

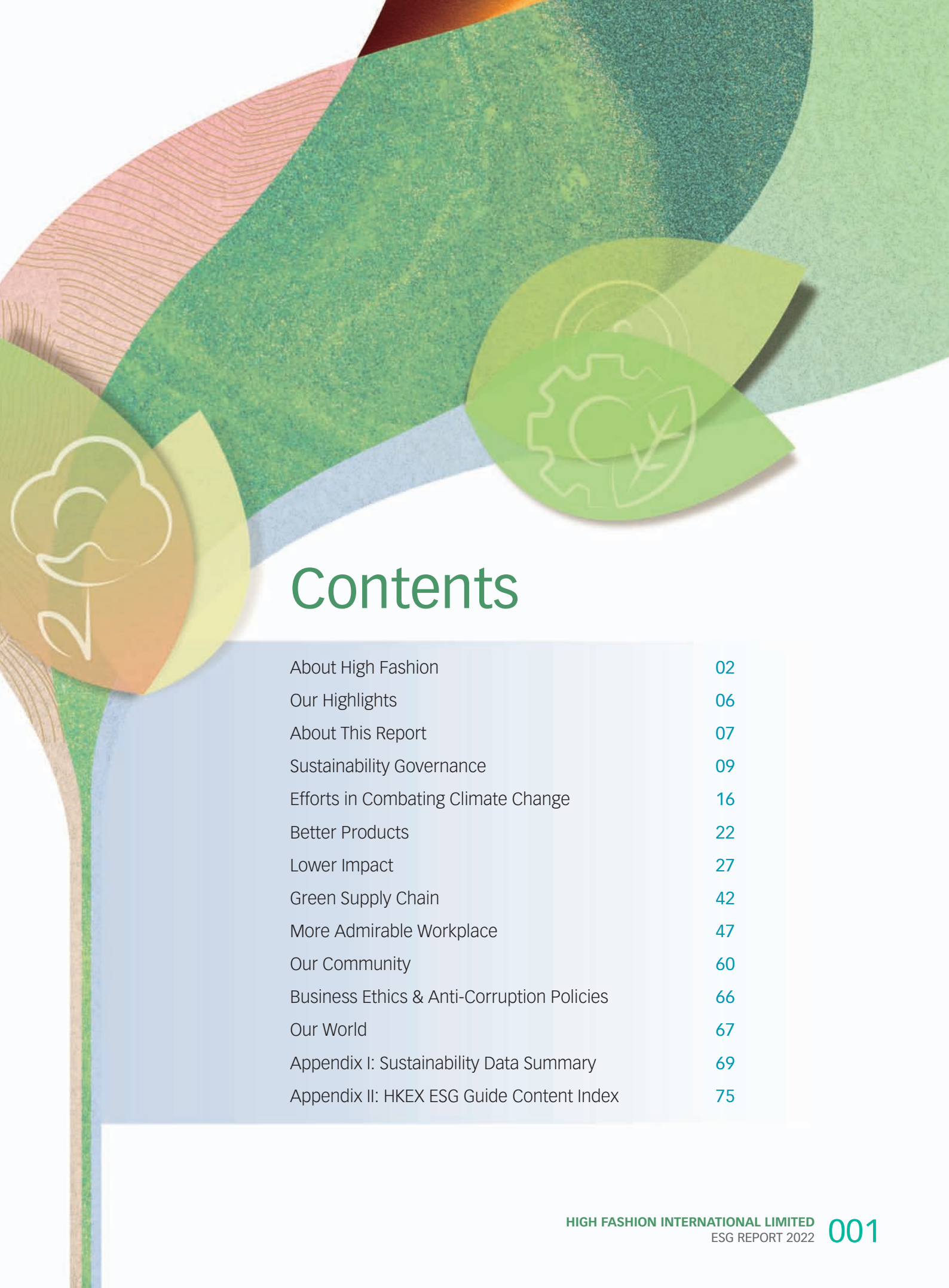


High Fashion International limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 608)

2022

Environmental, Social and Governance Report



Contents

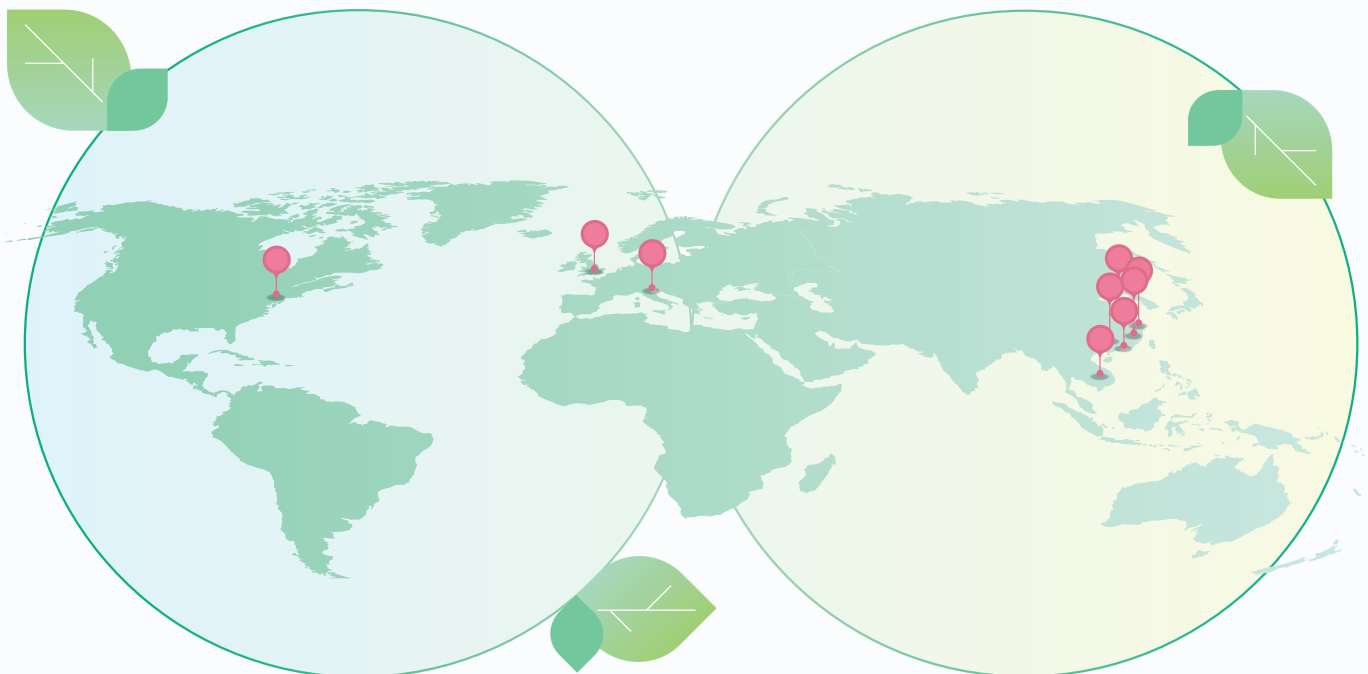
About High Fashion	02
Our Highlights	06
About This Report	07
Sustainability Governance	09
Efforts in Combating Climate Change	16
Better Products	22
Lower Impact	27
Green Supply Chain	42
More Admirable Workplace	47
Our Community	60
Business Ethics & Anti-Corruption Policies	66
Our World	67
Appendix I: Sustainability Data Summary	69
Appendix II: HKEX ESG Guide Content Index	75



ABOUT HIGH FASHION

High Fashion International Limited (“High Fashion” or the “Company” or “We” or “Our”) and its subsidiaries (collectively, the “Group”) are pleased to present this Environmental, Social, and Governance (“ESG”) Report 2022 (the “Report”) which covers our sustainability vision, initiatives, achievements and business strategies to managing ESG-related impacts across our branding, administrative and manufacturing operations. Our enhanced corporate governance framework and structure emphasise transparent and quality disclosure to our stakeholders for better monitoring and knowledge towards our sustainability efforts and performance as well as our dedication as an industry leader and promoter in combating climate change.

Founded in 1978, High Fashion International Group is a modern fashion enterprise embracing sustainability and innovation that has built a multi-national business covering the entire fashion industry chain, including fashion design and production, printing and dyeing, retail and wholesale brand business, and innovation hub and industrial park. Headquartered in Hong Kong, High Fashion has been proactively expanding our global footprints over the years to overseas markets, including Southeast Asia, the United Kingdom, Italy, and the United States. A number of production bases have been set up across China, such as Hangzhou, Xinchang and Dongguan, as well as Southeast Asia regions including Cambodia to maximise our productivity.



About High Fashion

SUSTAINABLE STRATEGIES OF HIGH FASHION

Governance

- The Group has aggressively adopted the concepts of sustainable development and green production over the years. We committed to maintaining good corporate governance practices and procedures to enable an effective Board, the long-term success and sustainability of the Company.
- Please refer to sections of “Sustainability Governance” and “Business Ethics & Anti-Corruption Policies” for details.

Green R&D

- To provide cutting-edge green products, we integrate and allocate resources to new technology and equipment, and embed extensive research and development (“R&D”) into the garment industry.
- Please refer to section of “Better Products” for more information.

Green Manufacturing and Green Products

- Our production facilities have been equipped with energy- and water-efficient machinery and green infrastructure such as solar power systems and wastewater treatment systems, which significantly mitigate the environmental impacts involved in the manufacturing processes.
- Please refer to sections of “Better Products”, “Lower Impact” and “Our World” for more information.

People Management and Community

- To maximise our sustainability performance, we have been vigorously cultivating a sustainability-conscious culture among staff. We are also always dedicated to supporting social welfare as a responsibility inherent in corporate development.
- Please refer to sections of “More Admirable Workplace” and “Our Community” for more information.














Green Supply Chain

- During the procurement process, priority will be given to green materials. To reduce waste in our production and enhance product traceability, recycled and organic materials are deployed to achieve sustainable fashion.
- Please refer to section of “Green Supply Chain” for more information.

About High Fashion

OUR SUSTAINABILITY GOALS

2020–2024 5-Year Sustainability Goals

Areas	Targets and Description	Performance in 2022
Better Products	We aim to apply more sustainable and recyclable materials in new products for performance enhancement.	 IN PROGRESS
Lower Impact	We aim to reduce natural resource consumption and emissions of pollutants and waste arising from our operations.	 Reduce carbon footprint by 15%* -19%
		 Reduce water intensity ¹ by 15%* -54%
		 Achieve water reuse efficiency rate ² by 35% 48%
		 Reduce total waste generation by 30%* -24%
More Admirable Workplace	We aim to create a safe and supportive workplace which promotes personal development and protects the well-being of our staff.	 Maintain a record of zero work-related fatalities  ACHIEVED
		 Deliver at least 4 training hours/employee annually  ACHIEVED
Our Community	We aim to contribute positively to the communities in which we operate.	 Contribute at least 500 volunteering hours/year  IN PROGRESS
		 Provide educational support through student  ACHIEVED

* Base year of carbon, water and waste targets: 2019

¹ The formula for the calculation of water intensity = Total water consumption divided by output volume

² The formula for the calculation of water reuse efficiency rate = Total volume of water reused divided by volume of water purchased

About High Fashion

HIGHLIGHTED SUSTAINABILITY AWARDS AND RECOGNITION OBTAINED IN 2022

High Fashion (China) Co., Ltd. & Dongguan Dalisheng Fashion Co., Ltd.



Gold Label of Low Carbon Manufacturing Programme ("LCMP") Certification awarded by WWF

Our Group



Responsible Wool Standard Certification awarded by USB Certification Denetim

High Fashion (China) Co., Ltd.



Global Organic Textile Standard (GOTS) awarded by Control Union Certifications B.V.

High Fashion (China) Co., Ltd.



2022 Water Conservation Benchmarking Unit in Zhejiang Province (浙江省二零二二年度節水標桿企業) awarded by the Zhejiang Provincial Government

Dongguan Dalisheng Fashion Co., Ltd. & Eminent Garment (Cambodia) Limited



Global Recycled Standard Certification awarded by SGS-CSTC Standards Technical Services Co., Ltd.

High Fashion (China) Co., Ltd.



Responsible Down Standard Certification awarded by USB Certification Denetim

Eminent Garment (Cambodia) Limited



Worldwide Responsible Accredited Production ("WRAP") Certification

High Fashion (China) Co., Ltd. & High Fashion Silk (Zhejiang) Co., Ltd.



Pioneer of Innovative Climate Action (中國紡織服裝行業氣候創新行動先鋒單位) awarded by China National Textile and Apparel Council (中國紡織工業聯合會)

Dongguan Dalisheng Fashion Co., Ltd.



STeP by OEKO-TEX® Certification awarded by OEKO-TEX® Association

High Fashion (China) Co., Ltd.



Recycled Claim Standard ("RCS") Certification awarded by Control Union Certifications B.V.

Eminent Garment (Cambodia) Limited



Global Security Verification awarded by Intertek Group

High Fashion Silk (Zhejiang) Co., Ltd.



