



**CITYCHAMP**  
WATCH & JEWELLERY GROUP LIMITED  
冠城鐘錶珠寶集團有限公司

(incorporated in the Cayman Islands with limited liability)  
Stock Code : 256



# Environmental, Social and Governance Report

## 2023

## ABOUT THE GROUP

As a responsible corporate citizen with a vision for sustainability in mind, Citychamp Watch & Jewellery Group Limited (the “Company” and its subsidiaries (collectively, the “Group”)) strives beyond achieving business goals and financial targets. We are committed to managing our social and environmental impacts responsibly and aim to ensure that our strategies and practices add value to our different stakeholders and benefit the wider community. The Group upholds the principle that ethical practices and socially responsible conduct are the essential foundation for sustainable success and long-term value creation.

## REPORTING PERIOD

The environmental, social and governance report 2023 (the “Report”) illustrates the policies implemented, duties and performances regarding environmental, social and governance aspects of the Group during the period from 1 January 2023 to 31 December 2023.

## REPORTING SCOPE AND PRINCIPLES OF REPORTING

The Report was made pursuant to the Environmental, Social and Governance Reporting Guide (which includes provisions of “Comply or Explain” as well as the reporting principles of materiality, quantitative and consistency) as set out in Appendix C2 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Report covers the following principal operating entities (the “Reporting Entities”) of the Group engaged in watches and timepieces businesses (the “watches business”) and the banking business:

Scope of business	Reporting Entities	Country	Area (m <sup>2</sup> )
Watches business	Zhuhai Rossini Watch Industry Limited (“Rossini”)	PRC	48,000
	EBOHR Luxuries International Limited (“EBOHR”)	PRC	44,427
Banking business	Bendura Bank AG (“Bendura”)	Liechtenstein	6,447
		Total	98,874

Note: The environmental, social and governance report 2023 covers only the principal operating companies of the Group engaged in watches and timepieces businesses, namely, Rossini and EBOHR. Unless otherwise stated, the data and key performance indicators relating to 2023 set out in the Report relate to Rossini and EBOHR only and exclude Bendura.

The Report is available in both English and Chinese versions and has been uploaded by the Company onto the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<https://www.irasia.com/listco/hk/citychamp>) according to the Listing Rules. For the corporate governance section, please refer to the Company’s 2023 annual report.

## STATEMENT FROM THE BOARD OF DIRECTORS

The Group is pleased to present the Report. The board of directors of the Company (the “Board”) assumes full responsibility for the environmental, social and governance (“ESG”) strategy and reporting and takes overall responsibility for ESG matters in assessing and identifying ESG-related risk of the Group, guiding the management and monitoring of ESG matters that have been identified as relevant to the Group, and ensuring that an effective ESG risk management and internal control system is in place. Accordingly, in developing our long-term business strategy, the Board incorporates climate-related issues and ESG-related elements and conducts a corporate risk assessment at least once a year to identify, assess and monitor ESG and climate-related risks and opportunities in our daily operations.

We pay extra attention to the sustainable development of the Group’s business, with the Board leading and participating in the consideration and decision-making on material ESG matters, including the identification of relevant risks; the development of strategies, guidelines, management policies and plans; and the approval of ESG reports and other management matters. Efficient ESG policies rely on cooperation among various departments. We have designated a working team, which is cross-departmental and strives to achieve goals of emission reduction and energy saving.

Looking forward, the Board will continue to monitor the Group's ESG performance and improve the sustainability initiatives and performance of the Group's businesses to create a better working environment for our employees and to create long-term value for other stakeholders and the communities in which we operate.

## SUSTAINABLE INVESTMENT

As a socially responsible bank, Bendura Bank AG ("Bendura") has incorporated ESG investment principles into its strategy to embrace the increasing demand among global investors towards sustainability concerns.

Bendura has always understood and placed the notion of sustainability at the centre of its strategy since its founding. Today, ESG considerations are increasingly important for a growing number of private and institutional clients. To align ourselves with the values and visions of clients, the management of Bendura places a strong emphasis on ESG factors when choosing investments. In addition, Bendura also works to communicate with its clients to promote the ESG investment portfolio. To demonstrate commitment to our social responsibility, Bendura provides training to our employees to ensure their awareness of updates in ESG standards and regulations. Through continuing professional development, investment professionals at Bendura are required to expand their knowledge of ESG investments and guidelines to better incorporate sustainability issues into portfolio construction.

At Bendura, we continue to offer a range of trading and investment consulting services to respond to client needs. Our clients are supported with the option of giving sustainability criteria the highest possible priority within the investment strategy. In line with the robust growth in advisory mandates and tailor-made strategy solutions, Bendura's Board of Management has introduced, alongside its classic strategies, several new and innovative investment solutions in 2021 with an emphasis on ESG finance.

BENDURA Asian Dragon is a multi-asset strategy that invests globally but focuses primarily on Asian assets. Compared to the classic strategies, the Asian-focused portfolio allocates three times more of its investments in Asian assets, all within bonds, equities and alternative investments. Additionally, Bendura has the "BENDURA Eastern Eagle" targeting investments in Eastern Europe, and the "BENDURA ESG Panda", which will follow an ESG-integrated investment process including ESG impact investments, such as Green Bonds. And as a response to fluctuations in the global capital markets, "BENDURA Lion Alternatives" are introduced as an option to divert investments across a variety of non-traditional strategies.

The mixture of new portfolios will allow clients to combine and provide great flexibility to model their own unique preferences. A client may want to invest with a focus on strong growth areas while meeting strict ESG criteria. At Bendura, the client will find the perfect solution by combining the "BENDURA ESG Panda" with the "BENDURA Asian Dragon" or "BENDURA Eastern Eagle". The client will also find another perfect solution by allocating chosen core equities with "BENDURA ESG Panda". Both approaches add favors of ESG finance.

Looking forward, Bendura seeks to expand ESG investments beyond Asia and Europe. Bendura honours the trust to act as a socially responsible bank to advocate ESG financing to drive positive environmental and social impacts. We aim to continue our efforts in further improving and developing different ESG-integrated investments in the future.

## PARTICIPATION AND SIGNIFICANCE OF STAKEHOLDERS

The Group honors the communication with our stakeholders, including shareholders and investors, business partners, employees, customers, regulatory authorities, administrative authorities and local communities. We deeply understand that interacting closely with stakeholders is vital to business operations and corporate development.

For the past years, we have actively strived to seize opportunities for stakeholder engagement through various communications channels. In the future, we will continue our effort in developing a meaningful relationship with stakeholders, ensuring that ongoing dialogue flows between stakeholders and the entities. We aim to make a full understanding and address their topics and concerns by taking appropriate actions with a view to contributing to the development of a prosperous and communication-oriented society.

### Shareholders and Investors

- General meetings
- Annual reports and interim reports, and results announcements
- Corporate communications such as announcements and circulars
- Company's website

### Business Partners

- Supplier management system and periodic assessment
- On-site inspection
- Safety questionnaire
- Cooperation meetings

### Employees

- Staff gatherings
- Recreational associations
- Feedback sessions
- Internal memos
- Training courses
- Voluntary activities

### Customers

- Regular operating interactions
- Watch exhibitions
- Customer hotline
- Service/product feedback mechanism
- Membership

### Administrative Authorities

- Conferences relating to compliance operation and environmental protection
- Document correspondence
- On-site inspection
- Selection and certification

### Communities

- Charity and poverty aid
- Caring for the elderly and loving the children
- Supporting education
- Nurturing the youth
- Promotion of science education and the watch culture

### Regulatory Authorities

- Active implementation of regulatory requirements and involvement in regulatory oversight processes
- Communication and correspondence
- Regular meetings
- Compliance report



## MATERIAL ISSUES

We identified the material ESG issues as shown below. The performance of Reporting Entities regarding these issues is discussed in the Report.

