



High Fashion International limited

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



2024

Environmental, Social
and Governance Report

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ABOUT HIGH FASHION

Founded in 1978, High Fashion International Limited (“High Fashion” or the “Company” or “We” or “Our”) is a forward-thinking fashion enterprise committed to sustainability and innovation. The Company, along with its subsidiaries (collectively, the “Group”), has developed a multinational business that spans the entire fashion industry value chain, including fashion design and production, printing and dyeing, retail & wholesale brand operations, and innovation hubs and industrial parks.

Headquartered in Hong Kong, High Fashion has been proactively expanding its global footprints over the years to key international markets, including Southeast Asia, Japan, the United Kingdom, Europe, Australia and the United States. To enhance production flexibility and capacity, the Company has established multiple production bases in China—such as Hangzhou, Xinchang, and Dongguan—as well as in Southeast Asia, including Cambodia. High Fashion continues to explore further opportunities to spread its production network worldwide, strengthening its competitive edge in the global market.

With a robust quality management system and strong capabilities in textile and garment innovation, High Fashion continues to broaden its business portfolio by entering new sectors, including sportswear, activewear, and athleisure, driving further growth and expansion.



ABOUT HIGH FASHION



Corporate Culture



"Fulfilling Ourselves in Fulfilling Others"

The Group upholds our core values of "fulfilling ourselves in fulfilling others". We are always happy to work for other's happiness, and adhere to attitude of "never repeating the same mistake" and "no venting of anger on others". Be responsible for mistakes when facing difficulties, and turn crises into opportunities to support the growth and development of employees.

Our goal is to foster a harmonious and inclusive working environment to nurture a corporate culture of equality, respect, freedom, responsibility and trust, and to build and maintain a big family with love, professionalism, dedication, commitment and enthusiasm.



2024 ESG HIGHLIGHTS

ESG PERFORMANCE

Lower Impact

46%

Water Reuse Efficiency Rate

▲ 29.8%

Biomass Consumption
1,672 m³

>100,000m²

Solar Coverage

▲ 220%

Purchased **6,400** International Renewable Energy Certificates and Green Electricity Certificates, equivalent to a carbon reduction of **3,563** tonnes

Better Products

24

Research Projects

Number of New Patents:

7 invention patents
4 utility model patents
9 design patents
10 software copyrights

Developed the innovative recycled cellulose fibre **INNOCELL®** to advance circular fashion and minimise textile waste

More Admirable Workplace

99.02%

Employment Rate of
Graduates of High Fashion
Womenswear Institute

Workforce Composition:
66.3% females

Managerial Positions:
61.1% females

▲ 33.8%

Total Training Hours
98,867 hours

8

consecutive years
with 0 workplace fatalities

Business Ethics

▲ 45.9%

Anti-corruption Training Hours **1,654** hours

100%

Percentage of directors receiving
training in anti-corruption training

Our Community

▲ 78.4%









Voluntary Donation
455,000 HKD

Volunteer Hours
200 hours

2024 ESG HIGHLIGHTS

SUSTAINABILITY GOALS

2020-2024 5-Year Sustainability Goals

Areas	Targets and Description	Performance in 2024
Better Products	We aim to apply more sustainable and recyclable materials in new products for performance enhancement.	✓
Lower Impact	<p>We aim to reduce natural resource consumption and emissions of pollutants and waste arising from our operations.</p> <div> <div>  <p>Reduce carbon footprint by 15%*</p> <p>▼ 26.3% ✓</p> </div> <div>  <p>Reduce water intensity¹ by 15%*</p> <p>▼ 37.2% ✓</p> </div> </div> <div> <div>  <p>Achieve water reuse efficiency rate² by 35%</p> <p>46% ✓</p> </div> <div>  <p>Reduce total waste generation by 30%*</p> <p>▼ 14.9%</p> </div> </div>	
More Admirable Workplace	<p>We aim to create a safe and supportive workplace which promotes personal development and protects the well-being of our staff.</p> <div> <div>  <p>Maintain a record of zero work-related fatalities</p> </div> <div>  <p>Deliver at least 4 training hours/employee annually</p> </div> </div>	<p>✓</p> <p>✓</p>
Our Community	<p>We aim to contribute positively to the communities in which we operate.</p> <div> <div>  <p>Contribute at least 500 volunteering hours/year</p> </div> <div>  <p>Provide educational support through student</p> </div> </div>	<p>✓</p>

* Base year of carbon, water and waste targets: 2019
¹ Water intensity = Fresh water consumption ÷ Output volume. Reused water has not been included in the target.
² Water reuse efficiency rate = Total volume of water reused ÷ Total volume of water purchased

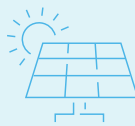
2024 ESG HIGHLIGHTS

SUSTAINABILITY GOALS

2025-2030 6-Year Sustainability Goals

Our Group has successfully completed its five-year sustainability goals in 2024, achieving significant progress across various areas. The Board has formulated new sustainability goals for 2025-2030 after comprehensively considering the latest international and regional trends, national and regional regulations, as well as the Group's future business strategies. We will continue to advance the Group's sustainability philosophy and create positive changes for society and the environment.

Lower Impact



Green Energy

By 2030, increase the proportion of green electricity used in our factories in China and Cambodia to 65%



Carbon Emissions

Reduce carbon emission intensity (tonnes) by 56% compared to 2024



Water Consumption³

Reduce water intensity by an average of 2% per year



Waste Reduction⁴

Decrease waste intensity (including both hazardous and non-hazardous waste) by 28% compared to 2024

More Admirable Workplace

We aim to create a diverse, inclusive, and safe working environment that empowers our employees and safeguards their wellbeing



Maintain zero employee fatalities

Treat all individuals fairly and equitably regardless of gender, sexual orientation, race, or other personal characteristics. Ensure equal rights, responsibilities, and opportunities for every employee across all business operations, and maintain zero cases of discrimination

Provide each employee with a minimum of six hours of training annually

Our Community



Our goal is to integrate our business with the communities we operate in, giving back to society and co-creating sustainable communities

Support youth through student sponsorships and industry-academic collaboration programs to assist with career development and talent cultivation

Engage in at least 500 hours of volunteer service annually

Increase the employment rate of persons with disabilities to 2.2%

³

Water intensity = Fresh water consumption ÷ Output volume. Reused water has not been included in the target.

⁴

Waste intensity = Total waste generation ÷ Output volume.



ABOUT THIS REPORT

This Report provides an overview of the Environmental, Social, and Governance (“ESG”) performance of the Group. It outlines our sustainability strategies, initiatives, policies, and practices, demonstrating our commitment to fostering long-term value creation and promoting sustainability. The Report highlights our efforts for having a positive impact on the community through various green initiatives and fulfilling our corporate social responsibility.