2022 National Water Conservation Benchmarking Unit in Textile Industry (二零二二年全國紡織行業綠色發展勞動競賽節水標桿企業) awarded by China National Textile and Apparel Council and Zhongguo Caimao Qingfang Yancao Gonghui (中國財貿輕紡煙草工會)

OUR HIGHLIGHTS



Reduction of
Carbon Footprint

19%



Community
Donations

>HK\$3,000,000



Number of Patents

- 20 invention patents
- 82 utility model patents
- 17 design patents
- 130 software copyrights



Solar Coverage

>80,000m²



Reduction of water
intensity

54%



Attainment of Internationally
Nationally Recognised
Labels/Awards/Certifications

- Gold Label of LCMP Certification
- STeP by OEKO-TEX®
- GRS Certification
- MADE IN GREEN by OEKO-TEX®
- STANDARD 100 by OEKO-TEX®
- WRAP Certification
- Pioneer of Innovative Climate Action
(中國紡織服裝行業氣候創新行動先鋒單位)



Water Reuse
Efficiency Rate

48%



Employment
Rate of Graduates

>98%

ABOUT THIS REPORT

This Report provides an overview of our management approach and strategies regarding sustainability. It highlights our sustainable performance and showcases our continuous efforts in bringing positive influence to the community through diverse green initiatives and shouldering corporate social responsibility.

REPORTING STANDARD

The Group prepares the Report in accordance with the latest requirements for mandatory disclosure and “comply or explain” provisions set out in Appendix 27 “Environmental, Social and Governance Reporting Guide (the “Guide”) of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Report has been prepared based on the following four reporting principles as set out in the Guide.





About This Report

REPORTING SCOPE

This Report contains an overview of the Group's ESG management approach as well as sustainability strategies and performance for the period from 1 January 2022 to 31 December 2022 (the "Reporting Period"). The scope of this Report is comprised of our manufacturing and branding business in China, Cambodia and the USA which have the most significant impact on the Group's environmental and social performance.

APPROVAL OF THE REPORT

The Report has been reviewed by the Environmental, Social and Governance Committee ("ESG Committee") and approved by the Board of Directors of the Company (the "Board").

ACCESS TO THE REPORT

The electronic version of the Report is published on the websites of the Group and the Stock Exchange, readers could view or download the Report on the Group's website (<http://www.highfashion.com.hk>) or the Stock Exchange's website (<http://www.hkexnews.hk>).

FEEDBACK ON THE REPORT

We highly value your comments on the Report, if you have any queries or recommendations, please contact us via email (esg@highfashion.com.hk).



SUSTAINABILITY GOVERNANCE

BOARD STATEMENT

The sustainability governance structure plays a critical role in exploring the potentials of sustainability throughout our business and production. The Board holds overall accountability for the Group's ESG management approach, strategy, performance and reporting as well as decision-making processes. The Board is devoted to leading the Group's sustainability direction and monitoring the implementation of business strategies. It also reviews the progress and makes adjustments for the sustainability-related goals and targets and also evaluates the effectiveness of the ESG management systems with the assistance of the ESG Committee. Anti-corruption training and ESG-related materials are provided to the Board from time to time for ensuring Board members adhere to the highest standards of ethics, integrity, transparency and accountability.

The Board has been proactively involved in ESG-related goal formulation endorsement with the assistance from Risk Management Committee. In a bid to keep our ESG approaches on track with the overall direction and objectives of the Group, the Board has identified the material ESG issues and related risks and opportunities to integrate ESG risk management into our business strategy.



Sustainability Governance

SUSTAINABILITY STRUCTURE

The Board

Chairman

- Provides leadership to the Board in forming business directions and sustainable strategies and culture

Responsibilities and Functions

- Oversees the Group's ESG issues, management approach and direction, strategy and reporting
- Reviews and approves the ESG goals, framework, strategies and policies proposed on an ongoing basis
- Conducts regular review and ensures the appropriateness and effectiveness of the Group's ESG management systems and sustainability initiatives
- Independent Non-executive Directors are designed to provide strong independent opinions to the Board from their profession, experience and expertise on the sustainability issues

Risk Management Committee

Members

Chaired by Managing Director and consists of certain Board members

Responsibilities and Functions

- Supervises, reviews and approves risk management framework, policies and risk tolerances
- Identifies and evaluates the potential ESG risks and opportunities and reports the same to the Board
- Ensures the effectiveness and adequacy of robust risk management and internal control systems relating to ESG



Sustainability Governance

ESG Committee

Members

Chaired by the Managing Director, the ESG Committee consists of senior management from various business divisions

Responsibilities and Functions

- Researches, monitors and reviews current and rising ESG trends and issues in understanding emerging ESG matters that affect the Group's operations
- Discusses with the ESG Working Group over the implementation of the ESG policies and the potential frauds and risks identified from the execution of ESG policies
- Monitors and reports the ESG performance of the Group against the goals and key performance indicators to the Risk Management Committee and advises on actions needed to improve performance

ESG Working Group

Members

Consists of the function head and Sustainability Team

Responsibilities and Functions

- Execution of ESG projects and assignment of related tasks
- Reports to the ESG Committee about the progress of ESG projects and the potential frauds and risks identified during execution



Sustainability Governance





During the year, our ESG Committee meets with the ESG Working Group to perform the following tasks:

- (a) to review and monitor the progress in achieving the social and environmental targets of each regional profit centre;
- (b) to formulate measures in response to the sustainability topics that concerned stakeholders; and
- (c) to identify the relevant ESG risks and opportunities and relevant mitigation measures.

In the future, High Fashion is well-prepared to dive deeper into the sustainable fashion industry with innovative green products invented in the sustainability operation processes, continue our commitment to achieve sustainability in our daily business, and excel in our sustainability performance.

Sustainability Governance

STAKEHOLDER COMMUNICATIONS

 Stakeholder Groups	 Area of Interest	 Engagement Channels	 Frequency
Customers	<ul style="list-style-type: none"> • Customer Service • Customer Health and Safety • Customer Privacy Protection 	<ul style="list-style-type: none"> • Customers Satisfactory Survey and Opinion Collection Form • Social Media and Press Release • Company Website • Daily Operation/Communication • Factory Visit • Exhibition and Showcase 	Daily to Annually
Employees	<ul style="list-style-type: none"> • Career Development • Remuneration and Benefits • Working Environment • Equal Opportunities • Prohibition on Child Labour and Forced Labour 	<ul style="list-style-type: none"> • Employee Opinion Survey/ Communication channel (e.g. Feedback Form, Opinion Collection Box) • Factory Visit by Management • Annual Employee Meeting • Department Meeting • Training • Intranet and Direct Mail 	Daily to Annually
Shareholders	<ul style="list-style-type: none"> • Compliant Operations • Investment Returns • Business Strategies • Corporate Governance 	<ul style="list-style-type: none"> • Announcement • Corporate Communications • General Meetings 	Regularly
Government and Authority	<ul style="list-style-type: none"> • Compliance with Regulations • Risk Management Strategy • Business Ethics 	<ul style="list-style-type: none"> • Meetings • Compliance Reporting 	Occasionally Regularly
Suppliers	<ul style="list-style-type: none"> • Procurement and Supply Chain Management • Fair and Equitable Procurement Practice • Business Ethics 	<ul style="list-style-type: none"> • Meetings • Annual Supplier Evaluation and Corrective Actions Follow Up • On-site Visit 	Quarterly to Annually

Sustainability Governance

MATERIALITY ANALYSIS

The Group establishes material issues, sustainability targets and plans, and determines ESG risks and opportunities based on the comments collected from internal and external stakeholders. A comprehensive stakeholder engagement exercise has been carried out by an independent consultant through an online survey in 2021. This serves as a comprehensive and trustworthy tool for us to better understand stakeholders' opinions on the Group's ESG-related issues, management approaches, as well as ESG performance. Since there are no significant changes in our business and operational structure, we adopted the materiality assessment result from last year.

To determine the most relevant and vital aspects to the Group, a three-step materiality assessment was conducted to determine the aspects material for disclosure in this ESG Report as follows:

Step 1 Identification

- Conducted industry peer benchmarking to identify industry trends and practices.
- Invited High Fashion's key stakeholders to rate the importance of ESG issues in relation to its business operations.

Step 2 Prioritisation

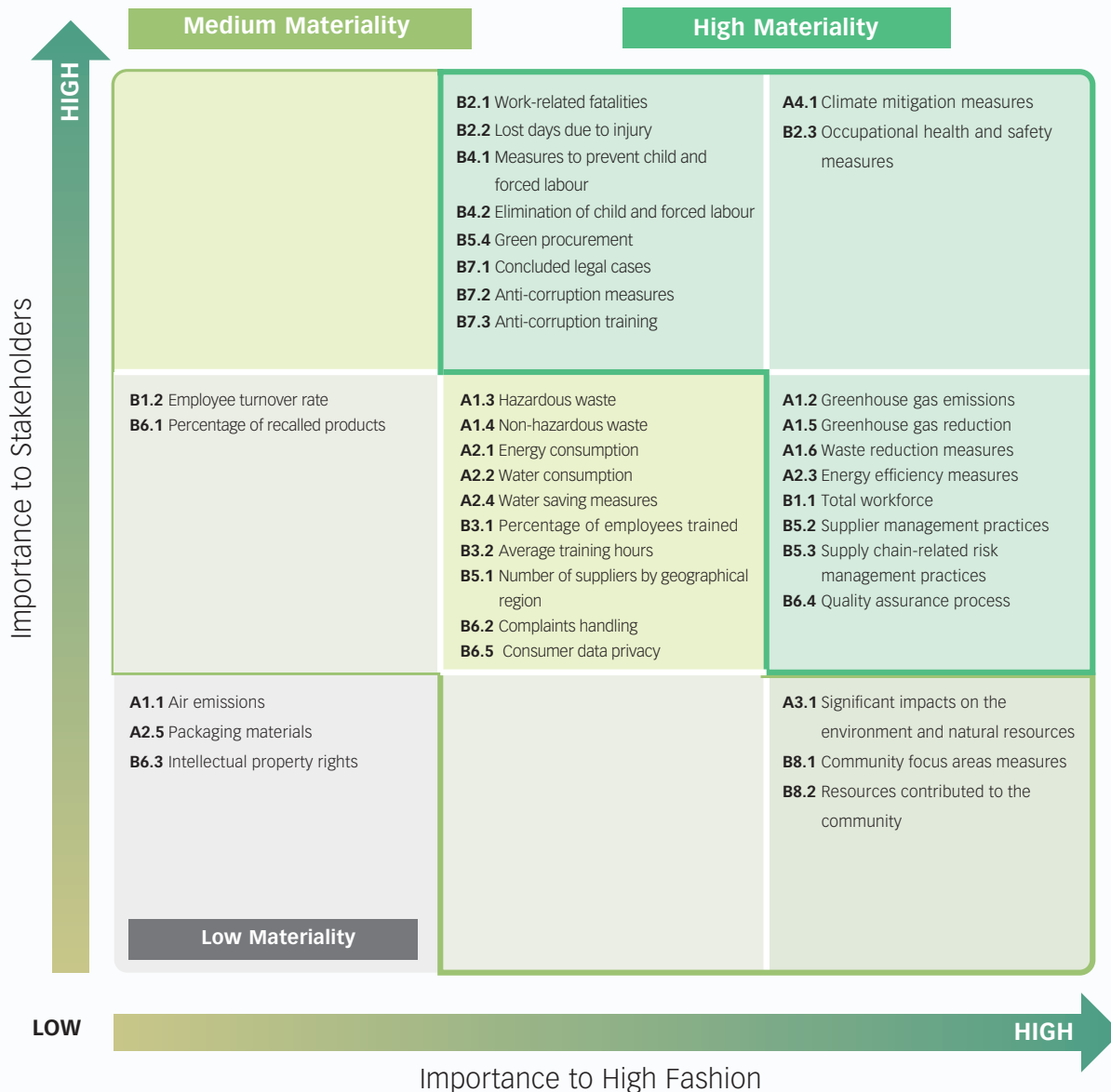
- Consolidated, analysed and assessed results from Step 1 to identify a prioritised list of ESG issues of varying materiality levels.
- A materiality level was assigned to each issue based on the importance to High Fashion and internal stakeholders.

Step 3 Validation

- The prioritised list of material issues was presented to High Fashion's Management for discussion and validation.

Sustainability Governance

With reference to the Guide, the list of issues concerning the stakeholders or related to the Group’s sustainability is compiled, and the materiality of each issue is determined by the materiality assessment. During the Reporting Period, the Group has 26 material issues, among which 18 are highly material issues covering the aspect of climate change, supply chain management, occupational safety and business ethics. The Group confirmed that it has established appropriate and effective management policies for ESG issues and internal control system to ensure that the above material issues are addressed during the Reporting Period.





EFFORTS IN COMBATING CLIMATE CHANGE

As a textile and fashion enterprise, our business is undoubtedly facing both risks and opportunities resulted from climate change. The demand for green products with lower environmental footprint has been skyrocketing in the fashion and textile market these years. In order to play our part to combat climate change, we have started to prepare for and address the anticipated physical risks and transition risks across our business operations in various regions. Extreme Weather Emergency Response Plan was introduced to provide guidance for our staff in handling extreme weather situation. Our preparedness for more frequent extreme weather conditions is strengthened through a series of preventive measures. On the other hand, we also treat the surge of climate change mitigation as a significant turning point into a low-carbon business, and a precious business opportunity in sustainable fashion.