ENVIRONMENTAL	SOCIAL
Emissions reduction	Employment and labour practice
Waste management	Equal opportunities
Energy and water conservation	Philosophy of work-life-balance
Environmental sustainability	Health and safety
Emergency planning	Development and training
	Supply chain management
	Product responsibility
	Anti-corruption
	Community investments

## INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF THE STOCK EXCHANGE

General Disclosure/KPIs	Description	Pages
<b>A. Environmental</b>		
<b>Aspect A1</b>	<b>Emissions</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 air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	8–9
KPI A1.1	The types of emissions and respective emissions data.	9–10
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	10
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	10
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	11
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	9–10
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.	9–11

General Disclosure/KPIs	Description	Pages
<b>Aspect A2</b>	<b>Use of Resources</b>	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	10–13
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).	12–13
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	12
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	12–13
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.	12
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	13
<b>Aspect A3</b>	<b>The Environmental and Natural Resources</b>	
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	14
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	14–15
<b>Aspect A4</b>	<b>Climate Change</b>	
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	15
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	15
<b>B. Social</b>		
<b>Aspect B1</b>	<b>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.	16–18
KPI B1.1	Total workforce by gender, employment type (for example, full- or part- time), age group and geographical region.	16–17
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	17–18

General Disclosure/KPIs	Description	Pages
<b>Aspect B2</b>	<b>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.	18
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	21
KPI B2.2	Lost days due to work injury.	21
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	21
<b>Aspect B3</b>	<b>Development and Training</b>	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	22–23
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	23–24
KPI B3.2	The average training hours completed per employee by gender and employee category.	23–24
<b>Aspect B4</b>	<b>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.	24
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	24
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	24
<b>Aspect B5</b>	<b>Supply Chain Management</b>	
General Disclosure	Policies on managing environmental and social risks of the supply chain.	25
KPI B5.1	Number of suppliers by geographical region.	25
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.	25
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	25
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	25

General Disclosure/KPIs	Description	Pages
<b>Aspect B6</b>	<b>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.	26–27
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	26
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	27
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	27
KPI B6.4	Description of quality assurance process and recall procedures.	26
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	27
<b>Aspect B7</b>	<b>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.	28
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.	28
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	28
KPI B7.3	Description of anti-corruption training provided to directors and staff.	28
<b>Aspect B8</b>	<b>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.	29–33
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	29–33
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	29–33

## A. ENVIRONMENTAL

Reporting Entities stringently comply with relevant laws and regulations relating to environmental protection in their places of operation, which include but are not limited to the following laws and regulations.

### PRC

### Liechtenstein

Law of the People's Republic of China on Appraising Environment Impacts  
 (《中華人民共和國環境影響評價法》)

Environmental Impact Assessment Act

Regulations on the Administration of Environmental Protection of Construction Projects  
 (《建設項目環境保護管理條例》)

Environmental Protection Law of the People's Republic of China  
 (《中華人民共和國環境保護法》)

Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes  
 (《中華人民共和國固體廢物污染環境防治法》)

Measures of Guangdong Province on the Prevention and Control of Environmental Pollution by Solid Wastes  
 (《廣東省固體廢物污染環境防治條例》)

Implementation Measures of Guangdong Province on the Strictly Control of Administrative Permits for Waste Disposal  
 (《廣東省嚴控廢物處理行政許可實施辦法》)

Administrative Measures of Shenzhen on the Transfer of Dangerous Wastes  
 (《深圳市危險廢物轉移管理辦法》)






Standards on Pollution Control over Storage of Dangerous Wastes  
 (《危險廢物貯存污染控制標準》)

We work to reduce the types and emissions of pollutants generated during the course of our operations. In order to achieve the goal of waste and emissions reduction, we have:

- formulated Control Procedures Based on Laws and Regulations and Other Requirements, which collects, identifies and acknowledges applicable laws, regulations and other requirements in terms of quality and safety, environmental protection and occupational health and safety (“OHS”), and devised Compliance Evaluation Form for Applicable Laws and Regulations and Other Requirements, which provides the legal basis for the operation of environmental protection systems;
- set up Work Safety Management Committee to identify and carry out an environmental evaluation of the Company, establish a List of Material Environmental Factors, formulate Environmental/Occupational Health and Safety Goals, Indicators and Management Plans;
- formulated corresponding procedures and systems, including Control Procedures on Hazardous Chemicals, Management Process on Hazardous Wastes, Standard for Classification of Wastes, Management and Control Procedures on Solid Wastes and Management Regulations for Emissions of Sewage, Exhaust and Noise; and
- launched activities for energy saving, and reduction in resource consumption and pollution throughout the organization.

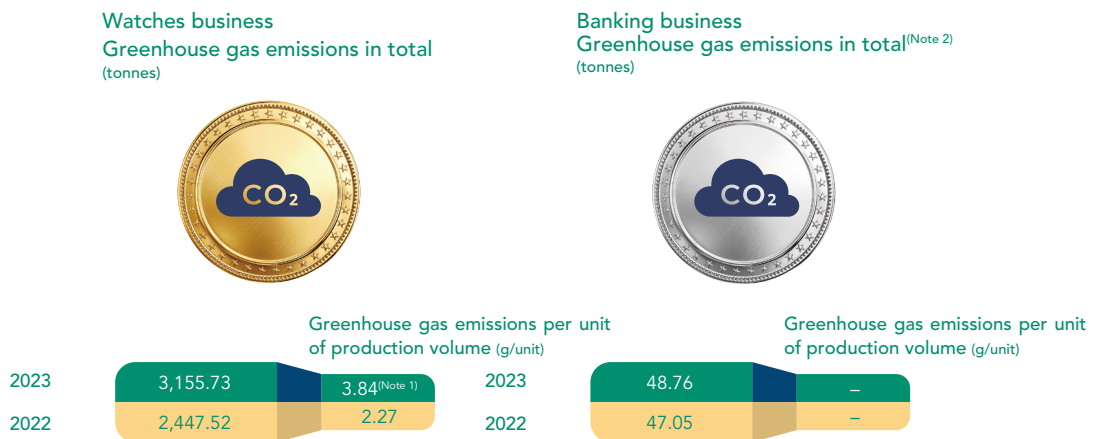
### A.1 Emissions

There are no massive air pollutants, such as nitrogen oxide (NOx) and sulphur dioxide (SO<sub>2</sub>) as well as other pollutants as regulated by national laws and regulations, and greenhouse gas generated during the operation of the Reporting Entities. The major types of emissions generated are as follows:

Type(s) of emissions	Pollutant(s)	Treatment(s)
 Industrial sewage	Polishing and cleaning sewage, CODcr, suspended solids (SS), ammoniacal nitrogen (NH <sub>3</sub> -N) and petroleum	Treated in a self-built sewage treatment purification station in the plant with the use of condensation and chemical sedimentation and discharged into the sewage treatment plant after reaching the standard level
 Domestic sewage	CODcr, BOD <sub>5</sub> , ammoniacal nitrogen (NH <sub>3</sub> -N), animal and vegetable oil, phosphates	Treated with sedimentation process in a self-built sedimentation tank and discharged into the sewage treatment plant
 Industrial exhaust	Particles	Emitted upward after water bath and water-mist dust removal devices
 Canteen cooking fumes	Cooking fumes	Emitted upward after water mist disposal and high-pressure electrostatic dust removal
 Solid wastes	Wasted mineral oils, wasted emulsion, wasted towels, wasted daylight bulbs, wasted toner cartridge, polishing dust, etc.	Stored separately and recycled regularly by certified recyclers

### Greenhouse gas emissions and intensity

Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emitted during operations of the Reporting Entities include carbon dioxide, methane, nitrous oxide, etc



We focus on optimizing our carbon reduction targets by taking a proactive approach to monitor and minimize environmental impacts through an array of energy-saving and emissions-reduction measures. Our main goal in managing our impacts is to emphasize on efficient use of energy and resources across operations. With the increasingly tightened environmental policies and regulations, both in scope and stringency, we aim to adapt beyond compliance with our legal obligations. To achieve this, we adopt environmental management oversight measures to conduct materiality assessments, and set and evaluate our targets, enabling performance tracking that leads to future endeavours for persistent improvement. The total greenhouse gas emissions of the Reporting Entities increased by approximately 28.94% in 2023 as compared to 2022, which was mainly due to the increase in the electricity consumption as a result of the increase in leased area used by EBOHR in 2023.