REPORTING STANDARD AND PRINCIPLES

This Report is prepared in compliance with the Environmental, Social, and Governance Reporting Guide (the “ESG Guide”) outlined in Appendix C2 of the Main Board Listing Rules issued by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

In preparing this Report, the Group has adhered to the reporting principles set out by the Stock Exchange, which include materiality, quantitative, balance, and consistency. The Report meets the mandatory disclosure requirements and “comply or explain” provisions of the ESG Guide.

REPORTING PERIOD AND SCOPE

The Report covers the period from 1 January 2024 to 31 December 2024 (“Reporting Period”). Unless otherwise specified, the scope of this ESG Report includes our manufacturing and branding businesses in China, Cambodia and the USA, which are the most significant regarding the Group’s environmental and social performance.

APPROVAL, ACCESS & FEEDBACK

The Report has been reviewed by the ESG Committee of the Company and approved by the board of directors (the “Director(s)”) of the Company (the “Board”). The electronic version of the Report is available on the Group’s website and the Stock Exchange’s website. Readers could access or download the Report from the Group’s website (www.highfashion.com.hk) or the HKEXnews website (www.hkexnews.hk).

We highly value your feedback. If you have any questions or suggestions, please contact us via email at esg@highfashion.com.hk.





SUSTAINABILITY GOVERNANCE

BOARD STATEMENT

We recognise the importance of following the right ESG practices in driving sustainable growth and long-term value for all stakeholders. As a leading organisation in the fashion industry, we are committed to embedding ESG considerations into every aspect of our business strategy and operations.

The Board holds ultimate responsibility for the Group's ESG management approach, performance, and disclosures, as well as making the related decisions. The Board is committed to leading the Group's sustainability efforts and overseeing the implementation of related business strategies.

Our ESG management approach is to follow a defined process to evaluate, prioritise, and manage material ESG-related issues. Guided by a robust materiality assessment, we identify and address the most significant environmental, social, and governance concerns that impact our business and stakeholders. The identified material ESG issues, along with their associated risks and opportunities, are considered in formulation of our business strategy, with the support of the Risk Management Committee.

The Board regularly reviews the progress of ESG-related goals and targets and evaluates the effectiveness of the ESG management systems, with inputs from the ESG Committee. As this year marks the conclusion of the Group's 5-year sustainability goals, we are sanguine about having achieved targets, taking into account international, regional, and industry trends, as well as national and local regulations and the Group's future business strategies.

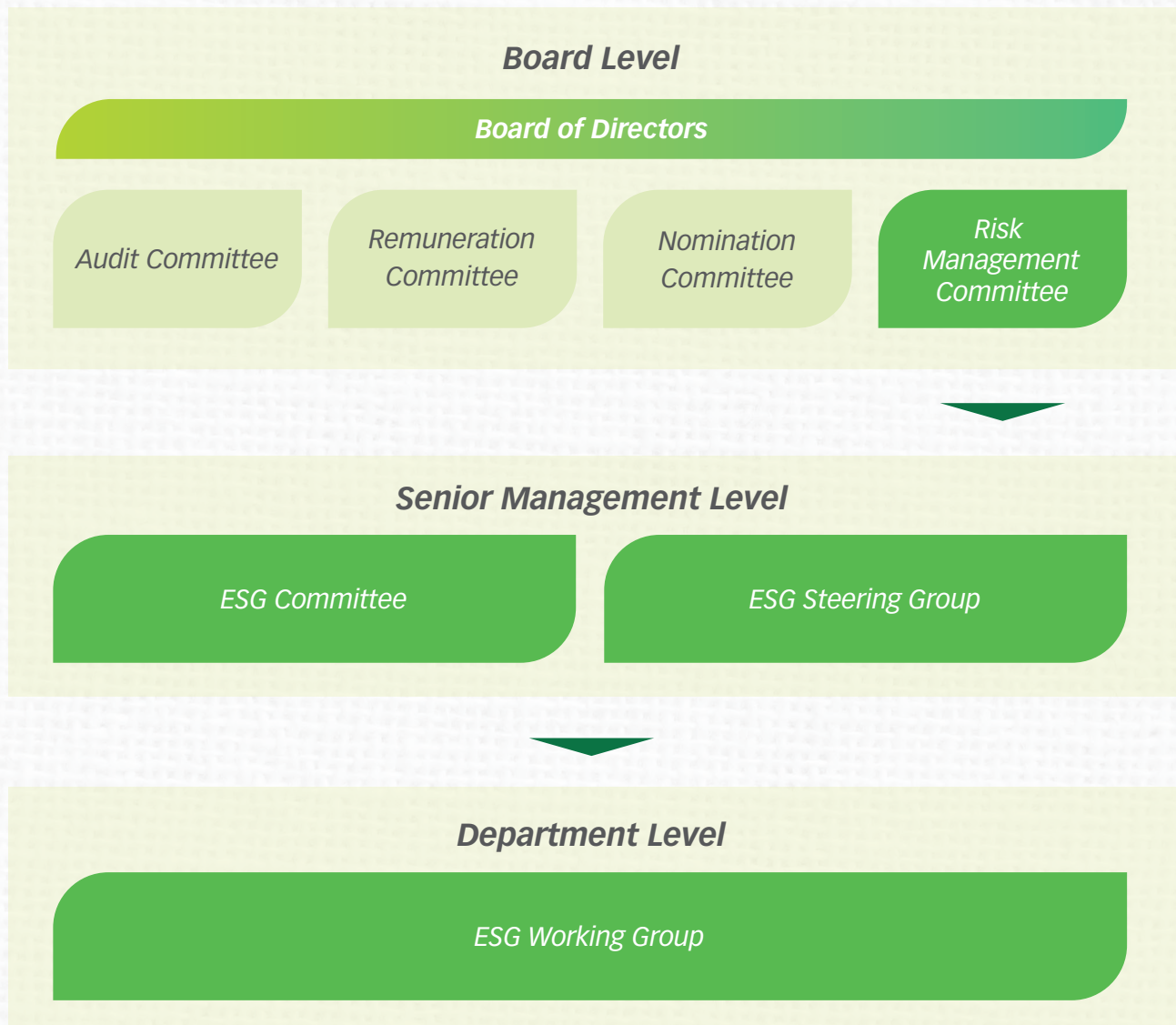
The Group's long-term vision is to move toward an increasingly sustainable future for its business, stakeholders, and the communities served. By continuously refining our ESG strategy and rigorously monitoring progress, we strive to lead by example in the fashion industry and beyond. We remain committed to aligning our business success with the broader goals of environmental stewardship, social responsibility, and good governance.



SUSTAINABILITY GOVERNANCE

SUSTAINABILITY STRUCTURE

By establishing a comprehensive sustainability governance structure that integrates both top-down strategic direction and a bottom-up approach, we have built a clear and streamlined organisational structure to oversee ESG matters, ensuring a systematic and effective approach to ESG development.



