub-total	tCO ₂ e	32.6	38.3	43.1	—
Purchased Electricity	tCO ₂ e	234.1	263.0	283.6	154.9
Scope 2 Sub-total	tCO ₂ e	234.1	263.0	283.6	154.9
Business Air Travel	tCO ₂ e	2.2	1.8	3.8	2.1
Freshwater and Sewage Processing	tCO ₂ e	0.3	0.4	0.4	—
Scope 3 Sub-total	tCO ₂ e	2.5	2.2	4.2	2.1
Total (Scope 1 and 2)	tCO ₂ e	266.7	301.3	326.7	154.9
Intensity	tCO ₂ e/hundred sq. ft. ³	0.46	0.52	0.53	1.14
Total (Scope 1, 2 and 3)	tCO ₂ e	269.2	303.5	330.9	157.0
Intensity	tCO ₂ e/hundred sq. ft. ³	0.47	0.52	0.54	1.16
Hazardous Waste Generation					
Total	kg	68.0 ⁴	—	151.0	—
Intensity	kg/million HK\$ ⁵	1.22	—	2.07	—

¹ The calculation of air emissions data is based on "How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

² The calculation of GHG emissions data is based on "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, the global warming potential values from the "Sixth Assessment Report" of the Intergovernmental Panel on Climate Change ("IPCC"), ESG Data Hub of CLP Holdings Limited, the "Sustainability Report 2024" of HK Electric Investments and HK Electric Investments Limited, the "Notice on the Release of 2022 Electricity Carbon Dioxide Emission Factors" issued by the Ministry of Ecology and Environment of the PRC, the ICAO Carbon Emissions Calculator, the "Annual Report 2023/24" of WSD, and the "Sustainability Report 2023-24" of Drainage Services Department. To accurately reflect the situation where all TREE's paper waste is recycled and minimal waste is sent to landfill, the FY2023 and FY2024 Scope 3 data has been revised to exclude associated paper waste disposal emissions. Regarding emissions from freshwater and sewage processing, it is assumed that 70% of the freshwater enters the sewage system. Relevant data for Hefei Qijia is unavailable due to the absence of applicable emission factors.

³ As at 31 March 2025, TREE's total floor area was approximately 57,830.0 square feet (As at 31 March 2024: 57,830.0 square feet; As at 31 March 2023: 61,208.0 square feet). As at 31 March 2025, Hefei Qijia's total floor area was approximately 13,577.6 square feet. This data is used for calculating the intensity of GHG emissions and energy consumption. To enhance comparability, the intensity metrics for FY2023 and FY2024 have been revised.

⁴ TREE engaged a contractor to dispose of 1 obsolete air conditioner in accordance with relevant regulations.

⁵ As at 31 March 2025, TREE's revenue was approximately HK\$55,961,000 (As at 31 March 2024: HK\$61,700,000; As at 31 March 2023: HK\$73,097,000). As at 31 March 2025, Hefei Qijia's revenue was approximately HK\$43,257,000. This data is used for calculating the intensity of waste generation and packaging materials consumption. To enhance comparability, the intensity metrics for FY2023 and FY2024 have been revised.

ENVIRONMENTAL PERFORMANCE

		TREE			Hefei Qijia
	Unit	FY2025	FY2024	FY2023	FY2025
Non-hazardous Waste Generation					
Paper	kg	216.8	207.5	249.0	730.2
Plastic	kg	140.4	113.9	29.6	—
Metal	kg	125.1	128.1	11.1	—
Glass	kg	241.3	219.5	51.9	—
Total	kg	723.6	669.0	341.6	730.2
Intensity	kg/million HK\$ ⁵	12.93	10.84	4.67	16.88
Energy Consumption ⁶					
Petrol	MWh	2.5	4.2	3.4	—
Diesel	MWh	123.9	144.4	164.0	—
Direct Energy Consumption	MWh				
Sub-total		126.4	148.6	167.4	—
Purchased Electricity	MWh	393.7	402.7	421.3	275.9
Indirect Energy Consumption	MWh				
Sub-total		393.7	402.7	421.3	275.9
Total	MWh	520.1	551.3	588.7	275.9
Intensity	MWh/hundred sq. ft. ³	0.90	0.95	0.96	2.03
Water Consumption ⁷					
Total	m ³	624.0	684.9	638.5	6,864.0
Intensity	m ³ /hundred sq. ft. ⁸	470.59	516.52	481.52	50.55
Packaging Material Consumption ⁹					
Food Packaging	tonnes	0.3	N/A	N/A	—
Packaging for Furniture and Home Accessories Products	tonnes	3.9	5.1	5.7	—
Total	tonnes	4.2	5.1	5.7	—
Intensity	tonnes/million HK\$ ⁵	0.08	0.08	0.08	—