### Total hazardous waste produced, reused and recycled and intensity

Hazardous waste produced during the operations of the watches business includes polishing and cleaning sewage, solid wastes such as polishing dust, wasted mineral oils, etc. Hazardous waste produced in 2023 decreased by approximately 10.5% as compared to 2022. In 2023, the total amount of cleaning sewage produced by the construction projects of EBOHR was 0.143 m<sup>3</sup>/day, which was required to be properly collected and entrusted to an industrial waste treatment station approved by the environmental protection department for centralised treatment. There was no hazardous waste produced by the banking business in 2023 (2022: Nil).

	Watches business			
	Produced (tonnes)	Greenhouse gas emissions per unit of production volume (g/unit)	Reused (tonnes)	Recycled (tonnes)
2023	50.99	0.06	41.50	6.55
2022	56.97	0.05	42.00	15.72

Note 1: If calculated based on the production volume in 2022, the greenhouse gas emissions per unit of production volume in 2023 was 2.92g/unit.

Note 2: If calculated based on a total area of the banking business of approximately 6,447m<sup>2</sup>, the intensity in 2023 was 7.56g/m<sup>2</sup> (2022: 7.30g/m<sup>2</sup>).



### Total non-hazardous waste produced and intensity

In 2023, the non-hazardous waste produced during the operations of the watches business includes packaging waste such as paper, cutting stainless steel waste, etc. amounted to approximately 6 tonnes (2022: approximately 8 tonnes), representing a decrease of approximately 25.0% as compared to last year, and its related intensity was 0.009g/unit (2022: 0.011g/unit). Approximately 11 tonnes (2022: approximately 12 tonnes) of non-hazardous waste were produced during the operations of the banking business<sup>(Note 3)</sup>.

According to the Management and Control Procedures on Solid Wastes and Management Regulations for Emissions of Sewage, Exhaust and Noise, EBOHR has implemented the following requirements: (1) waste oil and industrial sewage that cause a greater hazard to the environment are prohibited from being poured into the sewers, and they should be treated with decontamination equipment and properly stored in special containers to be recycled by the designated cooperative entities; and (2) there is a set of industrial wastewater treatment systems, which can process approximately 80% of the reclaimed water for reuse, and the transportation of the 20% of concentrated solution needs to be outsourced, and the polishing dust produced during the operations needs to be filtered and dried before being outsourced.

Industrial sewage is collected into appropriate containers and transported to special storage tanks, purified by sewage treatment and purification equipment. Measures can be taken to reduce the production of waste, and the purified wastewater can be reasonably utilised, thus reducing the production of waste and creating benefits. Hazardous waste produced during operations will be collected and disposed of by qualified professional environmental disposal companies filed with the environmental protection department according to the regulatory requirements of the environmental protection department.

### A.2 Use of Resources

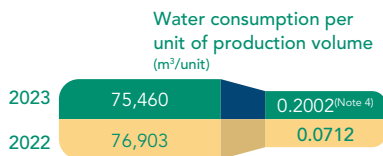
We strive to reduce the types and the amount of energy consumption during the course of our operations. To ensure effective implementation, we leverage on the use of intelligent energy management system for energy data collection. Systematic energy management is accomplished by a combination of various means, including energy planning, energy control and monitoring, energy statistics, energy consumption analysis, management of key energy-consuming equipment, and management on energy measurement equipment. In addition, we have formulated relevant policies and procedures, including Requirements on Safety Management of Electricity Utilization, Management System for the Use of Air Conditioning, Requirements on Water Supply Management, Energy Resource Control Program and Equipment Management and Operating Environment Control Program.

Note 3: If calculated based on a total area of the banking business of approximately 6,447m<sup>2</sup>, the intensity in 2023 was 0.002g/m<sup>2</sup> (2022: 0.002g/m<sup>2</sup>).

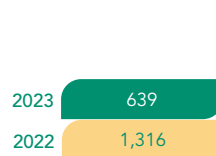
**Total water consumption and intensity**

We strive to reduce water consumption during the course of our operation and enhance the efficiency of water usage. To achieve this goal, we post reminders for reducing water usage in water facilities to raise the awareness of employees on resource conservation. We have also formulated relevant policies and procedures, including Requirements for Water Supply Management. We have also continued to promote the reuse of sewage water, with water from landscape pools being used for watering landscaping. The total water consumed by the Reporting Entities in 2023 decreased by approximately 2.7% year-on-year as compared to 2022, and there was no difficulty in sourcing water.

**Watches business**  
Total water consumption (m<sup>3</sup>)



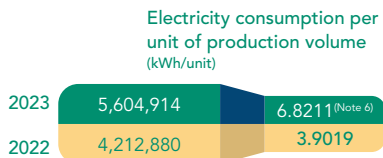
**Banking business**  
Total water consumption<sup>(Note 5)</sup> (m<sup>3</sup>)



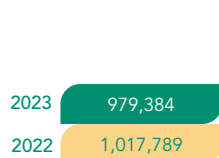
**Total electricity consumption and intensity**

We strive to reduce electricity consumption during the course of our operation and enhance efficient energy consumption. To achieve this goal, we post reminders for reducing electricity consumption in production and living areas to raise our employees’ awareness of energy conservation. We have also formulated relevant policies and procedures, such as routine checking of circuits according to the Requirements on Safety Management of Electricity Utilization and maintaining the indoor temperature at no less than 26°C according to the Management System for the Use of Air Conditioning by EBOHR. We aim to optimize the energy conservation for the manufacturing process by promoting efficient use of resources and adopting green technologies. Variable frequency drive air-conditioners and reactive power compensation systems have been installed in the facilities to contribute to saving electricity consumption. In order to reduce electricity consumption, Bendura has installed A+++ standard LED devices at their office building.

**Watches business**  
Total electricity consumption (kWh)



**Banking business**  
Total electricity consumption<sup>(Note 7)</sup> (kWh)



The total electricity consumption produced during the operations of the watches business increased by approximately 33.04% in 2023 as compared to 2022, which was mainly attributable to the increase in electricity consumption produced by the tenants of EBOHR, while the electricity consumption of the banking business decreased by approximately 3.77%.

Note 4: If calculated based on the production volume in 2022, the water consumption per unit of production volume in 2023 was 0.0699m<sup>3</sup>/unit.