Sustainability Governance Structure



SUSTAINABILITY GOVERNANCE

Responsibilities and Functions

The responsibilities and functions at each level of the structure are outlined as follows:

The Board	<p>Chairman Provides leadership to the Board in forming business directions and sustainable strategies and culture</p> <p>Responsibilities and Functions</p> <ul style="list-style-type: none"> • 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 provide strong independent opinions to the Board based on their professional experience and expertise on sustainability issues
Risk Management Committee	<p>Members Chaired by the Managing Director and consists of certain Board members</p> <p>Responsibilities and Functions</p> <ul style="list-style-type: none"> • 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
ESG Committee	<p>Members Chaired by the Managing Director and consists of senior management from various business divisions</p> <p>Responsibilities and Functions</p> <ul style="list-style-type: none"> • Oversees and reviews the ESG goals, strategies and policies proposed • Research, monitors and reviews current and rising ESG trends and issues in understanding emerging ESG issues that affect the Group's operations • Discusses with the ESG Steering Group on the implementation of the ESG policies and the potential frauds and risks identified in 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 • Oversees stakeholder engagement processes to ensure the effective communication with stakeholders to comprehend their interests, and assist the Board in conducting materiality assessment



SUSTAINABILITY GOVERNANCE

ESG Steering Group

Members

Consists of the Company Secretary and heads of profit centres, who manage the ESG Data Collection Team and ESG Working Group which consists of representatives from various business divisions of the profit centres

Responsibilities and Functions

- Reviews and confirms the information and data collected by the ESG Data Collection Team and ESG Working Group quarterly and annually before submitting it to the headquarters
- Monitors the latest compliance requirements of various regions and headquarters in Hong Kong and implements measures to address specific compliance needs
- Co-organises quarterly ESG meetings and provides quarterly data and information to the headquarters for co-ordination
- Formulates regional strategies for moving towards ESG targets for the Group and establishes related measures
- Reports regularly on the progress toward the targets and related risks to the ESG Committee

ESG Working Group

Members

Consists of the Functional Heads and Sustainability Team

Responsibilities and Functions

- Executes ESG projects and assigns related tasks to subordinates
- Reports to the ESG Steering Group about the progress of ESG projects and the potential frauds and risks identified during execution

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

- to review and monitor the progress in achieving the social and environmental targets of each regional profit centre;
- to discuss the formation and scope of the new sustainability goals and the latest local and international trends and regulations as well as business development of the Group; and
- to identify the relevant ESG risks and opportunities and corresponding mitigation measures.

For more details on risk management and internal control systems, please refer to the “Corporate Governance Report” section of our 2024 Annual Report.



SUSTAINABILITY GOVERNANCE

SUSTAINABLE STRATEGIES

At High Fashion, sustainability is at the core of our business strategies. We integrate sustainable development and green supply chain practices into our operations, guided by the leadership of our Board and supported by our management and employees. The following key strategies drive our commitment to sustainability:

Governance		
<ul style="list-style-type: none">As an industry model, the Group has embraced and integrated sustainable development and green supply chain into its business strategies, as governed under corporate culture and the leadership of the Board. Our Board, management and employees, as a whole, remain committed to maintaining good corporate governance practices and procedures. We maintain the oversight role of the Board in ESG and work for long-term success and sustainability of the Company.		
Research and Development ("R&D") of Green Products	Green Manufacturing	People Management and Community
<ul style="list-style-type: none">To provide cutting-edge green products, we integrate and allocate the required resources to promote new technologies and use of innovative, recycled, or biomass-based materials, and embed extensive R&D into the garment industry.	<ul style="list-style-type: none">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.	<ul style="list-style-type: none">To maximise our sustainability performance, we have been vigorously cultivating a sustainability conscious culture among our staff. We are dedicated to supporting social welfare and youth education as a responsibility inherent in corporate development.
Green Supply Chain		
<ul style="list-style-type: none">Green and low-carbon materials are accorded priority in procurement and natural dyeing is always our first preference. We achieve sustainable fashion by incorporating recycled and organic materials, which enhances product traceability and maximize material utilization.		



SUSTAINABILITY GOVERNANCE

MATERIAL TOPICS

Stakeholder Communications

Effective stakeholder communication is essential to maintaining transparency, building trust, and fostering long-term relationships with all our stakeholders. At High Fashion, we are committed to engaging with our stakeholders in various ways, ensuring that their concerns, needs, and expectations are addressed. Our approach to stakeholder communication is based on openness, responsiveness, and collaboration.

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"> Customer Satisfactory Survey and Opinion Collection Form Social Media and Press Releases 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"> Announcements Corporate Communications Company Website General Meetings Social Media and Press Release 	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 Assessment

The Group recognise the importance of understanding the key ESG issues that matter most to our stakeholders. Our materiality assessment process is central to ensuring that our sustainability initiatives align with the interests and concerns of those who are directly or indirectly impacted by our operations.

To effectively identify and prioritise these issues, we engage with both internal and external stakeholders, gathering their feedback through surveys and direct interactions. By considering the perspectives of our stakeholders, we are able to identify and assess ESG risks and opportunities that are critical to our long-term success.

Our stakeholder engagement includes a three-step materiality assessment, aimed at determining the most relevant and critical ESG aspects for the Group. The process provided a deep understanding of the opinions and priorities of our stakeholders regarding ESG-related topics, our management approaches, and our overall ESG performance.

The procedures followed during this materiality assessment are outlined below:

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.

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.