To further strengthen the awareness of colleagues in climate mitigation and adaptation, a training related to the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations was provided to staff during the Reporting Period. TCFD is a taskforce which released climate-related financial disclosure recommendations to help companies in providing better information for investors and others to understand how reporting organizations think about and assess climate-related risks and opportunities.



Efforts in Combating Climate Change







Case study



Our efforts in decarbonisation have been well recognised by the industry. In 2022, High Fashion (China) Co., Ltd. and High Fashion Silk (Zhejiang) Co., Ltd. were awarded with “Pioneer of Innovative Climate Action (氣候創新行動先鋒單位)” by the China National Textile and Apparel Council (中國紡織工業聯合會). This award not only recognises the effectiveness of our in-depth climate innovation practices, but also reflects our outstanding contribution to the promotion of green and low-carbon sustainable development in the industry. As a leader in the textile industry and a pioneer in green development, the Company will continue to strictly follow national and industrial standards, explore and improve production practices, and contribute to the sustainable development of China’s textile industry with advanced ideas and practical actions.

Our responses to the actual and potential impacts of climate-related risks and opportunities on our business have been summarised in the following table.


Efforts in Combating Climate Change

Relevant climate-related risks/opportunities	Description of climate-related risks/opportunities	Potential consequences	Our responses
 <p>Physical Risks</p>	<p>Extreme weather with higher frequency and severity, such as high temperature, rainstorm, floods, which may cause damages to our properties and manufacturing facilities and equipment.</p>	<ul style="list-style-type: none"> It may result in significant loss in company assets and threaten the safety of staff. 	<ul style="list-style-type: none"> We have established emergency handling procedure for typhoon and flooding, so as to be well-prepared and minimise the loss.
	<p>Extreme weather may also cause disruption in our supply chain due to traffic disruption, leading to delay in delivery on raw materials and products.</p>	<ul style="list-style-type: none"> The clients may suffer from the loss in properties and delay in shipping, which impose an extra cost. 	<ul style="list-style-type: none"> We monitor the local weather forecast along the supply chain and get well prepared for abnormal weather.
	<p>Drought may cause scarce in water resources, and thus disrupt our production which relies heavily on water.</p>	<ul style="list-style-type: none"> Our production may be discontinued if government temporarily suspend water supply to manufacturing. 	<ul style="list-style-type: none"> To reduce water demand, we have invested in water-efficient machineries as well as water recovery infrastructure.
	<p>Heatwave increases the indoor temperature of our workplace, which threatens the health of staff, as well as the functionality of the production equipment.</p>	<ul style="list-style-type: none"> Production efficiency is reduced and the delivery schedule will be delayed. 	<ul style="list-style-type: none"> A dedicated production plan with a warning system is established for the occurrence of heatwave. Ventilation has been improved at our production areas to keep our staff comfortable at work during hot days.

Efforts in Combating Climate Change

Relevant climate-related risks/opportunities	Description of climate-related risks/opportunities	Potential consequences	Our responses
<p>Transition Risk</p> 	<p>While the Chinese government is committed to reach carbon neutrality by 2060, it is expected that more stringent climate policy and regulations may be introduced.</p>	<ul style="list-style-type: none"> • More resources on environmental protection, clean energy and efficient machinery have to be invested for compliance. 	<ul style="list-style-type: none"> • Our “2020–2024 5-Year Sustainability Goals” covers areas of sustainable products and reduction on carbon footprint, water use, and waste generation. A specific working team has been established to fulfil the environmental requirement. Looking forward, we will keep monitoring and formulate another long-term roadmap on sustainable development to in cope with the latest trend and updates in policies.
	<p>Introduction of digitalised and advanced production technology will pose threat on traditional textile industry. Some traditional products may be eliminated from market.</p>	<ul style="list-style-type: none"> • It is necessary to replace traditional equipment, which incur extra investment cost in equipment. 	<ul style="list-style-type: none"> • In our daily operation, we applied the use of renewable energy and is expanding the reliance of renewable energy in our energy profile. More energy efficient/less emitting machineries are adopted to substitute the less efficient equipment.

Efforts in Combating Climate Change

Relevant climate-related risks/ opportunities	Description of climate-related risks/opportunities	Potential consequences	Our responses
	<p>Raising demands from customers on environmentally-friendly products shape the latest market landscape.</p>	<ul style="list-style-type: none"> To produce green products, the cost spent on our production process and raw materials will inevitably increase. To prevent loss in market share, It is necessary to respond to the ever-changing market instantly. 	<ul style="list-style-type: none"> We also opt for sustainable green products as the important featured products for future production, taking the development of sustainable products as our long-term direction. The dedicated department for Sustainable Development as well as Safety and Environment is set up to guide us in this rapid-changing market environment. The adoption of green technologies is encouraged in our production processes through our extensive in-house R&D efforts as well as collaboration with education institutions.

Efforts in Combating Climate Change

Relevant
climate-related
risks/
opportunities

Our responses

Opportunities



- In the era of sustainable development, innovation in our sustainable products is the key to keep our business thriving. We have been putting efforts in developing more sustainable products, this allows us to remain agile in face of the rapid change in market preference towards sustainable products. For more in-depth understanding on our advancement in sustainable product development as well as international recognition, please refer to the sections of “Better Products” and “About High Fashion”.
- We strive for transition to a low-carbon business through advancing our equipment and energy source, which helps us to successfully convert risks into winning opportunities and stay ahead of our peers in the trend of decarbonisation. To learn more about our continuous investment in clean energy and efficient machinery, please refer to the section of “Lower Impact”.

BETTER PRODUCTS

Being a responsible corporate business, upholding the highest quality standards is always of our utmost importance. We boost sustainable development through intelligent production systems and international research personnel. Known that sustainable product advancement and prosperity of our business are indispensable in the era of sustainable development, we pursue to evolve into a more agile business in the midst of rapidly-changing market in which an increasing aspiration in eco-friendly product with low environmental footprint is expected. We actively acquire certifications and invite partnerships with global sustainability standards, particularly those relevant to the fashion industry, such as the Bluesign® system, OEKO-TEX®, Higg Index and TENCEL™.



GREEN PRODUCTS

Real-time data analysis, artificial intelligence and machine learning are deployed in the manufacturing process for optimizations.

Investment in research and development is enhanced to investigate new technology, product design and other inventive techniques. In 2022, we have obtained multiples of patents and R&D projects with:



20

(2 in 2022)
invention
patents



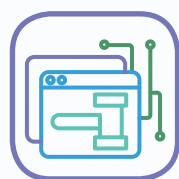
82

(17 in 2022)
utility model
patents



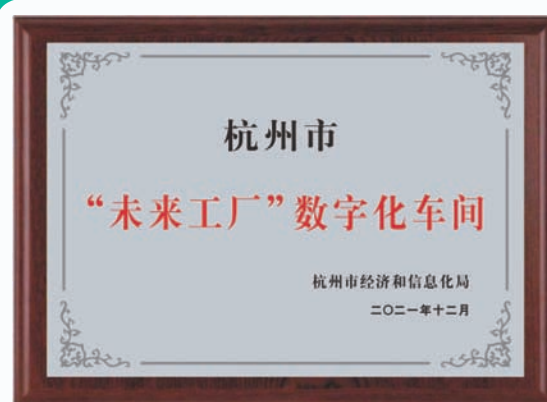
17

(4 in 2022)
design
patents



130

(29 in 2022)
software
copyrights



Our technology-based green manufacturing smart factories establishment led to the award of "Future Factory Digital Workshop (「未来工厂」数字化车间)" for our subsidiary, High Fashion (China) Co., Ltd.

GREEN INNOVATION

Recognition as a Key Textile and Clothing Manufacturing Brands

In light of High Fashion's preeminent performance and leading role in fashion and textile industry, High Fashion has been honourably selected as one of the key textile and clothing manufacturing brands (製造品牌重點培育對象) in the list of 100 key textile and clothing brands to be cultivated 2022 (二零二二重點培育紡織服裝百家品牌名單) by the Ministry of Industry and Information Technology (工業和信息化部). With the support and leadership from the government, High Fashion will dedicate in continuous quality advancement and endeavour to foster the development of the fashion and textile industry in all effort.



Originality and imagination are the essence of our products. Our innovative products have been widely recognised by the industry for our creativity and contribution to sustainability. In 2022, our Dark Green Crepe De Chine (黛青顰真絲女式上衣) has been listed as "Top 10 Innovative Products in Textile Industry (二零二二年度十大類紡織創新產品)" by China National Textile and Apparel Council (中國紡織工業聯合會). This style of Women's Blouse in Dark Green Crepe De Chine has adopted the jacquard structure (提花組織架構), crafting an elegant and fashionable blouse with a rich graduation of colour and layering. Made from organic silk and eco-friendly bio-based nylon, which is partially made from renewable resources and treated with micro-encapsulation technology (微膠囊破壁技術), Women's Blouse in Dark Green Crepe De Chine is elastic and wrinkle-resistant, soft and skin-friendly, naturally cool, smooth and stretchable. High Fashion has successfully implemented the concept of sustainable fashion during the process of fashion design, creating world-class clothing that is both chic and environmentally-friendly.



Better Products

GREEN MATERIALS

High Fashion introduces the concept of environmental protection and sustainable development in product development. In order to transform and replace the traditional products with more innovative green products, we adopted green raw materials with recycling, low-carbon, recyclable and bio-based content in R&D projects to develop new sustainable products, including TENCEL™ Lyocell, TENCEL™ modal and LENZING™ ECOVERO technology etc. Accompanied by scientific management and cutting-edge technologies, we will continue to bring to the world different sustainable and innovative products.

Promoting the Development of High-performance Sportswear with Green Materials



In September 2022, Mr. Will Lam, Managing Director of our Group participated in the “The 30th Dr. Henry Fok Corporate Patron League 2022”. A set of exclusive high-performance sportswear has been tailor-made for our “High Fashion” tennis team. A special weaving technology was adopted to make the fabric “InResST® Nylon”, which is made with some biodegradable recycled fibers and yarns. The fabric is free of toxic chemicals, reducing the persistence of synthetic microfiber pollution in the oceans and synthetic textile accumulation in landfills. In which, each ton of biodegradable “InResST® Nylon” can save up to 95% of carbon dioxide, 96% of energy and 52% of water. At the same time, the fabric is durable, skin-friendly and antibacterial, making the athletes feel more comfortable and confident during the game. Through this innovative application, High Fashion proves that clothing made from biodegradable materials can also perform excellent functionality, leading the development of sustainable fashion.

GREEN MANUFACTURING TECHNOLOGY

To minimise the pollution during manufacturing process, we have been exploring different new and clean technologies to reduce consumption of resources. For example, we have introduced degradable, green and environmentally-friendly dyes and auxiliaries, including vegetable and fruit dyes, and biological enzyme auxiliaries which can greatly reduce the generation of hazardous printing and dyeing waste.

Case study

Active exploration in digitalisation and technological advancement with smart factory and industrial internet

High Fashion understands the importance of innovation and technology as a core pillar to provide sustainable economic development. With the ambition to map the innovative shifts occurring in the whole production chain, High Fashion Silk (Zhejiang) Co., Ltd. applied 5Gn+ industrial Internet technology to deeply integrate the Manufacturing Execution System (MES) with the Hanger system, incorporating the production data in actual production, and enabling the seamless connection of the integrated production process from design, weaving, cutting, sending and dispatching, sewing, ironing, labelling to inspection and packaging. Our productivity is greatly enhanced by 5-10 times with the production cycle shortened from 30 days to 7 days. The application of advanced technologies and construction of smart factory demonstrate High Fashion's effort in integrating the upstream and downstream supply chains with digitalisation. Going forward, we will work with our industrial partners in a joint effort to promote high-quality development in the fashion and textile industry.





Better Products

A Sustainable Screen Printing Technology — “Aqua Print Technology”

Using high-tech nano pigment ink and its unique formula, High Fashion has developed a sustainable printing technology which saves more than 60% to 80% of water consumption, committing to protecting the environment. The reduction of steaming process and washing compared with traditional screen printing also reduces 43.7% of carbon emission. By adopting this innovative technology, we are able to reduce the wastewater generation, granting a sustainable future for the fashion and textile industry.



Going forward, we will continue to integrate and allocate all resources proactively to elevate ourselves to the next level of innovation skills, creating High Fashion’s one-of-a-kind products and providing customers with quality products and services.

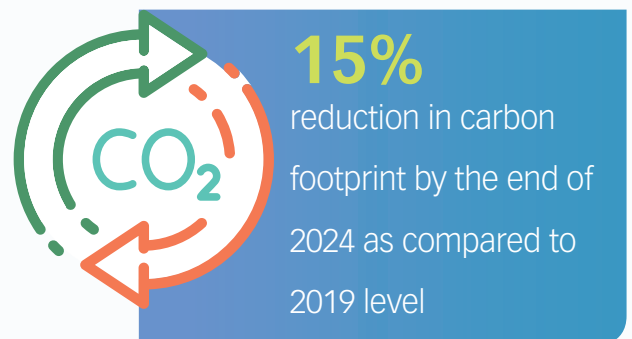
LOWER IMPACT

ENERGY USE AND EMISSION CONTROL

As a responsible industry player, High Fashion is committed to continuous improvement in energy performance. We have consistently adhered to various environment-related regulations, including “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 Environmental Impact Assessment (《中華人民共和國環境影響評價法》)”, “Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》)”, “The Water Pollution Prevention and Control Law of the People’s Republic of China (《中華人民共和國水污染防治法》)”, “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》)”, “Law of the People’s Republic of China on Prevention and Control of Pollution From Environmental Noise (《中華人民共和國環境噪聲污染防治法》)” and “Measures for Pollutant Discharge Permitting Administration (For Trial Implementation) (《排污許可管理辦法(試行)》)”. To fulfil corporate social responsibility, we modify our greenhouse gas management strategies from time to time in echo with our development strategy and passion in striving for sustainability.