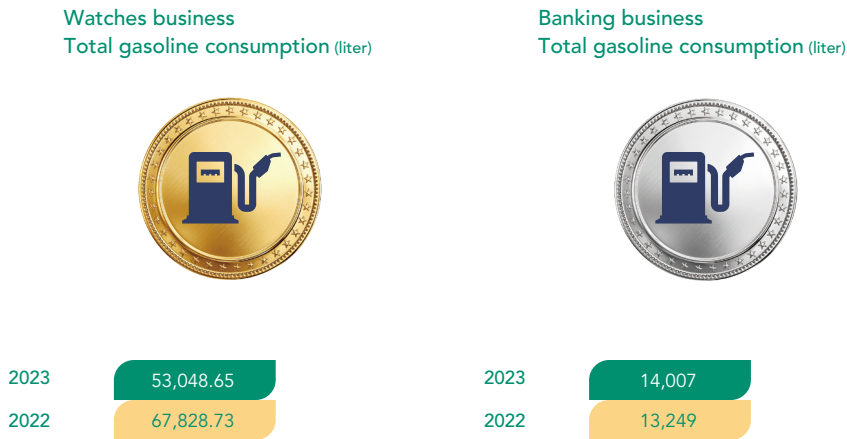
Note 5: If calculated based on a total area of the banking business of approximately 6,447m<sup>2</sup>, the intensity in 2023 was 0.0991m<sup>3</sup>/m<sup>2</sup> (2022: 0.2041m<sup>3</sup>/m<sup>2</sup>).

Note 6: If calculated based on the production volume in 2022, the electricity consumption per unit of production volume in 2023 was 5.1912kWh/unit.

Note 7: If calculated based on a total area of the banking business of approximately 6,447m<sup>2</sup>, the intensity in 2023 was 151.92kWh/m<sup>2</sup> (2022: 157.88kWh/m<sup>2</sup>).

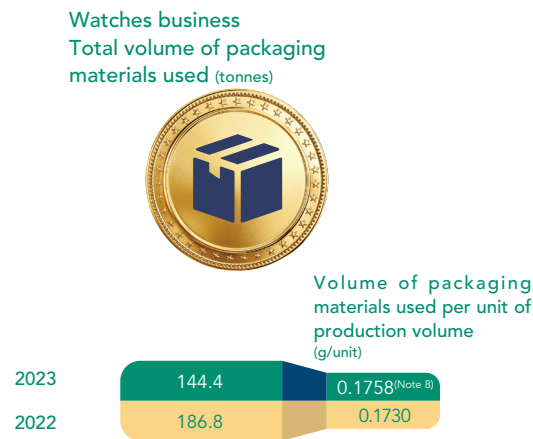
**Total gasoline consumption**

We strive to reduce gasoline consumption during the course of our operation and enhance the efficiency of gasoline usage. In order to achieve this goal, we formulated relevant programmes including Energy Resource Control Program, Equipment Management and Operating Environment Control Program. The total gasoline consumed by the Reporting Entities during their operations in 2023 decreased by approximately 17.29% as compared to 2022.



**Total volume of packaging materials used and per unit produced**

Packaging materials of watches business mainly include watch boxes, handbags, paper boxes, foamed bags and electrostatic membranes, etc. By taking a systematic approach to recycling and re-usage of different categories of wastes, we avoid unnecessary wastes and minimize resource consumption, achieving compound utilization of various resources. No packaging materials were produced in the course of the banking business.



We have set a target to reduce energy consumption and packaging materials used by 5% by 2026, with 2021 as the baseline. The total production volume of the watches business decreased by approximately 23.89% in 2023 as compared to 2022, and the total packaging material used also decreased by approximately 22.67% year-on-year.

Note 8: If calculated based on the production volume in 2022, the packaging material consumption per unit of production in 2023 was 0.1338g/unit.

### A.3 The Environment and Natural Resources

Reporting Entities always place great emphasis on environmental sustainability and integrate it in every aspect of their business to reduce waste and consumption of natural resources. Rossini and EBOHR have obtained ISO14001 Environmental Management System certification. They have begun to systematically reduce resource consumption at source, minimise waste generation, categorise and recycle various types of wastes, utilise clean energies (e.g. solar energy) and conserve energy, thus demonstrating the effectiveness and efficiency of its environmental-friendly manufacturing process. Following actions were also taken by Rossini for mitigating impacts on the environment and natural resources include, but not limited to:

- Using environmental-friendly materials and incorporating energy-saving concepts in the design and construction of the production facilities;
- Proper treatment of exhaust and industrial pollutant emissions in compliance with the relevant environmental laws and regulations;
- Building dust-proof clean production facilities which meets standards as strict as those required by the food and catering industry;
- Controlling and minimizing the density of smoke emitted by the dynamotors through Ringelmann Smoke Chart;
- Monitoring and reducing volume of the noise generated the dynamotors; and
- Conducting annual environmental protection checks and reviewing the results for the entire facilities.



The industrial sewage and solid wastes generated during our production process cause harm to rivers, waters and soil. For this reason, we have entered into industrial wastes treatment agreement with qualified external company. Moreover, we have made structural adjustments to our production craftsmanship to, for instance, halt the operation of electroplating to cut the emission of heavy metals, as well as invest in sewage treatment facilities, exhaust treatment facilities, noise reduction treatment and oil and mist recovery equipment such that sewage and exhaust can be discharged after purification. After treatment, 80% of wastewater can be reused, the remaining 20% of the concentrate can be disposed of outsourced, and all the solid wastes produced can be collected and disposed of outsourced.

Our headquarters in Hong Kong has also implemented the following measures for eco-friendly offices to manage the impacts on environment through promoting a eco-conscious workplace, emphasizes on efficient use of resources, energy conservation and savings in operation costs.

### **Saving papers**

We encourage employees to use duplex printing and use e-mail to communicate as far as possible. Recycled papers are used for drafting and internal purposes. Used document envelopes and letter envelopes are reused for internal delivery. Recycling bins are placed at the public area in the offices to collect and separate waste papers for recycling, which are then collected by management office of the building.

Since 2016, we have recommended the shareholders of the Company to receive corporate communications of the Company by electronic means instead of printed copies, in a bid to reduce printed volume and lower paper consumption effectively, thereby reducing the carbon footprint. During 2023, the weight of printed copies of corporate communication (namely, interim report, annual report and circular) dispatched by the Company to the shareholders was approximately 327kg (2022: 661kg), representing CO<sub>2</sub> emission of approximately 1,572kg (2022: 3,172kg), representing a year-on-year decrease of 50.44%.

### **Conservation of electricity**

Energy-saving electric appliances such as fluorescent lamps, T5 tubes or LED lamps are chosen for offices. Equipment such as computers, printers and copiers are set to power-saving mode. All lightings and air-conditioners are required to be switched off after office hours or when workplaces are unused, and notices are posted in proper areas for reminding staff to turn off energy. In summer, average room temperature of offices is maintained between 24°C to 25°C for reduce energy consumption of air conditioners.

### **Provision of green pantry**

We do not provide disposable tableware and paper cups to visitors, while encouraging employees to bring their own lunch boxes, so as to avoid styrofoam lunch boxes and disposable tableware incurred from purchasing take-outs and offer a comfortable environment for employees to have lunch.

### **Reusing materials and saving use of stationeries**

To reduce waste production, we encourage employees to reuse stationeries, store old toner cartridges of printers and arrange suppliers to recycle toner cartridges on a regular basis.

### **Use of combined type office furniture**

We use combined type office furniture for reducing use of custom-made office furniture, such that they can be reused even if we relocate office. Administrative department checks our office furniture on a regular basis and will first consider the possibilities of renovating or repairing any defects discovered. We only arrange office furniture recycle that is impossible to renovate, and seek to minimize disposal. Office furnitures that are kept in good condition can generally be used for over ten years.

### **Reduction of carbon emission**

We promote a low-carbon lifestyle and encourage staff to utilize public transportation instead of vehicles, and video conference is used to reduce business travels, and encourages high-speed trains instead of airplanes when business travel is necessary, contributing to decarbonization.