⁶ The calculation of energy consumption data is based on the "Energy Statistics Manual" issued by the International Energy Agency.

⁷ The water consumption data was derived solely from the café's water meter, as the offices, retail stores and warehouses use public toilets, lack individual water meters and have minimal water usage.

⁸ As at 31 March 2025, the floor area of TREE's café was approximately 132.6 square feet (As at 31 March 2024 and as at 31 March 2023: 132.6 square feet). This data is specifically used for calculating the intensity of water consumption from TREE's café operation. To enhance comparability, the intensity metrics for FY2023 and FY2024 have been revised.

⁹ The food packaging used at the café and the packaging for home accessories is first disclosed in FY2025.

SOCIAL PERFORMANCE

Number of Employees¹¹

		FY2025	FY2024 ¹⁰	FY2023
Gender	Male	48	36	38
	Female	39	44	35
Employment Type	Full-time	84	77	70
	Part-time	3	3	3
Age Group	Below 30	17	7	8
	30–50	49	52	45
	Above 50	21	21	20
Geographical Location	Hong Kong	57	63	69
	PRC	30	17	3
	Italy	—	—	1
Employment Category	Senior Management	15	16	13
	Middle Management	10	10	10
	General Staff	62	54	50
Total		87	80	73

Employee Turnover Rate¹²

Gender	Male	19%	17%	29%
	Female	49%	18%	29%
Age Group	Below 30	71%	86%	75%
	30–50	31%	15%	27%
	Above 50	5%	—	15%
Geographical Location	Hong Kong	21%	N/A	N/A
	PRC	53%	N/A	N/A
	Italy	—	N/A	N/A
Overall		32%	18%	29%

Occupational Health and Safety

Number of Work-related Injuries	3	3	8
Work Injury Rate (per 100 Employees) ¹³	3	4	11
Lost Days Due to Work Injury	25.5	4.3	28
Number of Work-related Fatalities	—	—	—

¹⁰ The FY2024 data have been revised to improve accuracy.

¹¹ This data represents the number of employees as at the last day of the year.

¹² The employee turnover rate = number of employees leaving employment during the year ÷ number of employees at the end of the year × 100%. The employee turnover rate by geographical location is first disclosed in FY2025.

¹³ The work injury rate (per 100 employees) = number of work-related injuries during the year ÷ number of employees at the end of the year × 100.

SOCIAL PERFORMANCE

		FY2025	FY2024 ¹⁰	FY2023
Percentage of Employees Trained¹⁴				
Gender	Male	54%	42%	13%
	Female	38%	50%	49%
Employment Category	Senior Management	67%	31%	31%
	Middle Management	50%	90%	50%
	General Staff	42%	43%	26%
Overall		47%	46%	30%
Breakdown of Employees Trained¹⁵				
Gender	Male	63%	N/A	N/A
	Female	37%	N/A	N/A
Employment Category	Senior Management	24%	N/A	N/A
	Middle Management	12%	N/A	N/A
	General Staff	64%	N/A	N/A
Average Training Hours per Employee¹⁶				
Gender	Male	6.2	1.6	0.5
	Female	3.8	3.9	7.1
Employment Category	Senior Management	14.7	3.4	8.6
	Middle Management	4.8	6.0	3.0
	General Staff	2.8	2.1	2.5
Overall		5.1	2.9	3.7
Number of Suppliers				
Geographical Location	Hong Kong	7	34	32
	PRC	9	38	3
	Other Asian Countries	13	9	17
	Other Regions	4	13	12
Total		33	94	64
Percentage of Suppliers where the Engagement Practices are being Implemented		100%	100%	100%

¹⁴ The percentage of employees trained = number of employees who received training during the year ÷ number of employees at the end of the year × 100%.