With the strategic concept of green R&D, green manufacturing, green operation and green products, we care about our environmental impacts. We have obtained certifications on ISO 9001 Quality Management System, ISO 14001 Environmental Management System and ISO 50001 Energy Management System, which demonstrate our efforts in managing environmental impacts. We identify environmental factors as well as assess environmental risks every year, allowing us to formulate different management strategies. Through clear operation guidelines, we minimise any pollution and waste of energy and resources. Trainings are provided to raise staff awareness on energy conservation and emission reduction, ensuring that sustainability concept is implemented in the whole operation process.

We stringently monitor and control our greenhouse gas emission through a series of management plans and emissions control objectives. A sustainable management team has been set up to oversee our energy consumption and encourage reduction on energy consumption. To achieve our reduction target on carbon footprint, various energy-efficient equipment have been deployed in our operation.





Lower Impact

In order to achieve the group-level carbon reduction target, and in response to the industry trend and policy orientation of Zhejiang Provincial Government and Hangzhou Municipal People's Government, a "Sustainable Development Plan for High Fashion (China)" was launched in 2021 by High Fashion (China) Co., Ltd. to set the goal on reaching carbon peaking in 2025. This sustainable development plan consists of six focus areas, known as green factory, green product, green promotion, green labelling, green energy, and green supply chain.

The implementation of green initiatives, as well as the execution of environmental management approaches and actions, is supported by our Safety and Environment Department (安環部). With the establishment of this dedicated department, we are able to manage and minimise our environmental impacts.



In 2022, there were **0**

non-compliance cases with laws and regulations related to greenhouse gas emissions, discharges into water and land, and disposal of hazardous and non-hazardous waste.

Energy Management

High Fashion has incorporated the concepts of carbon reduction and sustainability in our daily operation. To reduce energy consumption and enhance energy efficiency, we installed LED lights and replaced the air blower with a more advanced and energy efficient model. With the installation of 10,000 LED lights in Hangzhou, we have saved approximately 600,000 kWh of electricity and saved RMB\$480,000 of electricity fee annually. In terms of production lines, the old motors (200W) were replaced by a new, low-voltage, more efficient, and more durable model of motors (110W).

Lower Impact

Case study

We also deployed photovoltaic power generation system since 2015 to incorporate renewable energy in our energy profile. Solar panels have been installed onto our buildings in Hangzhou and Xinchang, with a total area of over 80,000 m². They can generate approximately 10.73 million kWh of electricity per annum, which reduce around 6,119 tonnes of carbon emission.



Lower Impact

Case study

High Fashion effectively implements the green concept in our daily operations. By upgrading the equipment, installing a rolling groove (軋槽), the singeing (燒毛) and cold stacking (冷堆) processes have been integrated and to be completed on one machine. At the same time, the use of a new continuous desizing and bleaching washing machine (連續退煮漂機) replaces the former independent procedures of de-sizing on the airflow machine (氣流機), scutching of the scutcher (開幅機) and drying on the molding machine (定型機), which significantly increases productivity and reduces carbon emissions by approximately 63%.



Apart from the application of solar energy, we also enhance our energy efficiency through optimisation of operational equipment in our factories. Automatic air-to-water heat pumps were installed to extract heat from ambient air to provide hot water for our employee dormitory. They are more energy efficient compared to oil-fired boilers, gas-fired boilers and other electric water heaters. To fully utilise our precious energy resource and minimise unwanted heat dissipation, we adopted a waste heat recovery system to harvest and transfers the heat from the production boilers to our dormitory's water system. During winter time, both systems can supplement the solar water heaters and ensure high energy efficiency.

Carbon Emission and Energy Consumption

High Fashion concerns about our carbon emission. As stated above, we have adopted a series of measures to reduce our carbon emission. In 2022, our total carbon emission was 73,817 tonnes, which was 0.25% difference from last year. We would continue to invest more resources and green efforts to enhance our carbon emission reduction achievements through green production chains and renewable energy usage.

Year	Scope 1				Scope 2		Scope 3		
	Stationary Fuel	Mobile Fuel (Vehicles)	Purchased Town gas	Refrigerants	Electricity	Steam	Water	Industrial Wastewater	Domestic Wastewater ¹
2018	886	834	3,470	1,349	17,716	67,406	223	439	2
2019	849	504	4,016	685	17,366	66,656	251	482	1
2020	506	282	3,003	259	12,415	47,203	161	320	0
2021	487	272	3,613	2,214	12,118	54,713	175	386	23
2022	3,481	257	0	2,744	13,177	53,878	151	109	21

Table 1: Breakdown of Carbon Emissions (in tonnes of CO₂e)

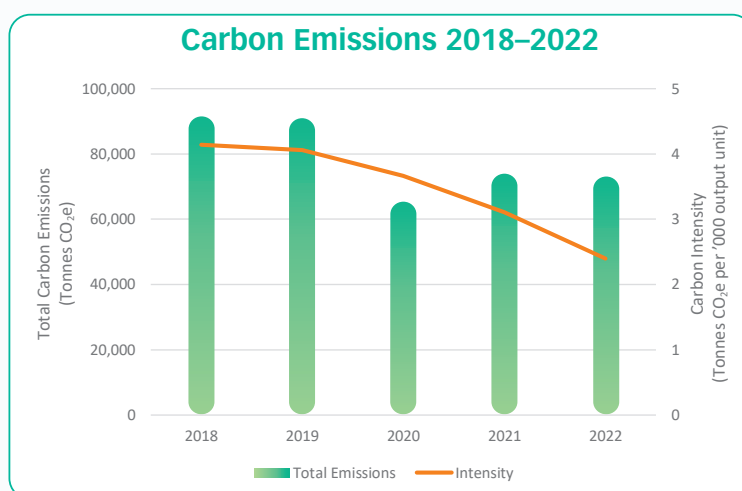


Figure 1: Carbon Emissions in Total and Intensity

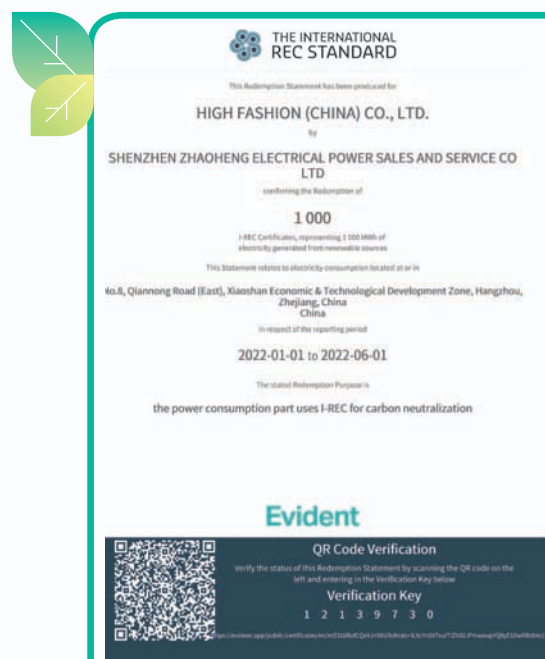
¹ The whole Hangzhou operation is included in the scope of domestic wastewater data since 2021.

Lower Impact

We understand that air pollution is a great concern associated with manufacturing process. To curb our direct emission, we installed various pollution abatement equipment to treat the pollutants before discharge. Looking forward, we will assess the introduction of electric boilers for steam production to reduce carbon emission.

To further reduce carbon emissions emitted from transportation, we purchase corporate vehicles with hybrid energy and encourage the use of electric vehicles (EV). The company has installed EV chargers in designated areas and identified dedicated parking space for EV. To provide instructions on car maintenance, a guideline has been established to guide the users on proper use of EV, which helps extend the lifespan of EV.

Apart from seeking ample green techniques to reduce carbon emission, we also obtain certificates on renewable energy through trading, for example, The International REC Standard Foundation issued I-REC Certificate on purchase of green electricity, in which around 570 tonnes of carbon dioxide were neutralized in 2022.





Lower Impact

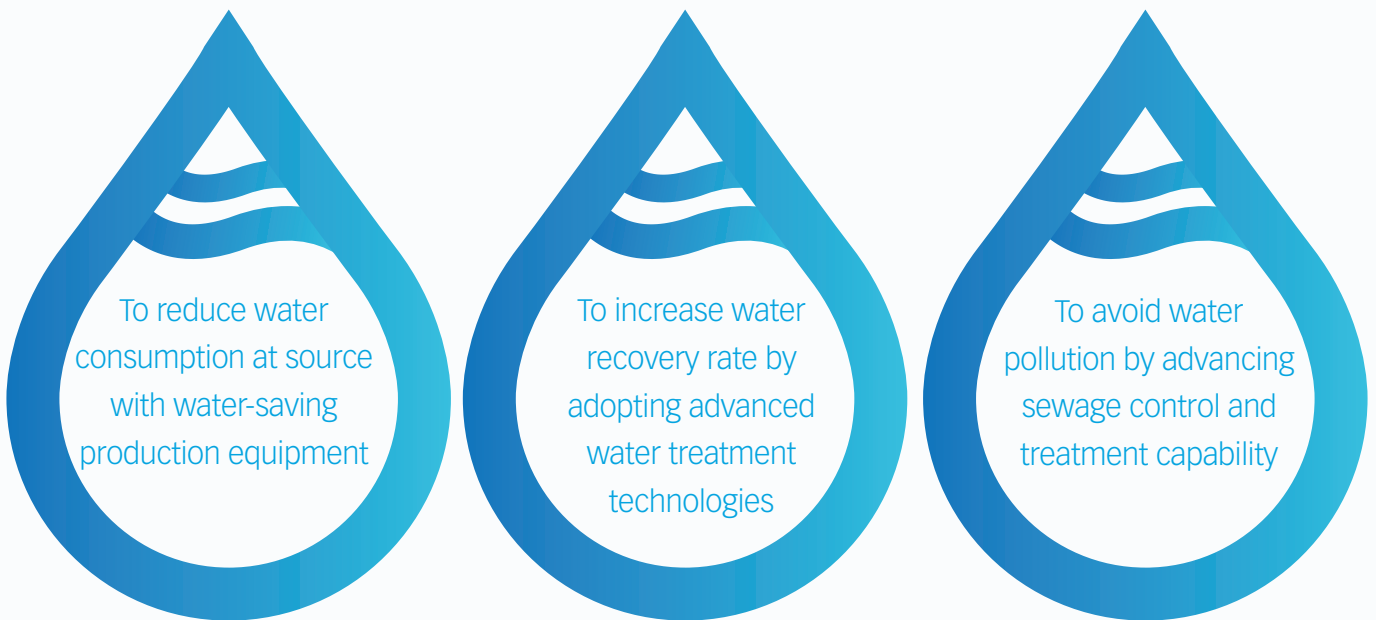
Type	Total	Intensity
Purchased electricity	23,047 MWh	0.71 MWh/'000 output unit
Diesel	19,173 Litres	0.59 Litre/'000 output unit
Petrol	75,143 Litres	2.32 Litre/'000 output unit
Natural gas	63,243 GJ	1.95 GJ/'000 output unit

Table 2: Breakdown of Energy Consumption

During the Reporting Period, our production-related activities emitted around 1,017 kg of nitrogen oxides ("NOx"), 1 kg of sulphur oxides ("SOx"), and 260 kg of particulate matter ("PM").

WATER USE AND WASTEWATER DISCHARGE

Water resource management is an important part of our environmental management approach. To reduce our water footprint, we encourage the careful use of water resources with the below three strategic pillars.





Lower Impact

In Reporting Period, we did not encounter any issue in water sourcing.

Reduce water consumption at source

One of the most effective ways to eliminate water wastage is reduction at source. A series of water reduction measures were adopted to reduce water consumption. Besides, we carry out inspections continuously and monitor the pipe condition to prevent water leakage.

Airflow Dyeing Machines

In our Hangzhou operation, 11 airflow dyeing machines have been deployed to reduce water consumption. In 2022, the replacement of traditional dyeing machines with airflow dyeing technologies reduced water consumption by 55,522 tonnes and steam consumption by 3,684 tonnes compared to 2021.

Enclosed Flat Knitting Washing Machines

The more water efficient enclosed flat knitting washing machines were introduced in Hangzhou operation. In 2022, around 34,666 tonnes of water has been saved with the application of this equipment.

Continuous Desizing and Bleaching Washing Machine

The continuous desizing and bleaching washing machine in Hangzhou substantially reduces water and energy consumption in the early processing of woven fabric. 22,731 tonnes of water have been saved in 2022.