## **A.4 Climate Change**

Extreme weather conditions such as typhoon and thunderstorm may impact the production and operation of the Reporting Entities. With regards to policies and procedures, we have formulated a series of emergency plans to respond ensure our operations are climate-resilient, including plans for storm, rainstorm, flood, thunderstorm and earthquake, emergency plan for safe production, emergency plan for environmental accidents as well as emergency evacuation plan for industrial tourism. We pay close attention to any updates by the observatory and the government in our daily operation. Whenever there is information about extreme weather conditions, we implement precautionary measures according to the relevant emergency plans and make corporate announcements.

During 2023, there were no incidences of material climate-related impacts to the Reporting Entities (2022: Nil).

## B. SOCIAL

### B.1 Employment

Reporting Entities strictly comply with relevant laws and regulations relating to employment in their places of operation.

#### PRC

The Labour Law of the People's Republic of China

#### Liechtenstein

General Civil Code (ABGB), Section 1: Individual Employment Contract; Law on Work in Industry, Commerce and Trade together with its Regulations; Determination Act; Law on Persons and Companies.

Moreover, the Reporting Entities have devised, implemented and improved, on an ongoing basis, employee handbooks that comply with laws and regulations and cover basic human resource policy, staff rights and obligations, remuneration system, fringe benefit system, job promotion and demotion, staff training, performance appraisal system and staff relations and communication.

We believe that a motivated and diverse staff team is essential to building a sustainable business model and creating long-term returns. As at 31 December 2023, we had a total of 1,465 full-time employees for our watches business, all of whom were based in Mainland China (2022: 1,645, all of whom were based in Mainland China), and a total of 135 employees (comprising 22 part-time and 113 full-time employees) for our banking business, of whom 61 were based in Mainland China, 2 in Hong Kong and 72 in Europe (2022: a total of 143 employees (comprising 27 part-time and 116 full-time employees), of whom 55 were based in Mainland China, 2 in Hong Kong and 86 in Europe).

The total number of employees of the Reporting Entities decreased by 188 in 2023, a 10.51% decrease compared to the previous year. This is mainly due to post-COVID-19 recovery turned out to be weaker than anticipated, which led to a reduction in production and a slight increase in the employee turnover of the manufacturing industry. By promoting the inclusion of people from different backgrounds and age groups, the staff teams of the Reporting Entities can provide creative perspectives and abilities in different dimensions.

Gender	2023		2022	
	Number of employees	Percentage of total number of employees	Number of employees	Percentage of total number of employees
Male	455	28.44%	495	27.68%
	Watches business: 379 Banking business: 76		Watches business: 417 Banking business: 78	
Female	1,145	71.56%	1,293	72.32%
	Watches business: 1,086 Banking business: 59		Watches business: 1,228 Banking business: 65	
Total	1,600		1,788	

Age group	2023		2022	
	Number of employees	Percentage of total number of employees	Number of employees	Percentage of total number of employees
18–29	158	9.88%	189	10.57%
	Watches business: 128 Banking business: 30		Watches business: 150 Banking business: 39	
30–39	486	30.38%	597	33.39%
	Watches business: 436 Banking business: 50		Watches business: 550 Banking business: 47	
40–49	696	43.50%	759	42.45%
	Watches business: 659 Banking business: 37		Watches business: 723 Banking business: 36	
50–59	250	15.63%	232	12.98%
	Watches business: 234 Banking business: 16		Watches business: 215 Banking business: 17	
60 or above	10	0.63%	11	0.61%
	Watches business: 8 Banking business: 2		Watches business: 7 Banking business: 4	

As at 31 December 2023, we lost 455 employees in Mainland China for our watches business and 17 employees in Mainland China for our banking business, representing a turnover ratio of approximately 29.26% (2022: 22.51%) by region. We lost 24 employees in Europe for our banking business, representing a turnover ratio of approximately 30.38% (2022: 20.86%) by region, and 2 employees in Hong Kong for our banking business in 2023 (2022: Nil).

#### Number of employee turnover and turnover ratio by gender

Genders	2023		2022	
	Number	Turnover ratio	Number	Turnover ratio
Male	85	17.89%	138	25.37%
	Watches business: 62 Banking business: 23		Watches business: 115 Banking business: 23	
Female	413	33.88%	381	27.91%
	Watches business: 393 Banking business: 20		Watches business: 369 Banking business: 12	
Total	498	29.40%	519	27.19%



**Number of employee turnover and turnover ratio by age group**

Age groups	2023		2022	
	Number	Turnover ratio	Number	Turnover ratio
18–29 Watches business: 63 Banking business: 13	76	43.80%	67	20.40%
30–39 Watches business: 154 Banking business: 10	164	30.29%	201	37.12%
40–49 Watches business: 167 Banking business: 13	180	24.74%	202	17.45%
50–59 Watches business: 59 Banking business: 5	64	26.56%	41	12.35%
60 or above Watches business: 12 Banking business: 2	14	100%	8	51.61%

**Fair and equitable work environment**

As an employer, we commit to compliance with relevant standards and regulations in providing a respectful work environment that is fair and equitable to ensure that all our employees have an equal chance to thrive. Equality is practiced as a matter of principle in all aspects of employment, and no discrimination or harassment of any kind is tolerated. We treat all persons encountered during the course of our business with courtesy and respect. The Company provides fair opportunities and conditions, recruits diversified talents, and establishes employee satisfaction and appeal channels to fight against discrimination. All relevant parties are expected to apply the same standards throughout their engagement with colleagues, contractors, suppliers, customers and any other stakeholders. Discrimination, unethical conducts, sexual harassment and similar behaviors are strictly prohibited.

**Work-life-balance philosophy**

We value our employees and encourage them to grow with the Group. We attach great importance to the well beings of our employees and promote the work-life balance philosophy by offering them opportunities to participate in a wide variety of sport and recreational activities to enhance their sense of happiness, such as EBOHR implements a standard working day regime of working 8 hours per day and 40 hours per week.

Multi-purpose recreation centers and multi-purpose sports fields have been built at both Rossini and EBOHR's facilities to facilitate employees to actively participate in various recreational and sports activities. Rossini has founded a performance team which performs for employees and guests at major festivals or celebratory events, as well as for the public community for charity purpose. From time to time, EBOHR organizes labour union activities as well as fabulous cultural and recreational activities, such as production skills competitions, various sports competitions, regular trainings and social activities organized by various labour unions and associations, and, where possible, Spring Festival evenings parties, garden parties, parent-child activities, etc.



Rossini has also established a number of interest clubs, such as basketball, football, badminton, table tennis, billiards, cycling, photography, Chinese chess, fishing, cooking, military band, dragon dance team, lion dance team and zither ensemble. These clubs serve as platforms for staff to maintain physical health and fitness and where they can relax after work. Meanwhile, such activities have facilitated communication among employees, thereby cultivating collaborative and successful work relationships.



### Employee benefits and welfare

The compensation package for all employees is designed to reward them for their work and contribution to our success. In addition to the national statutory holidays stipulated under the employee handbook and various rules and regulations, compensation packages include various types of fringe benefits, depending on individual conditions of the subsidiaries, such as medical insurance, travel, lunch allowance, free body check-ups, maternity leave, marriage leave, bereavement leave and other subsidies. EBOHR offers its employees free shuttle bus service as well as transportation and housing allowances after relocation to its new facilities in 2018. At the “Good MPF Employer” presentation ceremony held in 2023, the Company was honoured as a “Good MPF Employer” for 2022–23 and presented with the “e-Contribution Award” and “MPF Support Award.”