Validation

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

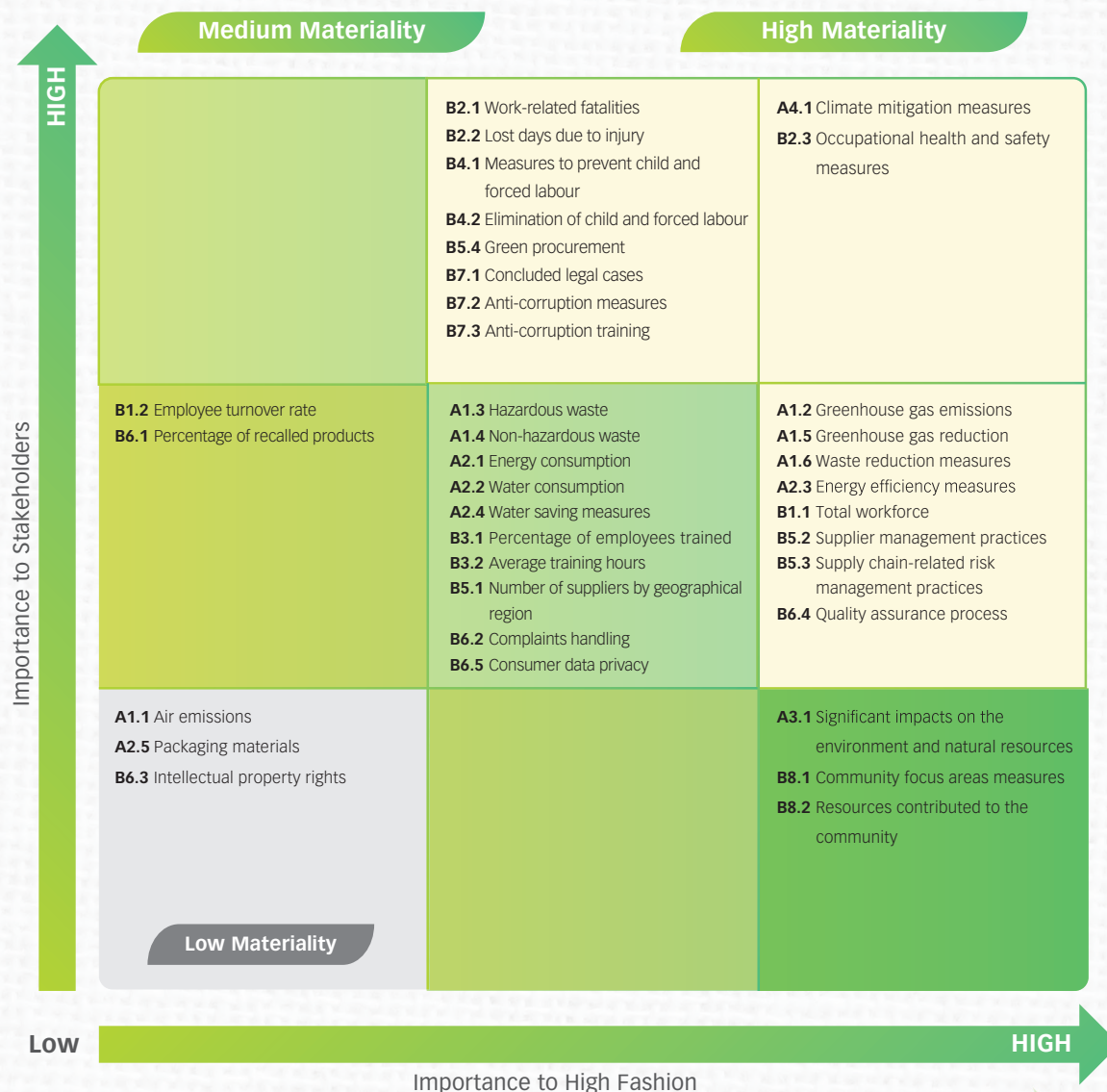


SUSTAINABILITY GOVERNANCE

The list of issues relevant to our stakeholders and the Group's sustainability efforts has been compiled with reference to the ESG Guide, and the materiality of each issue was determined through our materiality assessment. Given that there have been no significant changes in our business, operational structure, or systems, we continue to focus on material issues identified in 2021.

The Group has identified 18 highly material issues spanning key areas such as climate change, supply chain management, occupational safety, and business ethics, all of which are vital to our business sustainability and closely aligned with the interests of our stakeholders. These material topics were reviewed and endorsed by the ESG Committee during the year.

The Group confirmed that it has established appropriate and effective management policies for ESG issues, and an internal control system to ensure that the above material issues are properly addressed.





LOWER IMPACT

UN SDGs

Our Actions in 2024

6 CLEAN WATER AND SANITATION



6.3 Taking responsible of the quality of water used in operations

- Gained ISO 14001 and ISO 50001 certifications for environmental and energy management
- Applied water-saving practices, including regular checks on water pipelines
- Followed strict chemical management rules, including the Zero Discharge of Hazardous Chemicals programme

7 AFFORDABLE AND CLEAN ENERGY



7.2 Increasing the share of renewable energy in total energy consumption

- Installed more solar power systems, generating over 3 million kWh of electricity in 2024
- Purchased 6,400 International-Renewable Energy Certificates ("I-RECs") and Green Electricity Certificates ("GECs") of China to reduce carbon emissions

13 CLIMATE ACTION



13.2 Integrating the measures for climate change

13.3 Enhancing education, awareness, and institutional capacity for climate action

- Developed a dual-carbon management system to support carbon peak and neutrality goals
- Managed climate risks by focusing on reducing carbon footprint and improving climate resilience
- Replaced traditional production methods with greener alternatives like low temperature soaping
- Installed the heat recovery system and the energy storage system to maximise the energy efficiency
- Took part in drafting four industry technical specifications
- Managed ESG efforts through dedicated committees at the board level



LOWER IMPACT

ENVIRONMENTAL MANAGEMENT

The Group is committed to continuously enhancing its environmental management system and strengthening its environmental protection efforts, fulfilling its social responsibility as an industry leader. We strictly adhere to various environmental protection laws and regulations⁵ across all operations to minimise our environmental impact.

We have successfully obtained certifications for ISO 14001 Environmental Management System, and ISO 50001 Energy Management System, demonstrating our relentless efforts and outstanding achievements in managing environmental impacts.

ISO 14001 Environmental Management System Certificates



Dongguan Yihao Fashion Limited



High Fashion (China) Co., Ltd.

ISO 50001 Energy Management System Certificate



High Fashion (China) Co., Ltd.

⁵ List of applicable laws and regulations available in "Laws and Regulations".



LOWER IMPACT

ADDRESSING CLIMATE CHANGE

The Group recognises climate change as one of the most critical challenges of our time. As a fashion industry leader, we are committed to mitigating our environmental impact and promoting sustainable practices to address climate change. Our approach to climate change is structured around four key pillars: Governance, Strategy, Risk Management, and Metrics and Targets.

Governance

At High Fashion, we recognise the urgent need to address climate change and integrate sustainability into our core business strategy. The Board is responsible for overseeing the Group's ESG management approach, strategy, performance, and reporting, including climate-related issues. This oversight is conducted with the support of the Risk Management Committee and the ESG Committee, ensuring a structured and effective approach to climate governance.

To reinforce our commitment to carbon reduction and sustainability, we have established a dual-carbon (carbon peak and carbon neutral) management system. This system facilitates comprehensive carbon management by:

- Monitoring and managing carbon reduction initiatives.
- Ensuring compliance with climate regulations and reporting requirements.
- Gathering and analysing climate-related data to track progress.
- Establishing carbon management indicators, targets, and action plans to drive continuous improvement.

Strategy

To address climate-related risks and opportunities, we have developed a comprehensive strategy focusing on both mitigation and adaptation measures.



LOWER IMPACT

Mitigation: Reducing Our Carbon Footprint

We are committed to lowering our greenhouse gas (“GHG”) emissions and transitioning toward a low-carbon economy through:

Renewable Energy Integration

- Expanding the use of solar energy with photovoltaic (“PV”) systems and purchasing I-RECs and GECs to offset emissions.

Energy Efficiency Improvements

- Optimising production processes, upgrading machinery to more energy-efficient models, and implementing heat recovery systems to reduce energy waste.

Sustainable Materials & Processes

- Increasing the use of eco-friendly and recycled materials, adopting water-efficient technologies, and reducing chemical-intensive processes.