OUR CONTRIBUTION IN WATER CONSERVATION



In 2022, High Fashion Silk (Zhejiang) Co., Ltd. was awarded the “Water Conservation Benchmarking Unit in National Textile Industry” (全國紡織行業節水標桿企業) at a green competition for the textile industry. It shows that our Company achieves high water-saving efficiency and energy consumption compared with other peer companies.


High Fashion (China) Co., Ltd. was awarded of the “2022 Water Conservation Benchmarking Unit in Zhejiang Province” (浙江省二零二二年度節水標桿企業). Organised by 7 government departments, the accreditation recognised organisations with outstanding performance in water reduction. High Fashion (China) Co., Ltd. was awarded the “Water-saving Enterprise” (節水型企業) in the 2022 National Textile Industry Green Development Labour Competition (二零二二全國紡織行業綠色發展勞動競賽). The dyeing workshop of the Printing and Dyeing Branch was awarded the “Water-saving Innovation Advanced Collective” (節水創新先進集體) in the 2022 National Textile Industry Green Development Labour Competition (二零二二全國紡織行業綠色發展勞動競賽). High Fashion has built a comprehensive water saving system which is composed of a recycled water reuse system, condensed water reuse system and cooling water reuse system. To further reduce water consumption, a smart energy management system is deployed to collect real-time data on water and steam consumption, which assists in analysing the group’s energy profile and identifying areas for improvement. Reclaimed water is used for washing and dyeing in printing and dyeing workshops, which greatly reduces the amount of water usage and waste water discharge.



Lower Impact

Increase water recovery rate for reuse

Another equally important water-saving initiative is reusing wastewater for beneficial purposes. Aside from the primary purpose in water reduction, our resilience in facing potential water scarcity risk can be strengthened as well. In order to improve the ability of sewage treatment and reduce the sewage discharge at the same time, we have invested since 2010 on the wastewater treatment renovation and water reuse system. In 2014, High Fashion (China) Co., Ltd. re-invested around RMB7 million to update the waste water treatment system into a treatment capacity of 4,000 tons/day and water reuse system to 2,000 tons/day. The renovation was in accordance with the waste water discharge standard of textile printing and dyeing industry (2012). The updated system was put into operation by the end of 2014. Our target is to achieve 35% water recovery rate by the end of 2024 as compared to 2019 level.



Our target is to achieve **35%** water recovery rate by the end of 2024 as compared to 2019 level.

Ultrafiltration and Reverse Osmosis ("RO") Membrane Treatment Technology

The cutting edge ultrafiltration and RO membrane treatment technology can reuse biochemical wastewater on-site in our production chain.

Ultrafiltration and RO membrane treatment technology



Lower Impact



Reuse rainwater, beautify the landscape

In Hangzhou, we have also installed Condensed Water and Cooling Water Reuse System to fully utilise our precious water resources. Rainwater is also collected from time to time, which fills in our ponds for decorating purpose.

Smart Energy Management System

In Hangzhou, the real-time data of water and steam consumption has been recorded by the application of the Smart Energy Management System. We established the teams energy assessment to reduce the consumption of water and steam. The tracking record also encourages water reduction among staff since we have established an assessment system and healthy competition among units for better water usage and management.

The total water consumption in 2022 was 708,229m³, and water intensity was 21.85m³/’000 output unit with a decrease of around 4% and 33% compared with last year respectively.

Lower Impact

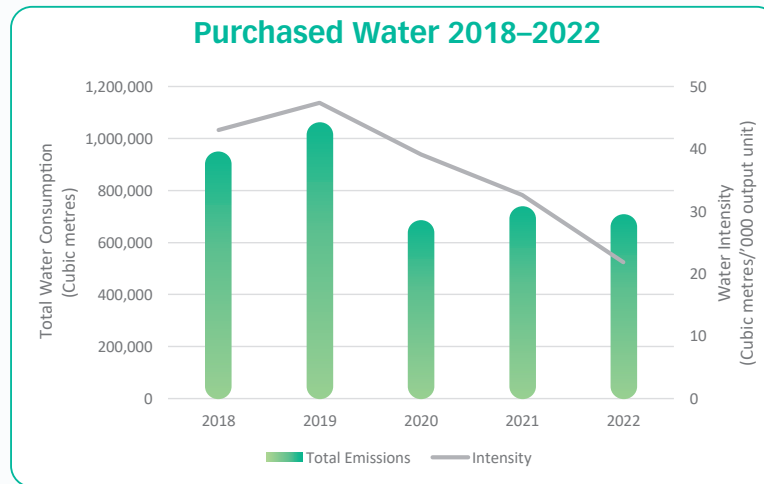


Figure 2: Purchased Water in Total and Intensity

Avoid Water Pollution

High Fashion strictly complies with the national and provincial standards in wastewater discharge, including the Integrated Wastewater Discharge Standard GB 8978-1996 (《污水綜合排放標準 GB8978-1996》) and the Discharge Standard of Water Pollutants DB44 in Guangdong Province (《水污染物排放標準DB44》). All wastewater is discharged to designated treatment devices or canals. For waste oil and chemicals, we will arrange with the qualified contractors to recycle them. Besides, we devoted to prevent water pollution by renovating wastewater treatment facilities in Hangzhou for printing and dyeing in our factories, boosting our treatment capacity to 4,000 tonnes per day.



Lower Impact



In our Dongguan operation, we have separated pipes conveying rainwater and sewage for easier management in wastewater discharge. This system controls the potential sewage overflow while enabling surface runoff to be collected and treated separately for reuse.

In 2022, 545,583 tonnes of industrial wastewater was treated and discharged subsequently.

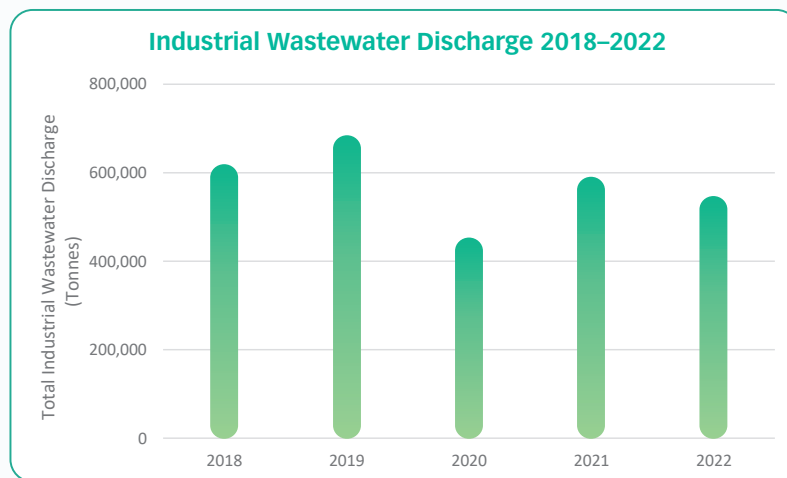


Figure 3: Total Industrial Wastewater Discharge

Lower Impact

WASTE AND RESOURCE MANAGEMENT

High Fashion understands the importance of waste and resource management. To reduce waste generation and improve resource management, we continuously identify, explore, and adopt new strategies. Our waste is sorted and properly managed through our Waste Management System. Most of our hazardous waste is generated from our manufacturing activities and in our offices such as batteries and toner cartridges. To ensure the hazardous waste is handled in strict accordance with the local laws and regulations, we have appointed licensed operators or item suppliers to collect and handle the hazardous waste.



To make material procurement and usage more efficient, through the MRP function, we reasonably plan for the procurement quantity based on the sales demand, also, we strictly control the production process and quality through MES System to use materials in a reasonable way for reducing waste. We have also deployed 3D cut-to-fit tailoring technology, which helps reduce excess material consumption at source and minimise mistakes, and provides precise and accurate measurements during production. The waste fabric and packaging materials are often inevitably generated in our production processes. Hence, we not only avoid excessive consumption of fabric and other materials as far as practicable, but also make sure the waste is handled by qualified external vendors for recycling. The recyclable rate of silk scraps and silk waste generated from production reached nearly 100%.

Lower Impact

We encourage all employees to implement 3R principles in the office, i.e. Reduce, Reuse and Recycle. We utilise paperless workflow and encourage our employees to use electronic documents instead of physical printouts to reduce the use of paper. To enhance the awareness of environmental protection among our employees, we have provided recycling bins for plastic, paper and tins in office building to cultivate employees' sense of recycling. Collection bins in respect of hazardous waste, food waste and residual waste are also placed in office buildings to encourage waste separation at source.

New Life of Silk Scraps

To explore the way to reduce production cost and process on spinning and weaving, we have been co-operating with Zhejiang Sci-Tech University on the recycling of silk scraps since 2019. We integrate silk scraps into non-woven products, which not only reduce the production cost, but also enhance the uniqueness and quality of the products. It also demonstrates the long-term sustainable benefits achieved by High Fashion from environmental conservation.

The total amount of non-hazardous waste production is summarised below:

		2021	2022
Non-hazardous waste (including silk fabrics, papers, cardboards, paper straws, cloths, and sludge)	Total (Tonnes)	774	1,576
	Intensity (Tonnes/'000 output unit)	0.03	0.049
Hazardous waste (including acetone)	Total (Tonnes)	0.75	0.40
	Intensity (Tonnes/'000 output unit)	–	–

Table 3: Total Production of Non-hazardous and Hazardous Waste

GREEN SUPPLY CHAIN

The Group has adopted a stringent approach to supply chain control and management with the aim of environmental conservation and risk elimination. Our effort has been recognised and awarded as the “Pilot Enterprise for Supply Chain Innovation and Application in Zhejiang Province” (浙江省供應鏈創新與應用試點企業).



A SUSTAINABLE SUPPLY CHAIN

As the leading modern fashion enterprise with a diverse sports and apparel business, we have connected an extensive network of partners along the supply chain. The Group adheres to environmentally and socially responsible practices both in our daily business and beyond our own materials operations. In order to communicate our expectations on suppliers' environmental and social responsibilities performance, we have formulated the Code of Conduct and established a management system based on relevant standards of business and supply chain management processes.

Green Supply Chain

The supply chain procedures are and periodic evaluation are strictly monitored and controlled as illustrated below:

1



Sourcing team performs the initial supplier assessments for supplier selection according to their ESG performance and policies.

2



The Group ESG policies are distributed to the selected suppliers for their reference. Separate files will be used to record the information and assessment results as well as the improvement measures of suppliers. Selected suppliers must sign the letter of commitment on ESG compliance.

3



Annual audit and reassessments are conducted for ensuring their continued compliance and advice will be given for improvement. Co-operation will be terminated immediately if any serious non-compliance against business ethics and environmental standards.

4



Sourcing team will cross-check the certified product with the Scope Certificate of the supplier.

5



If received products are suspected of not conforming with the criteria of the standard, the related documents will be inspected to verify the origin and nature of the certified products.

Green Supply Chain

Suppliers are required to comply with relevant green management standard, including but not limited to



The Group gives priority to the suppliers who have passed GRS and STeP by OEKO-TEX®.

High Fashion pays attention to the adverse environmental impacts along the supply chain, especially the use of raw materials:

- We will only select those made up of degradable slurry which does not contain any chemicals that violate the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and Bluesign® Recognition.
- We strongly recommend our suppliers follow Higg Facility Environmental Module (Higg FEM) and The Higg Facility Social & Labor Module (Higg FSLM) and assess their environmental performance and social impact.
- In view of better control of the whole production process and the biochemical oxygen demand ("BOD") and chemical oxygen demand ("COD") of wastewater, all polluted or harmful materials shall be prohibited at the initial stage of the supply chain.

We strive to develop a green supply chain with low carbon emissions. During the procurement process, priority is given to energy-saving, water-saving, material-saving green products and equipment, and other environmentally friendly products. Most of the purchased raw materials are certified with environmental protection-related certificates. We strictly control the selection of materials to ensure that no harmful substances that affect human health and environmental protection are embedded in our products. Looking forward, we aim to build a transparent and traceable IT system to ensure the traceability of raw material sources along the supply chain.



Green Supply Chain

STeP by OEKO-TEX® Certification

The world's most prestigious sustainable enterprise certification, STeP by OEKO-TEX® certification, requires comprehensive utilization of resources, including recycling of waste water, waste heat, production surplus materials, and energy reduction. The certification is a comprehensive and meticulous assessment which covers the entire production chain of textile and garment factories, ranging from upstream suppliers to the end customers.

All production branches of High Fashion (China) Co., Ltd. in Hangzhou, have been awarded this influential and credible certification, including Printing and Dyeing Branch, Garment Branch and Knitwear Branch. High Fashion (China) Co., Ltd. obtained an outstanding result, which outperformed the industry and global average score in six major modules covering environmental performance and management as well as CSR areas, attaining the high-standard assessment.

In 2022, Dongguan Dalisheng Fashion Co., Ltd. in Dongguan, has also been awarded the STeP by OEKO-TEX® certification for the attainment of the high-standard assessment in all the six modules. The on-site management and resource utilization have been greatly improved through this STeP certification in our supply chain. Going forward, we will continue to stringently abide by STeP standards for green manufacturing and sustainable development, aspiring to offer eco-friendly and green products to customers.





Green Supply Chain

RISK IDENTIFICATION ALONG OUR SUPPLY CHAIN

The Group values risk identification as a crucial component in supply chain management. Third-party organisations are appointed by the Group to evaluate the performance of suppliers on product quality and safety, employees' working conditions, environment, and society regularly. The evaluation result will be reviewed and taken as a fundamental criterion in order allocation and supplier selection. The approved suppliers will be listed in the approved suppliers list. Once there is any risk revealed to be influential to our business relations, we will work with the suppliers for improvement solutions in a dual effort.