### Recruitment, promotion and dismissal

We establish and continuously improve our organizational structure, formulate and continuously optimise our management regime, and implement a performance appraisal system according to the strategic plans and objectives of the Company. We determine the type and number of employees according to the actual operating conditions and planning needs, and implement recruitment through the “Employee Recruitment Procedure”. Rossini conducts monthly assessments and annual performance self-assessments through the “Management Measures for Performance Appraisal System”, the results of which support the employees’ salary accounting, salary increase, job promotion, year-end bonus and excellence appraisal, etc. EBOHR has formulated the “Recruitment Management System” to attract talents through external recruitment (online recruitment, headhunting, on-site recruitment, campus recruitment and internal recommendation, etc.) and internal recruitment (position competition). It also formulated the “Management Measures for Employee Promotion at the Company Headquarters” which set up two major job promotion channels, namely, the management channel and the technical channel, to coordinate employee promotion according to the operation needs. In the event that we find out the circumstances stipulated in the employee handbook for termination of labour contract (such as violation of rules and regulations, serious dereliction of duty, etc.) or any unlawful acts, we will immediately notify the employees to terminate their labour contracts according to the relevant laws and regulations.

### B.2 Health and Safety

Reporting Entities strictly comply with relevant laws and regulations relating to safety work in their places of operation to provide a safe working environment for its employees and safeguard their occupational health.

**PRC**

**Liechtenstein**

Work Safety Law of the People's Republic of China

Regulation on Safety and Health Protection of Employees in the Workplace

We are committed to ensuring the health and safety of our staff by, among other things, providing and maintaining healthy and safe workplaces, especially in our manufacturing facilities. Strict management systems and policies, including Occupational Health and Safety/Daily Environmental Control and Supervision Procedures and Compilation of Rules and Regulations on Safety Production Standardization Management, have been formulated to maintain a workplace environment that complies with OHS standards. The systems and policies are reviewed on an ongoing basis to ensure that standards can be maintained under a variety of different scenarios. We formulate and implement production safety training programmes annually, organize monthly production safety inspections and conduct emergency preparedness drills from time to time every year. We will evaluate the effectiveness of the drills and make improvements to the problems found during the drills. In general, our objective is to foster a vigilant awareness of safety that enables us to identify hazards, assess risks and implement necessary control measures on a continuous basis.

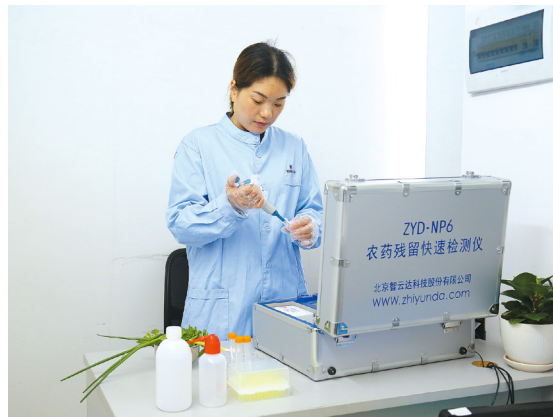
	2023	2022	2021
Number of work-related fatalities	0	0	0
Percentage of work-related fatalities	0%	0%	0%
Number of lost days due to work injury	0	0	0

Rossini and EBOHR are certified under the Occupational Health and Safety Management System (OHSAS) 18001 standard. Various measures have been implemented including the conduct of regular OHS assessments, providing free body check-ups to employees annually and upon employment, setting up alarm devices and CCTV systems to monitor and minimise the hazardous elements in offices and manufacturing plants, as well as engaging third parties to conduct inspections and reviews on the OHS system on a regular basis.





Rossini's staff canteen testing laboratory is responsible for testing pesticide residue of ingredients. The canteen is honoured as Grade A of food safety in catering services.



### B.3 Development and Training

We regard employees' personal development and well-being as a matter of the highest importance. As such, we invest in creating a quality community and environment that motivate our employees, in order to promote staff development and talent retention. We strive to motivate our employees with the prospect of a clear career path, providing them with opportunities for promotion and improve their professional knowledge, qualifications and skills. In this regard, we provide a broad range of tailor-made training programmes to enhance their professionalism, such as induction training for new employees, safety training, know-how training and courses on administration and management. We identify training requirements by conducting surveys and carefully analyze feedbacks to determine the training programmes and their contents accordingly. These programmes play a strategic role and will be conducted on an ongoing basis to nurture superior, competent and professional human resources in line with our current requirements and business development. Through organizing training programmes, we invest in our employees at all strategies of their working life, both internally and through external organisations.

In 2023, the Reporting Entities arranged different training courses during the year, the scope of which ranged from professional and technical training to individual skill development, such as business hospitality etiquette, short video production, watch repair skills exchange and practical application of office software. The form of training included lectures and workshops hosted by in-house trainers, as well as seminars delivered by third-party experts.

Key employee training are set out as follows:

- New employees corporate orientation and induction programmes upon appointment to help them adjust to the new working environment and familiarise them with their job duties, as well as the business, operations and corporate culture of the Group as soon as possible;
- Trainings on corporate culture, business ethics, safe production and prevention of occupational diseases are provided to existing employees;
- Sales staff are provided with intensive training programmes on customer services and product knowledge;
- Watch craftsmen and technicians participate in on-going, structured and formalised technical training to ensure excellence in product innovation and quality;

- Management personnel are invited to attend management courses to advance their business management expertise and the most updated developments and trends regarding the market and industry the individual company operates in; intensive leadership development programmes and rotational assignment programmes are in place to motivate and help middle-level managers transit into new or more advanced leadership roles; and
- Directors of the Company participate in continuous professional development to enhance and update their skills and know-how, so as to ensure that they can make contributions to the board of directors in a fully informed and relevant manner. Directors of the Company are provided with monthly reports and other information for reference, including the Listing Rules, Corporate Governance Code and the latest modifications and developments of other regulatory systems, as well as information on business and market changes, strategic development of the Group and training courses for directors.



### Watches business

		Percentage of total trained employees	
		2023	2022
Gender	Male	46.6%	46.4%
	Female	53.4%	53.6%
Employee categories	Executive management	25.0%	29.1%
	Professional technician	26.6%	24.0%
	Production workers	17.0%	15.8%
	Sale personnel	31.4%	31.1%
Average training hours completed per employee		2023	2022
		(Hour)	(Hour)
Gender	Male	14.71	5.0
	Female	17.71	8.5
Employee categories	Executive management	18.87	9.2
	Professional technician	25.86	13.9
	Production workers	10.99	1.2
	Sale personnel	14.44	5.7

### Banking business

		Percentage of trained employees	
		2023	2022
Gender	Male	56.9%	52.5%
	Female	43.1%	47.5%
Employee categories	Senior management	4.6%	4.2%
	Middle management	22.9%	23.3%
	Clerks and others	72.5%	72.5%
Average training hours completed per employee		2023	2022
		(Hour)	(Hour)
Gender	Male	32.6	27.1
	Female	20.0	17.5
Employee categories	Senior management	80.1	87.8
	Middle management	43.9	29.3
	Clerks and others	18.5	16.6

We also encourage our staff to seek self-enhancement. Employees who have joined approved courses and training programmes are entitled to training subsidy and examination leave. The Group arranges and offers intensive training on a continuous basis to equip its staff with relevant qualifications and skills and to encourage them to work as a cohesive team in order to provide products and services with consistently high quality. In 2023, Rossini actively introduced training from municipal/district labour unions, with training needs and training contents mainly centred on employees' spare-time hobbies and interests and enhancement of employees' spiritual culture, hoping to upgrade the overall staff quality and cultivating their morale.