Supply Chain Decarbonisation

- Engaging with suppliers to enhance their carbon management capabilities and encourage the adoption of sustainable production practices.
- Prioritise the procurement of certified sustainable raw materials such as GOTS, GRS, OEKO-TEX, etc.

Adaptation: Building Climate Resilience

To safeguard our business against climate-related risks, we are implementing adaptation measures to enhance resilience:

Climate Risk Assessments

- Conduct climate risk assessments to evaluate the impact of climate related risks on our operations.

Infrastructure Upgrades

- Enhancing climate resilience of the existing plants through regular inspection and infrastructure planning.

Employee Training & Awareness

- Educating employees on climate risks and best practices for sustainability to foster a group-wide culture of resilience.
- Established an Extreme Weather Emergency Response Plan to guide our employees in handling extreme weather situations.



LOWER IMPACT

Risk Management

To address climate-related risks, we have established a robust risk management framework that identifies, assesses, and mitigates potential impacts on our operations and value chain.

Climate-related Risks		Potential Financial Impact	The Group's Response
Physical Risks			
Acute Risk	Extreme weather events	<ul style="list-style-type: none">Increased costs due to substantial asset loss.Higher costs due to negative impacts on employee safety and well-being.	<ul style="list-style-type: none">Establish emergency response procedures for extreme weather events.Enhance climate resilience of plants through regular inspections and infrastructure planning.Conduct regular risk assessments on facilities in vulnerable locations.Upgrade cooling and ventilation systems to maintain production efficiency.
Chronic Risk	Sea level rise	<ul style="list-style-type: none">Higher insurance premiums for assets in high-risk areas.Additional costs due to supply chain disruptions.	
	Temperature increment	<ul style="list-style-type: none">Reduced revenue due to decreased production efficiency.	
Transition Risks			
Policy and Legal	More stringent climate policies and regulations	<ul style="list-style-type: none">Increased compliance costs.	<ul style="list-style-type: none">Regularly review and adapt to regulatory changes.Implement proactive measures to meet stricter environmental discharge and pollution standards.
Technology	Low-carbon technology transition	<ul style="list-style-type: none">High investment costs for upgrading equipment and adopting greener technologies.	<ul style="list-style-type: none">Adopt more energy-efficient and lower-emission machinery to replace outdated equipment.Invest in R&D for green technologies in production.
Market	Rising demand for environmentally friendly products	<ul style="list-style-type: none">Loss of market share if unable to meet sustainability expectations.Potential revenue growth through sustainable product innovation.	<ul style="list-style-type: none">Increase reliance on renewable energy sources.Expand the development of sustainable and eco-friendly products.
Reputation	Increased stakeholder concern regarding corporate sustainability	<ul style="list-style-type: none">Risk of reputational damage if sustainability expectations are not met.Potential loss of investor and consumer confidence.	<ul style="list-style-type: none">Enhance ESG disclosure and transparency.Strengthen stakeholder engagement through sustainability initiatives.



LOWER IMPACT

Climate-related Opportunities		Potential Financial Impact	The Group's Response
Products and Services	Development of low emission products	<ul style="list-style-type: none"> Increased market competitiveness. Potential revenue growth from eco-friendly products. 	<ul style="list-style-type: none"> Investing in R&D for sustainable product lines. Launching green product certifications.
Energy Source	Use of lower-emission of energy	<ul style="list-style-type: none"> Reduced operational costs. Lower carbon tax liabilities. 	<ul style="list-style-type: none"> Transitioning to renewable energy sources. Implementing energy efficiency programs.

Metrics and Targets

We are fully committed to contributing to the goal of carbon neutrality. In alignment with the Chinese Central Government's pledge to peak carbon emissions before 2030 and achieve carbon neutrality by 2050, we have proactively established our own targets and actionable plans.

Targets



Group Target: 15%

reduction in carbon footprint by the end of 2024 as compared to 2019 level.

In 2021, High Fashion (China) Co., Ltd. launched a comprehensive sustainable development plan with the ambitious goal of reaching carbon peak by 2025. This plan encompasses six key focus areas:

Green Factory	Green Product	Green Promotion	Green Labelling	Green Energy	Green Supply Chain
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The sustainable development plan not only supports the Group's carbon reduction targets but also aligns with the industry trends and policy directions outlined by the Zhejiang Provincial Government and the Hangzhou Municipal People's Government.



LOWER IMPACT

Progress Monitoring

To ensure effective implementation, we follow the PDCA (Plan-Do-Check-Act) cycle to establish and manage carbon reduction indicators, targets, and action plans.

Carbon management performance is monitored, deviating evaluated, and enhancement initiatives executed, accompanied by periodic updates to management. Adaptations are made in response to strategic business directions, regulatory developments, and stakeholder requirements, facilitating an effective and comprehensive carbon management framework.

For detailed information on energy consumption and GHG emissions, please refer to the Energy and Carbon Emission Management section of this report.

ENERGY AND CARBON EMISSION MANAGEMENT

As part of our sustainability strategy, the Group is committed to responsible energy management and emission reduction. The Group has established comprehensive energy management policies and procedures in alignment with national energy conservation regulations. We aim to enhance energy efficiency, minimise environmental impact, and promote sustainable business growth.

Advancing Energy Efficiency and Process Optimisation

We are committed to optimising existing processes and adopting advanced technologies to enhance energy efficiency and reduce our carbon footprint. By integrating innovative practices and upgrading our operations, we aim to minimise resource consumption while maintaining high production standards.

Energy-Efficient Process Improvements

We actively explore methods to replace traditional processes with more sustainable alternatives. For instance:

Gas Overflow Machines (氣溢流機) for Scouring	Reactive Dyeing Low-Temperature Soaping
<ul style="list-style-type: none">For some products, we have replaced the traditional sand washing process (砂洗工藝) with gas overflow machines. This change reduces steam usage by approximately 800 m³ and carbon emissions by 0.63 tonnes per 10,000 metres of output.	<ul style="list-style-type: none">We utilise reactive dyeing with low-temperature soaping, reducing the soaping temperature from 80° C to 65-70° C. This innovation cuts steam consumption by nearly 1,200 m³ per 10,000 metres of output, translating to a reduction of 0.95 tonnes of carbon emissions per 10,000 metres

Use of intelligent computer-controlled cutting machines to improve efficiency and material utilization and reduce waste through computerized cutting machines.



LOWER IMPACT

Upgrading Equipment and Maintenance

To further enhance energy efficiency, we conduct regular maintenance and technical upgrades to improve machine performance. This includes:

Equipment Maintenance

- Conducting regular maintenance and technical upgrades to improve machine performance.
- Providing training to ensure employees maximise the efficiency of equipment usage, increasing output while reducing energy waste.

Equipment Replacement

- In 2024, our Hangzhou subsidiary replaced eight low-efficiency transformers and phased out eight outdated electric motors. These upgrades significantly improved energy efficiency at the source, aligning with our commitment to sustainable operations.