In coping with the ever-changing industry and market, the Group keeps track of the market trend to compile relevant information and sales forecast, and share it with our downstream stakeholders and business partners. In an attempt to diminish order processing time, procurement errors and product defects, in-depth market research has been carried out for such analysis. Our suppliers are strictly required to follow our internal tender requirement, the ISO Environmental Management System, the OHSAS18000 Occupational Health Management System, or with Environment, Health, Safety (EHS) management in place.

Our purchasing department will select suppliers based on their social responsibility performance, and eliminate those with poor performance. Once it is found that a supplier intentionally employs child labour, forced labour or other serious violations of labour laws and regulations, the contract will be terminated immediately. All selected suppliers are required to sign the social responsibility commitment letter (社會責任承諾書), and promise to abide by local labour laws and SA8000 social responsibility standards, as well as the local environmental regulation and accept the company's on-site audit. Through our strict requirements on social responsibility for suppliers, we are dedicated to minimise our risk along the supply chain, avoiding any disruption or sudden termination of supply due to serious cases in related to health and safety, environmental violation etc.



MORE ADMIRABLE WORKPLACE

High Fashion puts employees' benefits in the first place, the Group attracts and invests in the best talents through comprehensive training and competitive benefits. Additionally, we put effort into fostering an open and inclusive workplace by treating all of our employees equally, regardless of their gender, age, race, nationality, religion, or disability. We uphold our "brand-leading, quality-based, innovation-driven, and culturally-rooted" corporate values, we trust that putting employees first drives the success of the company.

We hire employees in accordance with the law and strictly comply with labour and employment related law and regulation including the "Labour Law of the People's Republic of China (《中華人民共和國勞動法》)", "Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》)", "Law of the People's Republic of China on the Protection of Minors (《中華人民共和國未成年人保護法》)" and "Provisions on the Prohibition of Using Child Labour (《禁止使用童工規定》)" according to the requirements of labour laws and local legislation.

As of 31 December 2022, the Group has a competent team of approximately 4,000 employees including 99% of whom are full-time employees. Among our staff, 2% are from Hong Kong, 78% are from Mainland China, and 20% are from overseas regions.

CODE OF CONDUCT AND EMPLOYMENT COMPLIANCE

According to relevant legal requirements, the Group has established the Code of Conduct and Staff Handbook, thus expressing our commitment to promoting our ideals of equal opportunity with human and labour rights throughout the Group's operation and supply chain. We highly support equal opportunity and ensure that talent is fairly attracted and promoted based on individual merits, experience, and credentials.

Our internal "Attendance System" (考勤制度) specifies working hours, as well as the arrangement of company holidays, overtime, on and off duty, business trips, days off, attendance, absence, etc. We offer attractive compensation and benefits to attract and retain talents, including but not limited to annual leave, marriage leave, funeral leave, maternity leave and family planning leave according to our internal policies and relevant laws. We also provide additional remuneration and welfare such as appraisal bonus to employees in light of their work performance.



More Admirable Workplace

High Fashion strictly prohibits any kind of child labour or forced labour employment in accordance with the relevant laws and regulations. All employees within High Fashion are recruited directly, but not appointed by any third party to hire. Background checks on both local and expatriate applicants are performed through interviews, examination of legal records, inspections of family records, and other applicable means. To ensure the adequacy of the protocols for preventing child labour and forced labour, internal audits are conducted twice a year regularly.

Ensuring a high level of ethical behaviour is vital for the integrity and governance of the Group. A whistleblowing policy has been adopted and reviewed regularly to ensure its effectiveness. Our company has established a Corporate Ethics Team which is specialized to handle all complaints directly regarding any employee who is suspected of violating the Code of Conduct under an open and well-established grievance mechanism. Cases reported by stakeholders, including shareholders, employees, suppliers and consumers will be internally directed to the Corporate Ethics Team and will be investigated and reviewed in an impartial and confidential manner. A summary of the reported cases and relevant investigation results will be provided to the Audit Committee of the Company regularly, if any. Opinion collection boxes are also installed at offices and working stations for reflecting any operations anonymously. Actions like immediate termination of employment and filing reports to governmental bodies for appropriate settlement will be taken if necessary.



In 2022, there were **0** non-compliance cases with the relevant laws and regulations relating to recruitment and employment practices, anti-discrimination, diversity, and other benefits and welfare.

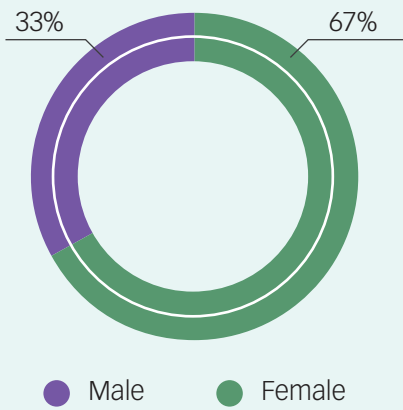
A designated trade union and employee association has been established in our Mainland China operation, in accordance with the Trade Union Law of The People's Republic of China ("PRC"). Our staff from Hong Kong and overseas are also encouraged to raise their concerns through different engagement channels.

More Admirable Workplace

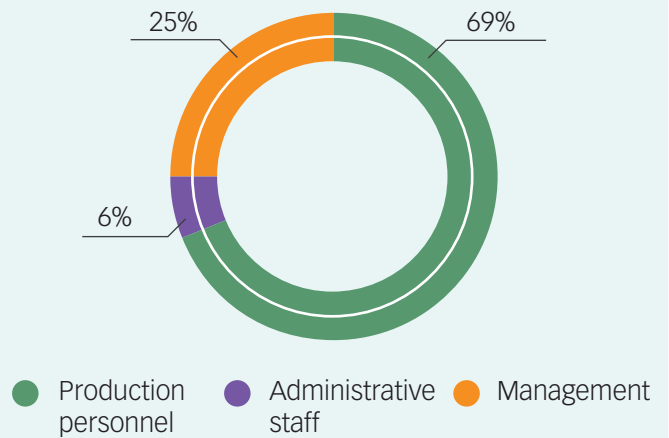
Please refer to the following table for the summary of our employment:

Number of Employees

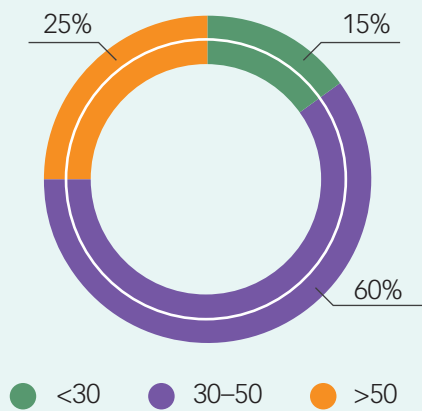
Total Number of Employees by Gender



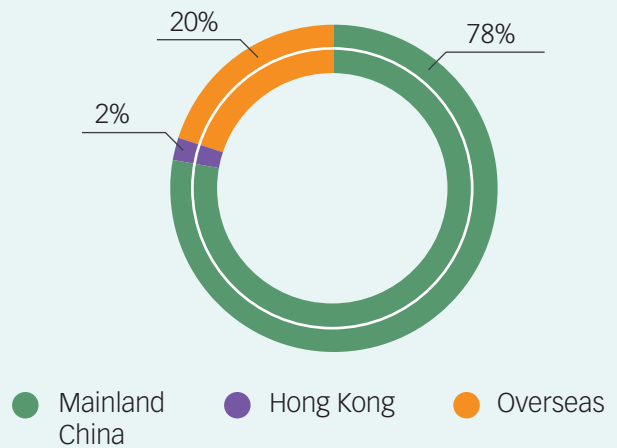
Total Number of Employees by Employee Category



Total Number of Employees by Age Group



Total Number of Employees by Geographical Region





More Admirable Workplace

ENHANCEMENT OF EMPLOYEE UNITY AND SENSE OF BELONGING

The key to a more sustainable business is employee satisfaction. We offer our employees attractive remuneration packages and benefits, such as discretionary bonuses, overtime compensation, meal allowance, and a range of leave entitlements. To keep up with the latest trends, our human resources department consistently plans educational events, such as retirement schemes and anti-drug seminars, thus promoting a better understanding of the benefits our talents are entitled to and creating a healthy workplace culture.

To promote inclusivity and wellness in organizations and advance diversity goals, our Group runs a total of six employee clubs in Hangzhou, including Photography, Hiking, Jogging, Basketball, Table Tennis and Badminton, and Fishing Clubs. Joining these clubs provide the opportunity for employees to socialize and interact through sports and activities outside of the workplace, thus fostering a stronger sense of belonging. In addition, we celebrate holidays and important festive seasons such as the Lunar New Year, Dragon Boat Festival, and Mid-Autumn Festival by providing gifts to our staff members and holding themed parties to release stress and enhance team cohesion.



Our employees enjoyed the hiking, badminton and table tennis activities organized by our employee clubs in Hangzhou.

More Admirable Workplace



Gathering on Dragon Boat Festival

To celebrate our traditional festival, we organise gathering for Dragon Boat Festival every year. We prepared gifts for our staff and introduced the background of the Dragon Boat Festival to our employees during the gathering so that they could learn more about our traditional culture.



To celebrate the festival season, the Company held a warm and joyful Christmas party for its staff. Relationship between colleagues were also enhanced.



Sports Day



With the theme "Do Green Sports, Enjoy Working Life, Adopt Healthy Lifestyle (綠色運動·快樂工作·健康生活)", we organised Autumn Sports Day in 2022. A number of sport games were held in Sports Day, including running, hiking, skipping rope etc.

More Admirable Workplace

Case study

Diversity & Inclusion

High Fashion makes contributions on issues of equality, tolerance, non-discrimination and diversity, especially gender equality. Our branches located in Hangzhou and Dongguan have set out customized policies respectively to safeguard the rights and interests of female employees at the workplace in collaboration with their labour associations. Subjects including equal wages, parental & menstrual leave policy, offering sanitary supplies at work as well as diversity & inclusion schemes were covered. Gender-responsive business practices are woven throughout our Group under the gender equality act, from the marketing and communication departments to the human resources division.

In 2022, **67%** of our workforce employees are comprised of females and accounted for approximately **61%** of all managerial positions. High Fashion ensures respect and equal career development opportunities for all genders under equal opportunities policy.



Our Group is supportive of breastfeeding as we provide extra breastfeeding time and designated private space in the office building. A formal policy has been established to protect breastfeeding females and no night duties are allowed. These measures demonstrate the Group's commitment to the wellbeing of its employees and their families.

As part of our commitment to diversity, we prioritize people with disabilities. We have continuously enhanced workplace diversity and inclusion across all of our operations. We have been putting extra effort to encourage full and equal participation of people with disabilities and to take possible actions to ensure their inclusion in all aspects of society and development. We also offer unique working arrangements, accommodations, and working assistance to employees in need whenever necessary as part of our diversity and inclusion framework.



More Admirable Workplace



Case study

Our Group commemorates the International Day of People with Disabilities every year with all of our employees with special needs in an interactive gathering, affirming their tenacious perseverance, outstanding performances, and dedicated spirits working at our company. As a method of distributing the High Fashion Caring allowance, every active participant is rewarded with a red packet in the event by our company.

Our Group is committed to a responsible and harassment-free workplace, we strictly prohibit any kind of harassment and abuse including but not limited to verbal, written, physical, psychological, or sexual and also discrimination regardless of regard to race, relation, creed, colour, sex, age, or national origin. This policy applies to all people in the workplace including vendors, customers and employees.

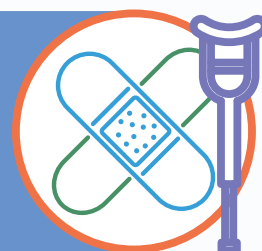
ADVOCATING HEALTH AND SAFETY

Our Company's duty of care is to provide a safe and healthy workplace for our employees. In accordance with ISO 45001, we have established occupational health and safety protocols and implemented preventative measures, including the "Occupational Health Accident Management System" (職業健康事故管理制度) and the "Safety Production Accident and Health Implementation System" (安全生產事故和健康執行制度), to reduce work-related hazards across all operations. Our Hangzhou and Dongguan branches have successfully been certified to ISO 45001.

More Admirable Workplace



In 2022, **0** workplace fatalities have caused at High Fashion for six consecutive years and has lost **114** man-days due to work injury.



Furthermore, our safety dedication has been well received and awarded with multiple recognitions at various levels.

Internally, our Group has implemented a series of measures to protect the health and safety of our employees.

Our safety administrator conducts assessments on the use of safety warning signs and occupational health and protective equipment on a weekly basis to measure and evaluate the effectiveness of our safety initiatives. In addition, they are also in charge of assessing the proper usage of protective equipment. To better understand the current safety conditions and better plan for safety measures, our Hangzhou Branch also assesses occupational risks and hazards every three years.

More Admirable Workplace

To strengthen the safety-first culture, our company continues to organize recurring events to promote and educate our staff with knowledge on occupational health and safety (OSH) topics. We also arranged fire drill training, first aid training and OSH and PPE training to employees.