#### B.4 Labour Standards

Reporting Entities strictly comply with relevant laws and regulations relating to the prevention of child labour or forced labour prevailing in their places of operation and strictly prohibit child labour and forced labour.

##### PRC

The Labour Law of the People's Republic of China

The Labour Contract Law of the People's Republic of China

##### Liechtenstein

General Civil Code (ABGB), Section 1: Individual Employment Contract; Law on Work in Industry, Commerce and Trade together with its Regulations; Determination Act; Law on Persons and Companies.

EBOHR has formulated the Labour Employment and Occupational Health Control Procedures. In order to avoid child labor, recruiters specify age and working years when publishing recruitment information through different channels, and initially screen resumes in strict accordance with company's requirements. When a violation is discovered, the two parties shall formulate a negotiated settlement plan and draw up an agreement in accordance with the relevant provisions of the labour law and the facts of the violation. Labour contracts stipulate clearly the working hours and rest periods of employees to avoid forced labour.



## B.5 Supply Chain Management

### Watches business

We have formulated the “Supplier Development Procedure”, “Daily Supplier Management Procedures” and “Supplier Management System” to provide for comprehensive evaluation of suppliers on a regular basis both during the supplier screening and subsequent cooperation, on aspects such as quality, shipment schedule and the rate of complementary support, among others. We further formulated “Sourcing Risk Assessment” to manage and mitigate relevant supply chain risks. We exercise concrete due diligence on our suppliers to ensure their full compliance to requirements under national, local and industrial laws and regulations on environmental protection, any violation of which will result in the termination of the supply cooperation agreements. Moreover, suppliers are required to reduce their pollution of the environment and control risks relating to OHS in the process of supplying products or services. Suppliers are required to submit relevant environmental protection certification materials and reports when delivering goods, and we conduct environmental quality inspections on the products they supply. In 2023, there were 95 (2022: 95) suppliers in the watches business. All suppliers of EBOHR are managed and monitored by the quality control department, the purchasing department and the design department according to relevant standards and the systems of the Company.



### Number of suppliers by geographic region

Region	2023	2022
Mainland China	85	86
Hong Kong	5	4
Japan	4	4
Switzerland	1	1

### Banking business

Suppliers provide us with a range of products and services including, but not limited to, services for the maintenance of emergency sprinkler systems, gas extinguishing systems, electrical systems, intrusion detection systems, etc. Before an engagement, we conduct an in-depth investigation to each supplier to ensure that all public standards are being adhered to. We try to obtain three quotations from different suppliers through which we make inspections to identify those who have the best eco-products, including checking whether their quality is in line with our standards. We mainly engage suppliers within the region who provide restoration systems and items to reduce the distance a vehicle has to travel. In 2023, the banking business had 71 European suppliers (2022: same) and we have implemented the relevant practices with around 80% of our suppliers.

## B.6 Product Responsibility

Reporting Entities strictly comply with relevant laws and regulations relating to health and safety, advertising, labeling and privacy matters of product liability and service in their places of operation.

### PRC

Trademark Law of the People's Republic of China

Intellectual Property Law of the People's Republic of China

Law of the people's Republic of China on the Protection of Consumers' Rights and Interests

Provisions on the Liability for the Repair Replacement and Return of Household Automotive Products

### Liechtenstein

Regulated by the Financial Market Authority of Liechtenstein, Customer Data Protection Laws



### Watches business

We have a market management department which is responsible for product sales and service and a corporate planning department which is responsible for advertising and brand promotion. There were no instances of personal injuries caused by quality problems of the Company's sold or delivered products and the percentage of product recall of EBOHR due to safety and health issues in 2023 was 1.12% (2022: 0.65%), far below the target value of 1.80%. Our after-sales service department is responsible for provision of after-sales service to customers and handling issues relating to defective products.

### Control Processes and Indicators of Quality Safety and Public Health

Type	How people may be affected	Corresponding risk	Internal control indicator	Evaluation method	Control process and methodology
Safe production	Hit by objects, injured by machinery, electric shock, fire and poisoning	Casualties, loss of properties and impact on social stability	Zero casualty, zero fire incident, zero casualty caused by electric shock and zero incident of food poisoning	Safety assessment and regular inspection	<ol style="list-style-type: none"> <li>1. Managed in accordance with the OHS mechanism;</li> <li>2. Implementation of safety assessment.</li> </ol>
Safety in quality	By hazardous substances and radioactive elements	Impact on health	Personal injury caused by product quality	Regular supervision	Control on product quality and supplier management
Public health	By dust and noise	Occupational diseases	Rate of diagnosed occupational illness and rate of staff body check	Regular supervision	Managed in accordance with the OHS mechanism

We have implemented quality and safety policies and regulations, highlighting that “quality is the life of an enterprise”. In addition, it has established and optimized the system of principal accountability for quality and safety and developed a system for the reporting of material incidents on quality and monitoring of product damages. Quality credit report is published on the official website for consumers’ reference and supervision. A well-designed risk management system has been developed to manage product quality and safety risk management. Total process tracing of product quality has been facilitated through the “one watch, one code” identification system embedded in watches. Rossini was awarded with the “National Quality Award”, being the first watch company to receive this honour in China.



In 2023, the Reporting Entities received only 116 complaints (2022: 123), of which 49 complaints (0.45% of the total number of enquiries) were from EBOHR and 67 complaints from Rossini. EBOHR has adopted the “Three Guarantees Policy” which protects consumers’ interests by offering: (1) return services for all goods sold; (2) exchange and replacement services; and (3) maintenance services. Our e-commerce business accepts unconditional return of goods within seven days after purchase while setting up authorised after-sales service outlets nationwide to provide consumers across the country with premium after-sales services. We have established a factory-mode maintenance workshop which aligns with the maintenance standards of factories, aiming to base its operations on professionalism, scale and technical expertise. On top of training specialised technicians, we provide efficient and high-quality after-sales maintenance and repair services. We have also introduced an innovative aftersales service model to further improve customer satisfaction. In 2023, Rossini handled all complaints in accordance with the requirements of the “Customer Complaint Management Procedure” within the required response and handling timeframe. All complaints were handled promptly by dedicated staff after negotiation with customers. Except for one unsubstantiated complaint which was dismissed, customers were satisfied with the handling results and no second complaint was recorded.

The process of application for trademark registration, patent and copyright are all implemented in accordance with national laws and regulations. By understanding of the intellectual property management system, we carry out trademark, patent and copyright application work in accordance with the procedures of the system. For new trademarks, innovative product designs, new technologies, new processes, etc. during the daily operation, the corresponding intellectual property rights will be applied after approval. Legal review on intellectual property protection and maintenance will be conducted in various procurement and cooperation contracts.

Rossini has formulated the Quality Inspection Procedures (《品質檢驗流程》) and Procedures for Handling Unqualified Products (《不合格品處理流程》). According to the procedures, the production department shall be responsible for the self-inspection and report for inspection of self-processed products, which shall be then sent to the quality control department for testing after passing the self-inspection. Outsourced parts shall be reported for inspection by the purchasing staff of the purchasing department, and warehoused after passing the inspection and confirmation by the quality control department, while unqualified products shall be generally returned or exchanged.

EBOHR obtains customer information through normal course of business (sales online and offline) and after the customer’s consent. Non-authorized headquarters personnel have no access customer information, and will not share customer personal information with any third party without the customer’s consent.



### Banking business

As a bank based in Liechtenstein, Bendura is regulated by the Financial Market Authority of Liechtenstein and applicable laws and regulations related to customer data protection. The compliance department continuously monitors the use of all customer data systematically to ensure the appropriate handling of any type of sensitive data. The information technology security objectives of confidentiality, integrity, authenticity and availability are ensured by a series of technical and organisational measures. In this respect, Bendura adheres to high standards required by bank in Liechtenstein.