New Electric Motor



New Digital Printing Machine

Renewable Energy

To advance our commitment to sustainability, we have actively incorporated renewable energy into our operations. Since 2015, we have actively implemented photovoltaic ("PV") power generation systems, steadily increasing the share of renewables in our energy mix.

At our buildings in Hangzhou to Xinchang, solar panels have been installed across a total area of over 100,000 m². In 2024, we expanded our PV system by an additional 0.35 MW, bringing the total installed capacity to more than 11.05 MW. The system generated approximately 2.62 million kWh of electricity for Hangzhou subsidiary, of which around 2.56 million kWh was consumed internally, resulting in a reduction of over 1,425 tonnes of carbon emissions.

In 2024, the PV generation system was also put into operation at our Dongguan factory, currently generating approximately 40,000 kWh of electricity per month.



LOWER IMPACT



PV Power Generation System in Hangzhou



PV Power Generation System in Dongguan

Beyond solar energy, we are further supporting the transition to clean energy by procuring renewable energy certificates. In 2024, we purchased 6,400 I-RECs and GECs, equivalent to a carbon reduction of 3,563 tonnes, an increase of 212.4% in emission reductions compared to the previous year.



International Renewable Energy Certificate



Green Electricity Certificate Transaction Vouchers

Currently, renewable electricity accounts for 64% of our Hangzhou subsidiary's total electricity consumption. To further decrease reliance on non-renewable sources, we are actively exploring additional renewable energy options, including biomass energy.

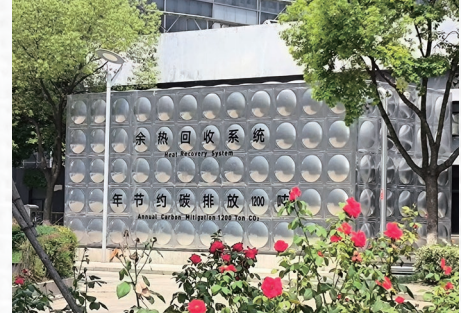


LOWER IMPACT

Heat Recovery System

The steam resources are primarily allocated to various technological processes in the dyeing centre, including printing procedures, steaming treatments, dyeing processes, as well as sand washing and drying techniques. Steam is also supplied to the garment centre for ironing and drying procedures. After steam usage in printing processes, drying treatments, and ironing operations, the system generates significant amounts of exhaust steam and condensate water. To maximise steam efficiency and reduce heat loss, we implemented a heat recovery system in 2024.

The system includes steam exhaust recovery pipelines, water pools, storage tanks, water pumps, and an automated control system for water level and temperature. This system captures excess heat from production boilers and repurposes it to supply hot water for our sand washing and dyeing workshop, significantly lowering the need for additional energy. As a result, it helps reduce carbon emissions by approximately 1,200 tonnes as well as water saving of 4,000 tonnes annually.



Energy Storage System

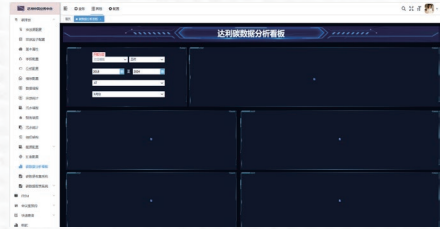
A 600 kWh solar photovoltaic and energy storage system has been constructed, employing innovative energy storage technology. On one hand, it reduces the electricity burden for the subsidiary of the Group, while on the other hand, it improves the self-consumption efficiency of photovoltaic power. Simultaneously, it enhances the grid's peak regulation capability and emergency protection functions.



LOWER IMPACT

Energy and Carbon Management System

To strengthen our energy consumption and carbon emissions monitoring and management, our Hangzhou subsidiary has implemented an advanced carbon peak and carbon neutrality (“Dual Carbon”) management system. This system enhances oversight while integrating innovative digital solutions for efficient energy and carbon data management.



Low Carbon Manufacturing Programme

Our subsidiary, Dongguan Dalisheng Fashion Co., Ltd. has actively implemented carbon reduction initiatives through the World Wildlife Fund Low Carbon Manufacturing Programme (“LCMP”). The company has achieved carbon intensity reduction by adopting best practices in energy efficiency, greenhouse gas management, and sustainable manufacturing processes. These efforts have been recognised with the LCMP Gold certification, reflecting its commitment to minimising emissions and enhancing environmental sustainability in its operations.



Higg Facility Environmental Module (“Higg FEM”)

Our subsidiary, Eminent Garment (Cambodia) Limited, has successfully completed the latest Higg FEM assessment, which evaluates the environmental impact of our manufacturing operations, including water usage, waste management, chemical safety, and energy efficiency, allowing us to identify strengths and areas for improvement to enhance sustainability performance.

Certificate of Completion 2024

Hereby certifies that

Eminent Garment (Cambodia) Limited.

Has completed the HIGG FEM SELF-ASSESSMENT

Warranty No. 038823

On 01/10/2024

Cascale

Higg Index

Cascale certifies that the facility named above utilizes the Higg index to measure and grow its sustainability practice.

Colin Brown
Chief Executive Officer
Cascale

Cascale (Formerly Sustainable Apparel Coalition) 174 Franklin St., 8th Floor, Oakland, CA 94612



LOWER IMPACT

Industry Collaboration

High Fashion (China) Co., Ltd. played a key role as the deputy lead unit in drafting the following technical specifications for textile industry. These four technical specifications were officially released in 2024, marking a significant milestone in advancing the green transition of China's textile industry.



- Development and Evaluation Technical Specification of Carbon Neutral Factory for Textile Industry 《紡織行業碳中和工廠創建和評級技術規範》
- Technical Specification of the Evaluation for Carbon Neutral Textile Products 《碳中和紡織品評價技術規範》
- ESG Disclosure Guidelines for Textile Enterprises 《紡織企業ESG披露指南》
- Technical Specification of Textile Carbon Label 《紡織品碳標籤技術規範》

Supply Chain Collaboration

We actively collaborate with key partners across the supply chain to drive carbon reduction efforts. We have established cooperative relationships with leading brands to jointly promote the monitoring and reduction of carbon emissions. Through shared goals and coordinated actions, we aim to enhance environmental performance across the value chain and contribute to a low-carbon and sustainable future.

Item Name	Item Code	Item Category	Item Status	Item Date
H&M Sports Products Ltd.	10001	10001	10001	2024-12-31
H&M Sports Products Ltd.	10002	10002	10002	2024-12-31
H&M Sports Products Ltd.	10003	10003	10003	2024-12-31
H&M Sports Products Ltd.	10004	10004	10004	2024-12-31
H&M Sports Products Ltd.	10005	10005	10005	2024-12-31
H&M Sports Products Ltd.	10006	10006	10006	2024-12-31
H&M Sports Products Ltd.	10007	10007	10007	2024-12-31
H&M Sports Products Ltd.	10008	10008	10008	2024-12-31
H&M Sports Products Ltd.	10009	10009	10009	2024-12-31
H&M Sports Products Ltd.	10010	10010	10010	2024-12-31
H&M Sports Products Ltd.	10011	10011	10011	2024-12-31
H&M Sports Products Ltd.	10012	10012	10012	2024-12-31
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H&M Sports Products Ltd.	10099	10099	10099	2024-12-31
H&M Sports Products Ltd.	10100	10100	10100	2024-12-31

LOWER IMPACT

Environmental Awareness Training

To strengthen awareness and capabilities in carbon reduction, the Group has also organised multiple training sessions focused on energy conservation and carbon reduction.