Fire drill training



First aid and OSH and PPE training activity in Cambodia office

More Admirable Workplace

Case study

Response to COVID-19

In 2022, the outbreak of the COVID-19 Pandemic is still ongoing, it is important to uphold preventive measures to minimize the spread of the virus. We have implemented a series of measures and provided guides for our employees after the Chinese New Year holidays:

- Implement specific management (including Personal Health Code, PCR Testing and quarantine) for employees returning from different provinces after the Chinese New Year holidays according to the risk level of different provinces and areas.
- Encourage employees to report their itinerary if they return from provinces with a high risk of getting an infection or have been in touch with an infected person, and to act in concert with the health management measures.
- Abide with local epidemic prevention measures (e.g. wearing face masks at all times, checking of Personal Health Code and receiving vaccination) and reduce social gatherings.

To align with the pandemic prevention approach of the national and local government, we also trained employees to conduct nucleic acid test or regular rapid antigen test before work to avoid the spread out of virus and to achieve “early identification, early isolation and early treatment”. We are also well stocked and provide to colleagues the face masks, rapid antigen test kits and hand sanitisers to safeguard the health and wellbeing for all. To date, more than 98% of employees are fully vaccinated.



Our employees participated in the training seminar on nucleic acid test in Dongguan.

More Admirable Workplace

NURTURING TALENTS

We understand how vital it is to equip our employees with the knowledge and abilities they require to effectively carry out their daily tasks. To help our employees develop their skills and add value to our technological innovation and R&D processes, we have launched a comprehensive training program in management skills, quality control, and sales skills. Our Human Resource Department implements the training plan's execution and conducts evaluations following training sessions.

For new staff, our group offers induction training to them, which covers a series of topics including workplace safety and product knowledge. We also cooperate with external institutions to arrange performance management and skill development programs for specific staff.



In 2022, we hosted more than **150** training sessions and attracted more than **960** participants. The average training hours completed per employee is **7.85** hours.

To transfer extensive industry knowledge, our company has provided advanced succession planning for the youth with senior leaders involved in a collaborative approach to progressive training regarding the industry sector. The Corporate Workers Academy provides skill enhancement courses for blue-collar workers to ensure that they expand their skills, techniques and knowledge to improve the quality of the team. Potential talents are taught extraordinary skills by our Future Craftsman Training Practice Base (未來工匠培育實踐基地), which prepares them to create and design exquisite fabrics. Our appointment as the "Pilot Unit for Skill Level Certification in Xiaoshan District, Hangzhou" (杭州市蕭山區技能等級認定試點單位) fills us with pride, and the recognition of our business's qualifications and strongly encourages the advancement of our skilled talent.



More Admirable Workplace

Case study

Sharing for the Way to Success

We believe that unity and learning is the key to success for High Fashion and every employee from each function should be familiar with the Group's strength and explore new means for further success of the Group through continuous learning and improvement. Regular sharing and training are specifically provided for each division from time to time on analysis of the Group's traditional advantages and the ways to improve the work efficiency and explore more business growth opportunities. Successful stories and cases are also analyzed and elaborated in details to stimulate new thinking.

During the Reporting Period, training topics such as "Functional Advantages of Business", "Human Resources Strategies", "Managing Tomorrow" and "Growth Strategies" were shared within the Group.

AI Training

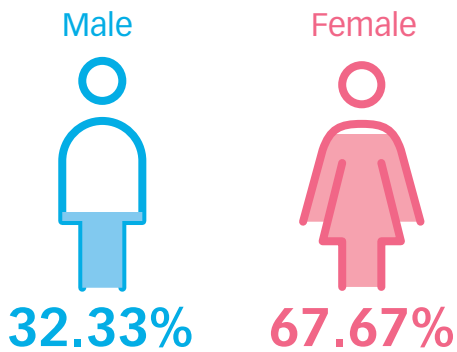
High Fashion Group understands the importance of AI technologies and is committed to using them to enhance its business operations. To this end, the High Fashion Group has hosted many staff trainings to ensure that its employees are equipped with the necessary skills to use AI in all aspects of the business. From market research to supply chain management, quality control to financial management, and compliance to regulations, AI and big data are being used to streamline operations and improve efficiency.

More Admirable Workplace

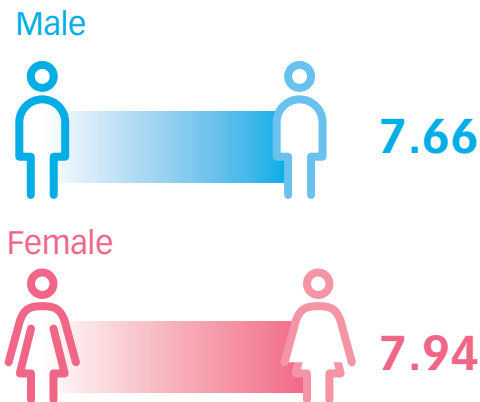
In 2022, the total training hour is 30,926. For the breakdown of training statistics, please refer to the following table:

Total Training Hours 30,926

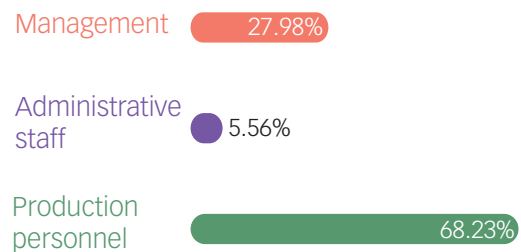
Percentage of Employees Trained by Gender



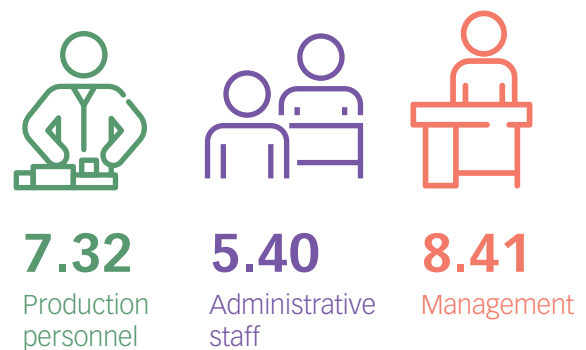
Average Training Hours of Employees by Gender



Percentage of Employees Trained by Employee Category



Average Training Hours of Employees by Employee Category



OUR COMMUNITY

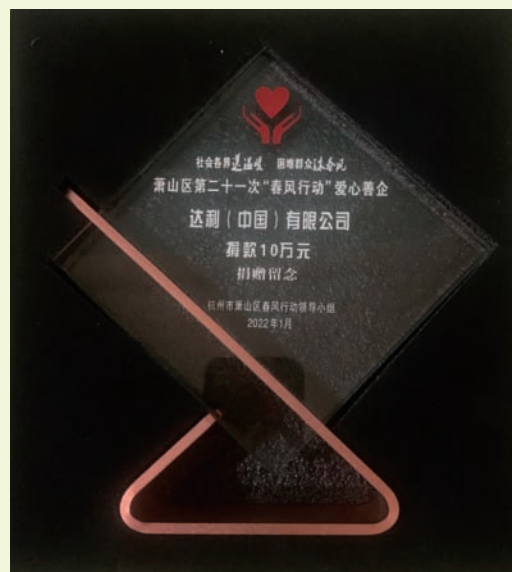
Apart from caring for our employees' well-being, High Fashion is dedicated to extending a positive impact on society through active school-enterprise engagement, a long-standing charitable foundation, and employee volunteerism.



In 2022, we made charitable and other donations of over **HK\$3,000,000.**

Assistance to Migrant Workers

To support the migrant workers, a charitable initiative called "Spring Action" (春風行動) has been set up to offer employment opportunities and protect the legitimate rights and interests of migrant workers, as well as to rectify labour intermediaries through a series of activities. In 2022, we donated RMB100,000 to contribute to migrant worker protection.



Donation

Support in Fighting Against Pandemic

In the midst of the severe pandemic, High Fashion cares about the health of the citizens. We donated masks and materials to the residents in village in mainland China. Besides, we also donated disposable masks to schools and a local charity in Hong Kong, as well as making donations to Christ Church.



Dongguan Dalisheng Fashion Co., Ltd. was recognised for contribution of anti-pandemic materials.

We donate face masks to Textile Vision Science & Education Foundation (紡織之光科技教育基金). The foundation to promote the technological progress, talent, growth and industrial upgrading of the textile industry and build a modern textile power.



We also corporated with the China Women’s Development Foundation to send 200,000 disposable masks to Hainan Province for fighting against the pandemic during critical moments.

Our Community

Showing Love to the Disadvantaged

High Fashion strives to build a harmonious culture with equal opportunities and zero discrimination. In October and November 2022, we offered rental venue at a very discounted price to the Zubin Foundation for hosting sewing workshops for women from minority groups so that they could obtain the skills to earn a living. The products they made were sold in the Sustainable Christmas Bazaar at Tai Kwun in late November.



The High Fashion Charitable Foundation

The High Fashion Group upholds the spirit of “giving back to society” and formed a charitable foundation. The charitable foundations aimed to tackle poverty and provide funding to employees and children in need of emergency, medical, and educational support. We believe that engaging in charitable activities is the best way to exhibit extensive social responsibility. The Foundation has provided student aid to the students for relieving their financial burden and also supported the employees with serious illness for medical support.

Our Community

Youth Empowerment

The youth holds the key to creating a better future. We provide practical opportunities to young people to ensure a steady talent pipeline and a sustainable future for the textile and apparel manufacturing industry. Our group has collaborated with prestigious universities on scientific and technological research and development, including Zhejiang Sci-Tech University, Soochow University and Jiangnan University.



High Fashion Group was awarded a Certificate of Appreciation for Sharing Valuable Insights On Sustainable and Innovative Fashion To The Students

High Fashion understands the importance of cultivating the youth as they will be the key to the future. During the Reporting Period, High Fashion Group hosted a tour at WL District HK with the students from the Faculty of Design and Environment of the Technological and Higher Education Institute of Hong Kong (THEi, Member of the Vocational Training Council (VTC)). During the event, the representatives from the experienced Marketing Team, Digital Transformation Team and E-Commerce Team of High Fashion shared topics regarding sustainable and innovative fashion, including cooperation model between costume manufacturers and customers, 3D design software and innovative business strategies and implementing sustainable measures in product development. The students in the tour gained a better understanding of sustainable development and digital transformation, as well as the concept of sustainable fashion. Through organising educational activities with students, High Fashion would like to inspire youngsters to develop their career in the textile and fashion sector, and build a sustainable future.



Our Community

High Fashion Womenswear Institute

As the Hangzhou Public Training Base Sub-Centre, High Fashion Womenswear Institute in Hangzhou cultivates high-capacity talents for the garment manufacturing industry across various professional fields. As the 14th National Five-Year Plan approaches, our company aims to continue to foster school-enterprise cooperation and development and to build model schools and departments to achieve the “Double High” task (Construction Projects of High-Level Vocational Schools and High-Quality Specialties).

High Fashion Womenswear Institute has co-operated with Zhejiang Sci-Tech University and Jiangnan University in the development and research of new materials, new processes, and new technology to improve the Company’s performance in scientific research results through multi-party alliance.

The number of students continues to increase, and the employment rate of graduates has also risen steadily. In the future, the Group will enhance the naturing of talents in advanced manufacturing and 3D digitalization for cultivation of future business leaders.



Our Community

Supporting Industry Development

As one of the leading groups in the fashion industry, we are devoted to supporting the long-term sustainable development of the industry. During this Reporting Period, Mr. Will Lam, High Fashion Group's CEO attended the Sustainability Week Asia 2022 as the "Leader of Sustainable Development" held by the Economist Impact, which attracted more than 4,000 participants. At the event, Mr. Lam delivered a speech on how the fashion industry should reduce carbon emissions immediately and establish sustainable development plans. He has also urged global enterprises to actively fulfil goals of sustainable development and corporate social responsibility, enhance ESG performance and lead customers to "green consumption".

To echo the development of the world clothing industry, and contribute to fashion incubation, we have established WL District (WLD) in Hangzhou and Hong Kong to provide a cultural park for fashion, technology, and collaboration. This business platform integrates design, fabric and accessories development, production, logistics, live streaming, and marketing. Our members, including start-ups, small and medium-sized enterprises and multinational companies, can benefit from our supply chain management system that helps them to commercialise their products and ideas.



WL District (WLD) in Hangzhou

BUSINESS ETHICS & ANTI-CORRUPTION POLICIES

High Fashion strictly prohibits all kinds of corruption and forbids all unlawful behavior among our employee or cooperating manufacturers or organizations in the daily operation. We are committed to the prevention, deterrence, detection, and investigation of all forms of corruption and bribery with reference to the Hong Kong Prevention of Bribery Ordinance. We have set up the Corporate Integrity Code to all employees that they are prohibited from accepting any type of advantage as an inducement, reward, or reason from both internal and external parties. Furthermore, all employees are required to disclose any business-related relationships with all counterparts to their immediate supervisor. The employees who violate may subject from termination of employment. All the above requirements have been incorporated in the Code of Conduct. We will review the Code regularly to ensure the content meet with the latest update of relevant laws and regulation.