## B.7 Anti-corruption

### Watches business

The management has taken the initiative to set an example for the value of “Harmonious Development” and has actively promoted the principles of “Integrity Orientation” and “Corporate Prosperity with Integrity” in compliance with proper business ethics. Based on our robust credibility mechanism as well as segregation between responsibilities and supervision, we have developed a model for honest, win-win cooperation with our key suppliers and partners by strengthening our culture of integrity and establishing a credit assessment mechanism with related credit records. The Group has adopted an anti-bribery policy, and EBOHR also holds regular training sessions on the Code of Business Conduct and accepts monitoring and reporting by all parties of the company. Anyone involved in violations of law and discipline will be subject to judiciary proceedings. The Group has zero tolerance to combat against corruption and safeguard a clean and incorruptible atmosphere.

In tandem with the principles of integrity and legal compliance as the cornerstones of the enterprise, the management requires all staff to honour contracts, uphold credibility, abide by moral principles and comply with laws and regulations, and has formulated relevant regulations to govern staff's behaviour:

- A series of management systems, such as the employee handbook, have been formulated to govern all staff's moral behaviour based on our corporate mission, vision and values.
- Audit is conducted by external auditor annually and the finance department has enhanced oversight of key aspects such as marketing, procurement, projects in progress and finance and conducted reviews of all contracts to ensure compliance with law.
- A stringent financial management system and a marketing staff management system have been established for the selection of business partners in an open manner and on arm's length basis through open tenders, price competitive procurement and certification of qualifications.
- Training on business ethics for new staff has been strengthened to emphasise compliance in thinking by incorporating corporate culture, business ethics and staff code of conduct in induction training.
- Information is collected through a variety of means, such as internal/external audit, staff monitoring and whistleblowing, supervisions by safety officers and social supervision, and issues are addressed in a timely manner.
- The internal rules and regulations relating to denunciation and whistle-blowing have been improved and the workflow has been standardised to ensure the transparent operation of the relevant business.

In 2023, there were no litigation cases on alleged corruption against the Reporting Entities or its employees which had been filed and for which trial had been completed (2022: Nil).

The audit department of EBOHR audits its subsidiaries every year. After the audit, the audit report, together with the audit manuscript, will be reported to the general manager. If a major corruption issue is discovered during the audit, after reporting to the general manager, the audit department will work with the market management department to make a case of corruption and conduct training on the subsidiary in the form of a video conference.

### Banking business

Bendura has set up a code of conduct and its internal reporting system (whistle-blowing) reporting office, where concerns can be escalated to the head of internal audit, who is responsible for maintaining the anonymity of the reporting party and for his protection.

Bendura has also conducted annual training on relevant provisions of national criminal act on corruption issues and Wolfsberg Anti-Bribery and Corruption.

## B.8 Community Investments

The Group is actively involved in various types of community investment, with a view to promoting positive social impacts. Rossini was honoured with the title of “Caring Enterprise” granted by Zhuhai Care and Compassion Society in recognition of Rossini’s contributions to the society in Zhuhai Province.



### Charity and Poverty Aid “An 18-year Promise”

EBOHR has launched a long-term philanthropic programme known as “An 18-year Promise”, collaborating with the China Women’s Development Foundation of the All-China Women’s Federation to finance the maintenance cost of children who became orphans after the Wenchuan earthquake until they reach the age of 18. The programme has continued for thirteen successive years since the Wenchuan earthquake in 2008 and has provided financial assistance to approximately 160 children. Further, for those children who have worked their way into the university, EBOHR provides continuous financial assistance until their graduation. In addition to making donations, the compassionate EBOHR volunteers visit Sichuan every year and bring with them tonnes of supplies for donation. They have paid more than 10 consecutive visits to Sichuan as of 2023. The year 2023 was the 15th year of EBOHR’s “An 18-year Promise” long-term philanthropic activity, it donated aid funds amounting to RMB220,000 to the children as scheduled.

We encourage our staff to make personal donations to people suffering from natural disasters, or participate in volunteering activities in any manner to help the victims through difficult times. We are very pleased to learn from the feedback of our staff that they feel they have realised their true value as a member of society and deepen their community ties through participation in charitable activities and volunteer programmes. In 2023, Rossini’s Mutual Foundation and Labor Union Consolation Fund helped 14 sick and needy employees and distributed a total of RMB48,630 condolence and mutual aid funds. In 2023, Bendura also donated CHF1,000 to the “Bärenherzen” project of a humanitarian aid association, which was established in 2021.



### Caring for the Elderly and Loving the Children

Rossini organizes corporate volunteering events. With the support and care of the president and senior management team, Rossini's caring team, regardless of rain or shine, walked into Zhuhai Boai Senior Apartment and repeatedly carried out the caring public welfare activities of "Warm Gratitude, Spreading Love". In 2023, the corporate charitable team of Rossini carried out five elderly care activities, including elderly care activities on Chung Yeung Festival, elderly care activities on Dragon Boat Festival, elderly care activities on Mid-Autumn Festival, elderly care activities on New Year's Day and charitable activities on Lantern Festival.





In September 2023, Rossini launched a clothing donation campaign in Yangchun City, in which 1,714.1kg of clothing, 257.3kg of books, 100 sets of stationery and 100 pieces of umbrellas were donated.





### Supporting Education

Shiyan Primary School, established by EBOHR in joint venture with the Government in 1995, was ranked as a Class I famous private school in Guangdong Province in 2003.

### Green Activity

Rossini organized volunteers from various departments to carry out the “Beautiful Plant Cleaning Campaign”, and a total of 12 activities were developed in 2023, covering a cleaning area of 25,000 square meters. The teenage volunteers said that Rossini is our common home, and it is everyone’s responsibility to improve and protect the working environment. Everyone’s involvement and paying attention to detail should be encouraged, so that everyone can enjoy the beauty of life and the merit of diligence in the beautiful plant area. Rossini also hopes that the monthly beautiful plant campaign will make green civilization, environmental protection and low carbon become a new corporate fashion.



### Promotion of Science Education and the Watch Culture

Rossini and EBOHR have built watch museums and developed watch industrial and cultural tourism, to promote the watch culture. The Rossini Industrial and Tourist Zone occupies a total area of 11,280.60m<sup>2</sup>, and the museum exhibits a collection of approximately 1,600 items. The watch museum has been rated a 4A National Tourist Attraction and named an Organisation with Outstanding Contributions to the Preservation of Cultural Heritage in Guangdong Province. The EBOHR Watch Cultural Museum occupies a total area of 1,440m<sup>2</sup> and features more than 300 items on display in 9 exhibition zones under different themes. The EBOHR Watch Museum was registered as a charitable organisation in 2020 and joined the Shenzhen Association of Science Education as a member unit. This museum is committed to the promotion of science education for watch culture and academic research and exchange.

In September 2022, the EBOHR Watch Museum was awarded the title of “Off-Campus Practice Education Camp (Base) of Young Pioneers in Guangming District, Shenzhen (深圳市光明區少先隊校外實踐教育營地(基地))” by Young Pioneers Shenzhen Guangming District Working Committee. In 2023, EBOHR Watch Cultural Museum successfully completed large-scale tourism promotion, research and study and science popularisation tasks such as in-depth experience of the high-quality industrial tourism lines in the city and the “Approaching the Science City Summer Camp Activity” held by Guangming District. It also held many large-scale themed brand tour exhibitions, launched event materials design, product photography, promotional giveaways procurement and other promotional work to further promote and disseminate the watch culture.