Our Performance

Energy Consumption

The Group's energy consumption in production and daily operations includes electricity, diesel, petrol, natural gas, and steam. In 2024, our total energy consumption was 85,925 MWh, reflecting a 10.3% increase compared to the previous year. This rise was primarily due to increased consumption of steam and natural gas, which led to higher energy usage.

Greenhouse Gas ("GHG") Emissions

In 2024, our total greenhouse gas emissions amounted to 35,736 tonnes, representing a 9.6% increment from 2023.

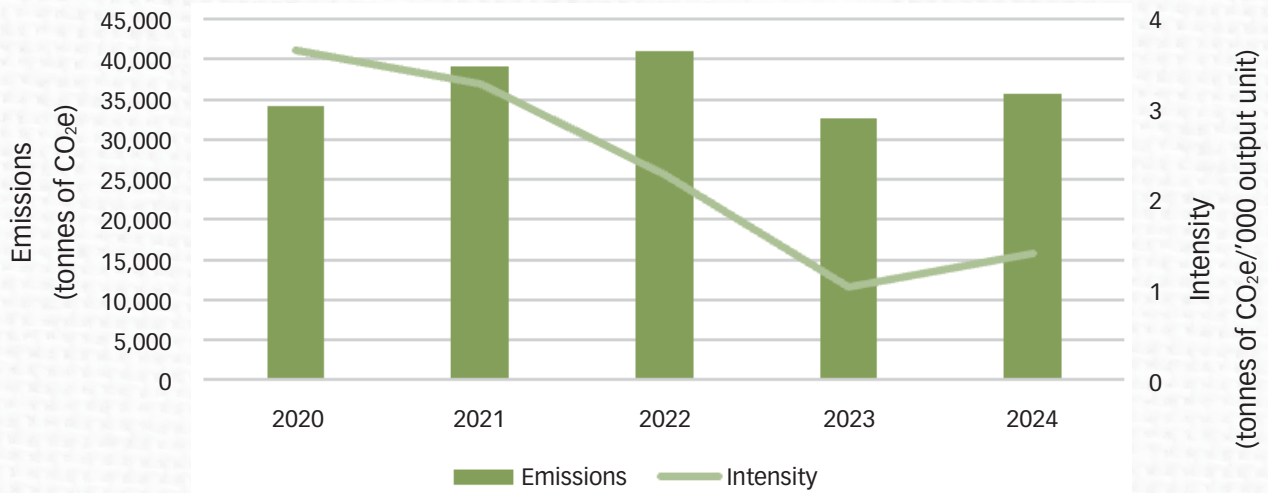
Year	Scope 1				Scope 2		Scope 3			Biomass combustion
	Stationary Fuel	Mobile Fuel (Vehicles)	Purchased Town gas	Refrigerant	Electricity	Steam ⁶	Water	Industrial Wastewater	Domestic Wastewater	
2019	849	504	4,016	685	17,366	24,322	251	482	1	N/A
2020	506	282	3,003	259	12,415	17,115	161	320	0	N/A
2021	487	272	3,613	2,214	12,118	19,815	175	386	23	N/A
2022	3,507	253	0	3,301	13,044	19,244	151	109	22	1,450
2023	3,891	270	0	186	9,534	17,441	133	103	21	1,039
2024	4,333	263	0	471	9,329	19,693	162	117	20	1,348

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During the Reporting Period, we updated the calculation methodology for steam-related GHG emissions. Following the "Methodology and Reporting Guidelines on Greenhouse Gas Emission Accounting for Enterprises in Other Industrial Sectors (Trial)", steam-related GHG emissions are now calculated by multiplying the heat content of the steam by the CO₂ emission factor of the heat supply.

LOWER IMPACT

GHG Emissions 2020-2024



AIR EMISSION MANAGEMENT

We strictly comply with all national and regional regulations⁷ regarding air emissions and have implemented robust control measures to minimise pollutants.

During the Reporting Period, our production-related activities generated approximately 691 kg of nitrogen oxides ("NOx"), 2 kg of sulphur oxides ("SOx"), and 662 kg of particulate matter ("PM").

Recognising the potential environmental impact of air pollution from manufacturing processes, we have taken proactive steps to reduce direct emissions. We have installed advanced pollution abatement equipment to effectively treat exhaust gases before they are released into the atmosphere.

Looking ahead, we plan to gradually increase the adoption of electric steam boilers in our production processes, further reducing emissions and supporting our commitment to cleaner and more sustainable manufacturing.

⁷ List of applicable laws and regulations available in "Laws and Regulations".



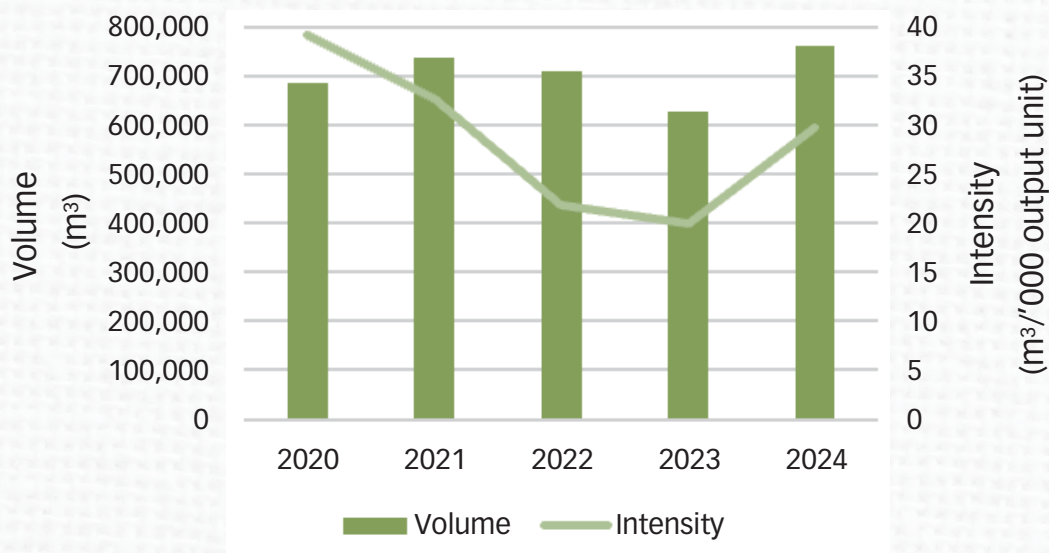
LOWER IMPACT

WATER MANAGEMENT

At High Fashion, we are committed to responsible water management and have implemented sustainable practices that minimise water consumption, enhance water usage efficiency, and promote wastewater recycling. Through continuous investment in advanced water-saving technologies and monitoring systems, we strive to reduce our environmental impact while ensuring the long-term sustainability of water resources.