Case study

High Fashion co-operated with Independent Commission Against Corruption (“ICAC”) in Hong Kong to conduct the Anti-Corruption and Ethical Governance training for directors and employees in Hong Kong to build up the capability and expand the capacity of managerial staff and employees to help prevent corruption. Through various interesting case studies and Q&A sections, ICAC conducted analysis on the common ethical risks, current corruption scenes and recommended safeguards. The trainings received great response and feedback from the directors and our employees on enhancement and update of their anti-corruption concepts and awareness.

If there is any misconduct, malpractice, or irregularities in our operations, we welcome our customers, shareholders and value chain partners to raise their concerns through whistleblowing policy and grievance mechanisms. All cases are treated strict with confidentiality and submitted to Corporate Ethics Team for further investigation. All the information of the whistleblowers will be kept strictly confidential and we will protect their freedom to report grievances without fear of reprisal.



In 2022, no violation of laws and regulations related to bribery, extortion, fraud, and money laundering was noted.

OUR WORLD

PRODUCT RESPONSIBILITY & COMPLAINTS HANDLING PROCEDURES

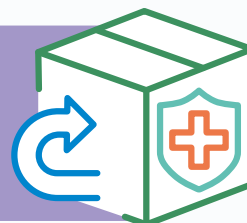
We invite our customers to share their opinion on our service through customer satisfaction surveys semi-annually. To guarantee the quality of our products and services, we have formulated a strict protocol to follow up all complaints. The respective department makes sure the complaints are evaluated and analysed once received. Proper solutions are implemented and reverted to the customers. After the conclusion of complaints, we carry out regular reviews and evaluations to improve our products and services continuously. Besides, we concern about customer privacy. High Fashion complies with relevant laws and regulations related to customer privacy protection. Only authorised personnel can access relevant data on a need-to-know and need-to-use basis. With clear guidelines and procedures, We strictly handle the information of our customers in accordance with relevant laws and regulations.



In 2022, no complaints related our products and services received.

To ensure our product quality, inspections are carried out throughout the production process from raw materials to semi-finished and finished products. Aligned with customer designated Acceptable Quality Level (“AQL”) standards, we have standardised control procedures to recall any products that do not meet our high-quality expectations. Substandard products will be returned to the factories with full evaluation and follow-up actions implemented as appropriate. We also utilise advanced textile production equipment throughout our manufacturing process and of which our operation is certified to the international quality management system standard ISO 9001. If there is any complaint on unqualified products, we will carry out inspections on cloth and materials, and report the result of testing report to clients. Based on the client’s request, we will arrange the return of goods or other compensation.

0 products sold or shipped were subjected to recalls for safety and health reasons during the reporting period.



Our World

PRODUCT SAFETY

High Fashion values product safety. We require suppliers or in-house business units to provide third party testing certification, so as to prove the quality of the products. With the review on manufacturing process by independent organisation, we can ensure that the final product complies with specific standards for safety, quality, or performance in line with laws and regulations.

INTELLECTUAL PROPERTY

High Fashion recognises our responsibility in protecting intellectual property. We assure intellectual property protection by requesting signing confidentiality agreements with our customers and relevant parties. We have set stringent policies to prevent disclose any confidential information to other parties so as to protect all intellectual property-related materials, internal R&D projects, design drawings and professional technology from customers. A dedicated working group, the “Intellectual Property Right Working Group” (知識產權領導小組), has been established to take lead on intellectual property right protection, including R&D project reviews, patent applications, implementation of security measures etc.



During the Reporting Period, there were **0** non-compliance cases related to intellectual property rights regarding our products and services.

APPENDIX I: SUSTAINABILITY DATA SUMMARY

Environmental Aspect ¹	Unit	2022
Air Pollutant Emission		
Nitrogen oxides	kg	1,017
Sulphur oxides	kg	1
Particulate matter	kg	260
Greenhouse Gas Emissions		
Total direct greenhouse gas emissions (Scope 1)	tonnes of CO ₂ e	6,482
Stationary Fuel	tonnes of CO ₂ e	3,481
Mobile Fuel (Vehicles)	tonnes of CO ₂ e	257
Refrigerants	tonnes of CO ₂ e	2,744
Total indirect greenhouse gas emissions (Scope 2)	tonnes of CO ₂ e	67,055
Electricity	tonnes of CO ₂ e	13,177
Steam	tonnes of CO ₂ e	53,878
Total other indirect greenhouse gas emissions (Scope 3)	tonnes of CO ₂ e	280
Water	tonnes of CO ₂ e	151
Industrial Wastewater	tonnes of CO ₂ e	109
Domestic Wastewater	tonnes of CO ₂ e	21
Total greenhouse gas emission	tonnes of CO ₂ e	73,817
Greenhouse gas emission intensity (per '000 output unit)	tonnes of CO ₂ e/ '000 output unit	2.28

1 Air pollutant emission and greenhouse gas emission of the Group are calculated with reference to "How to prepare an ESG Report — Appendix II: Reporting Guidance on Environmental KPIs" of the Stock Exchange.



Appendix I: Sustainability Data Summary

Environmental Aspect	Unit	2022
Energy Consumption		
Purchased electricity	MWh	23,047
Purchased electricity consumption intensity (per '000 output unit)	MWh/'000 output unit	0.71
Diesel	Litres	19,173
Diesel consumption intensity (per '000 output unit)	Litre/'000 output unit	0.59
Petrol	Litres	75,143
Petrol consumption intensity (per '000 output unit)	Litre/'000 output unit	2.32
Natural gas	GJ	63,243
Natural gas intensity (per '000 output unit)	GJ/'000 output unit	1.95
Waste		
Total generated hazardous waste	tonnes	0.40
Hazardous waste intensity (per '000 output unit)	tonnes/'000 output unit	0.000012
Total generated non-hazardous waste	tonnes	1,576
Non-hazardous waste intensity (per '000 output unit)	tonnes/'000 output unit	0.049



Appendix I: Sustainability Data Summary

Environmental Aspect	Unit	2022
Packaging Material		
Total packaging material used for finished products	tonnes	58
Packaging material consumption intensity (per '000 output unit)	tonnes/'000 output unit	0.0018
Water Consumption		
Total water consumption	m ³	708,229
Total water consumption intensity (per '000 output unit)	m ³ /'000 output unit	21.85

Appendix I: Sustainability Data Summary

Social Aspect	Unit	2022
Number of Employees		
Total number of employees	person	3,939
Total Number of Employees (by Gender)		
Female	person	2,646
Male	person	1,293
Total Number of Employees (by Employee Category)		
Part-time or short-term contract employee	person	8
Production personnel	person	2,718
Administrative staff	person	224
Management	person	989
Total Number of Employees (by Age Group)		
Aged below 30	person	592
Aged 30-50	person	2,381
Aged over 50	person	966
Total Number of Employees (by Geographical Region)		
Mainland China	person	3,073
Hong Kong	person	80
Overseas	person	786
Employee Turnover Rate¹		
Employee turnover rate	%	21.45

1 The formula for the calculation of turnover rate for the Reporting Period = Number of departed employees during the Reporting Period under the category ÷ Number of employees at the end of the Reporting Period under the category x 100%

Appendix I: Sustainability Data Summary

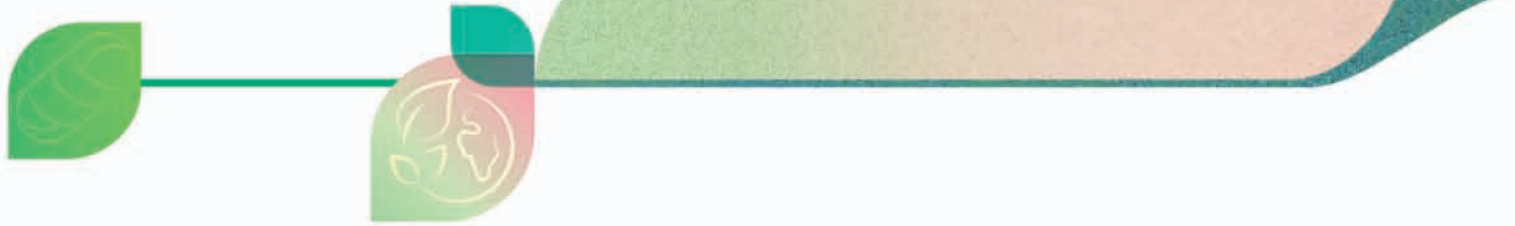
Social Aspect	Unit	2022
Employee Turnover Rate (by Gender)		
Female	%	22.79
Male	%	18.72
Employee Turnover Rate (by Age Group)		
Aged below 30	%	49.16
Aged 30-50	%	18.06
Aged over 50	%	12.84
Employee Turnover Rate (by Geographical Region)		
Mainland China	person	17.64
Hong Kong	person	30.00
Overseas	person	35.50
Development and Training		
Percentage of Employees Trained by Gender¹		
Female	%	67.67
Male	%	32.33
Percentage of Employees Trained by Employee Category		
Part-time or short-term contract employee	%	0.19
Production personnel	%	68.23
Administrative staff	%	5.56
Management	%	27.98

1 The formula for the calculation of the percentage of employees trained for the Reporting Period = Number of employees trained by each category ÷ Total number of trained employees x 100%

Appendix I: Sustainability Data Summary

Social Aspect	Unit	2022
Average Training Hours of Employees by Gender¹		
Female	hour	7.94
Male	hour	7.66
Average Training Hours of Employees by Employee Category		
Part-time or short-term contract employee	hour	0.88
Production personnel	hour	7.32
Administrative staff	hour	5.40
Management	hour	8.41
Occupational Health and Safety		
Work-related fatalities in the last 3 years (including the reporting year)	person	0
Rate of work-related fatalities	%	0
Lost days due to work-related injuries	day	114
Number of Suppliers		
Mainland China	Individual	874
Hong Kong, Macau and Taiwan	Individual	111
Other regions	Individual	125

1 The formula for the calculation of average number of training hours under a specific category = Total number of training hours by each category ÷ Number of employees under a specific category at the end of the Reporting Period under the category



APPENDIX II: HKEX ESG GUIDE CONTENT INDEX

A. Environmental			Related section(s)
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Lower Impact
	A1.1	The types of emissions and respective emissions data.	Lower Impact
	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).	Lower Impact Appendix I: Sustainability Data Summary
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Lower Impact Appendix I: Sustainability Data Summary



Appendix II: HKEX ESG Guide Content Index

A. Environmental			Related section(s)
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Lower Impact Appendix I: Sustainability Data Summary
	A1.5	Description of emission target(s) set and steps taken to achieve them.	Our Sustainability Goals Lower Impact
	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.	Our Sustainability Goals Lower Impact
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Lower Impact
	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).	Lower Impact Appendix I: Sustainability Data Summary

Appendix II: HKEX ESG Guide Content Index

A. Environmental		Related section(s)
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Low Impact Appendix I: Sustainability Data Summary
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Our Sustainability Goals Low Impact
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.	Our Sustainability Goals Low Impact
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Appendix I: Sustainability Data Summary



Appendix II: HKEX ESG Guide Content Index

A. Environmental			Related section(s)
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Low Impact
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Low Impact
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.	Efforts in Combating Climate Change
	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.	Efforts in Combating Climate Change

Appendix II: HKEX ESG Guide Content Index

B. Social			Related Section(s)
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.	More Admirable Workplace
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	More Admirable Workplace Appendix I: Sustainability Data Summary
	B1.2	Employee turnover rate by gender, age group and geographical region.	More Admirable Workplace Appendix I: Sustainability Data Summary



Appendix II: HKEX ESG Guide Content Index

B. Social			Related Section(s)
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.	More Admirable Workplace
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	More Admirable Workplace Appendix I: Sustainability Data Summary
	B2.2	Lost days due to work injury.	More Admirable Workplace Appendix I: Sustainability Data Summary
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	More Admirable Workplace

Appendix II: HKEX ESG Guide Content Index

B. Social			Related Section(s)
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	More Admirable Workplace
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	More Admirable Workplace Appendix I: Sustainability Data Summary
	B3.2	The average training hours completed per employee by gender and employee category.	More Admirable Workplace Appendix I: Sustainability Data 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.	More Admirable Workplace
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	More Admirable Workplace
	B4.2	Description of steps taken to eliminate such practices when discovered.	More Admirable Workplace



Appendix II: HKEX ESG Guide Content Index

B. Social			Related Section(s)
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Green Supply Chain
	B5.1	Number of suppliers by geographical region.	Appendix I: Sustainability Data Summary
	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.	Green Supply Chain
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Green Supply Chain
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Green Supply Chain

Appendix II: HKEX ESG Guide Content Index

B. Social			Related Section(s)
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.	Our World
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Our World
	B6.2	Number of products and service related complaints received and how they are dealt with.	Our World
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Our World
	B6.4	Description of quality assurance process and recall procedures.	Our World
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Our World



Appendix II: HKEX ESG Guide Content Index

B. Social			Related Section(s)
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 Ethics & Anti-Corruption Policies
	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.	Business Ethics & Anti-Corruption Policies
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Business Ethics & Anti-Corruption Policies
	B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics & Anti-Corruption Policies
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.	Our Community
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Our Community
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Our Community



2022 ESG Report

High Fashion International Limited
11/F., High Fashion Centre,
1-11 Kwai Hei Street, Kwai Chung,
New Territories, Hong Kong