¹⁵ The breakdown of employees trained = number of employees (in the specified category) who received training during the year ÷ total number of employees who received training during the year × 100%. This data is first disclosed in FY2025.

¹⁶ The average training hours per employee = number of training hours received by employees during the year ÷ number of employees at the end of the year.

CONTENT INDEX

MANDATORY DISCLOSURE REQUIREMENTS

Aspects	Description	Sections
Governance Structure	<p>A disclosure of the board's oversight of ESG issues</p> <p>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)</p> <p>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>	Board Statement
Reporting Principles	<p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (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>	Reporting Standard; Stakeholder Engagement and Materiality Assessment
Reporting Boundary	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.	Reporting Period and Boundary

“COMPLY OR EXPLAIN” PROVISIONS

Aspects, General Disclosures and KPIs

Description

Sections

A. Environmental

A1 Emissions

General Disclosure	Information on:	Environmental Protection
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
	relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
A1.1	The types of emissions and respective emissions data.	Performance Summary
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and, where appropriate, intensity.	Performance Summary
A1.3	Total hazardous waste produced and, where appropriate, intensity.	Performance Summary
A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	Performance Summary
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Protection — Emissions
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.	Environmental Protection — Waste and Packaging Materials

**Aspects, General
Disclosures and
KPIs**

Description

Sections

A2 Use of Resources

General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Protection
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Performance Summary
A2.2	Water consumption in total and intensity.	Performance Summary
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Protection — Use of Resources
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.	Environmental Protection — Use of Resources
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Environmental Protection — Waste and Packaging Materials

A3 The Environment and Natural Resources

General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Environmental Protection
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Protection — The Environment and Natural Resources

A4 Climate Change

General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environmental Protection
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Environmental Protection — Climate Change

**Aspects, General
Disclosures and
KPIs**

Description

Sections

B. Social

B1 Employment

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Caring for Employees — Labour Management
B1.1	Total workforce by gender, employment type, age group and geographical region.	Performance Summary
B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Summary

B2 Health and Safety

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Caring for Employees — Occupational Health and Safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	
B2.2	Lost days due to work injury.	
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	

**Aspects, General
Disclosures and
KPIs**

Description

Sections

B3 Development and Training

General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Caring for Employees — Training and Development
B3.1	The percentage of employees trained by gender and employee category.	Performance Summary
B3.2	The average training hours completed per employee by gender and employee category.	Performance Summary

B4 Labour Standards

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Caring for Employees — Labour Management
B4.1	Description of measures to review employment practices to avoid child and forced labour.	
B4.2	Description of steps taken to eliminate such practices when discovered.	

B5 Supply Chain Management

General Disclosure	Policies on managing environmental and social risks of the supply chain.	Business Integrity — Supply Chain Management
B5.1	Number of suppliers by geographical region.	
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	

**Aspects, General
Disclosures and
KPIs**

Description

Sections

B6 Product Responsibility

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Business Integrity
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Business Integrity — Product Quality Management
B6.2	Number of products and service related complaints received and how they are dealt with.	Business Integrity — Customer Service Management
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Business Integrity — Intellectual Property Rights Protection
B6.4	Description of quality assurance process and recall procedures.	Business Integrity — Product Quality Management
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Business Integrity — Customer Privacy Protection

B7 Anti-corruption

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business Integrity — Anti-corruption
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	
B7.3	Description of anti-corruption training provided to directors and staff.	

**Aspects, General
Disclosures and
KPIs**

Description

Sections

B8 Community Investment

General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Contribution
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	
B8.2	Resources contributed (e.g. money or time) to the focus area.	



ZXZN Qi-HOUSE HOLDINGS LIMITED
中顯智能齊家控股有限公司