In 2024, the Group’s total freshwater consumption was 760,297 m³, with a freshwater intensity of 29.75 m³/’000 output units. Water consumption increased by 21.54% compared to last year, primarily due to the activation of additional factory floors and a rise in the number of employees. The Group primarily sources water from local municipal supply networks. We did not experience any problems in sourcing water fit for the purpose during the Reporting Period.

Fresh Water Consumption 2020-2024



LOWER IMPACT

Reducing Water Consumption at the Source

We have implemented a comprehensive set of water-saving measures across our operations. Regular inspection and monitoring of pipeline systems are conducted to detect and prevent water leakage, ensuring efficient water use throughout our production processes.

Adopting Water-Efficient Technologies

To further minimise water usage, we have integrated innovative and efficient equipment into our production facilities:

Upgrading Continuous Rope Washing Machines

To enhance water efficiency in our production process, we upgraded our traditional rope washing machines to new, continuous models with advanced sealed designs. This change significantly improves water utilization and reduces wastewater discharge. Compared to older machines, the new system cuts steam use by 1.18 tons and lowers carbon emissions by 0.36 tons per 10,000 meters of fabric. More importantly, the improved design maximises water recycling and minimises unnecessary water loss, aligning with our commitment to sustainable water management in textile manufacturing.

Significant Water Savings with Gas Overflow Dyeing Technology

We replaced traditional overflow dyeing machines with advanced gas overflow machines to significantly reduce water and energy use. The new machines lower the liquor ratio to 1:4–1:5, reducing water and steam consumption by 67%. At the same time, chemical use is cut by over 60%, helping both the environment and our bottom line. The gas overflow technology also improves dyeing quality and increases production efficiency by 33.3%, allowing us to meet more orders in less time with less impact on the planet.



LOWER IMPACT

Enhancing Water Recovery and Reuse

Wastewater reuse is also a key component of our water conservation strategy. Since 2010, we have continuously invested in wastewater treatment equipment upgrades and water recycling systems to enhance treatment efficiency and minimise sewage discharge.



Ultrafiltration and Reverse Osmosis (“RO”) Membrane Treatment Technology

Within our production processes, we utilise ultrafiltration and RO membrane treatment technologies to efficiently recycle and reuse biochemical wastewater on-site. In 2024, our Hangzhou operation successfully reused approximately 350,000 m³ water in production lines, contributing to more sustainable water resource management.



Condensed Water and Cooling Water Reuse System

To further optimize water usage, we have installed a Condensed Water and Cooling Water Reuse System, ensuring that water is efficiently recirculated within our operations.

Rainwater Collection for Landscape Use

As part of our commitment to sustainable water management, we collect rainwater to fill landscape ponds, reducing reliance on external water sources.



LOWER IMPACT

CHEMICAL AND WASTEWATER MANAGEMENT

Chemical Control

We are committed to handle and manage chemicals responsibly, strictly adhering to the Zero Discharge of Hazardous Chemicals (“ZDHC”) Manufacturing Restricted Substances List (“MRSL”). This ensures that no prohibited hazardous chemicals are used in our production processes, minimising potential environmental impacts and safeguarding employee health. Through continuous monitoring and compliance, we strive to reduce chemical risks and promote safer, more sustainable manufacturing practices.

Wastewater Management

We strictly comply with national and regional regulations⁸ regarding wastewater discharge. Domestic wastewater generated by the Group is discharged into the municipal sewage networks, from where it is sent to wastewater treatment plants for further processing.

At our Hangzhou factory, which is involved in textile printing and dyeing, we have implemented a dedicated wastewater treatment system specifically for the industrial wastewater. The factory has established a wastewater treatment facility with a treatment capacity of 4,000 tonnes per day. To promote water reuse during the treatment process, we deploy advanced treatment technologies such as quartz sand filters, ultrafiltration (“UF”) systems, and RO systems to purify the wastewater. The treated water is then recycled and reused within the production workshop, reducing water consumption and minimising waste.



In 2024, we constructed a new printing concentrated water collection and regulation system to reduce the impact of product volume changes on the wastewater treatment system and improve the stability of the sewage system operation.

All wastewater requiring discharge is sent to local wastewater treatment plants for further processing. To ensure compliance, we have installed online monitoring systems at wastewater discharge outlets that are connected to environmental management department for continuous monitoring of wastewater quality. Specifically, we measure Chemical Oxygen Demand (“COD_{Cr}”), Ammonia Nitrogen (“NH₃-N”), Total Nitrogen (“TN”), and pH levels to confirm they meet national discharge standards.

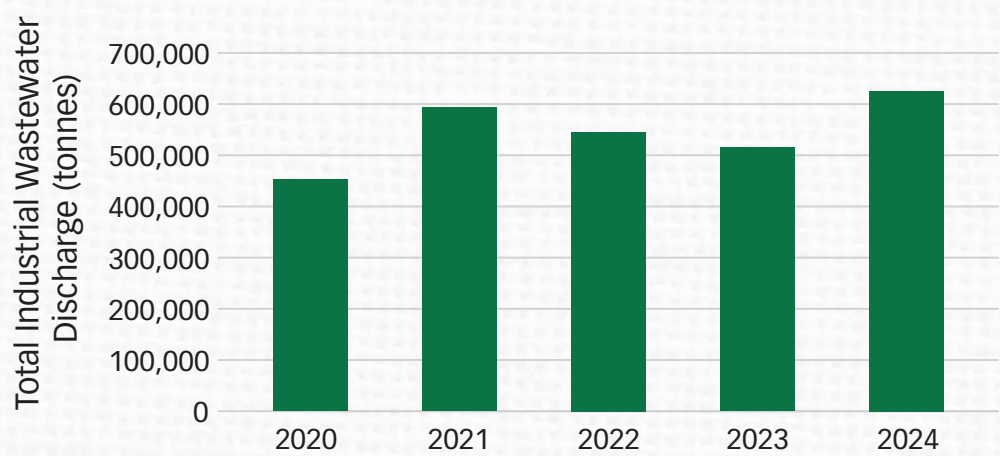
⁸ List of applicable laws and regulations available in “Laws and Regulations”.



LOWER IMPACT

In 2024, 625,412 tonnes of industrial wastewater was treated and discharged subsequently. The increase in industrial wastewater discharge in 2024 was mainly due to a reduction in the volume of gray water caused by anomalies in the wastewater treatment facility, along with an overall rise in wastewater generation. The wastewater treatment facility has been repaired and is now in normal operation.

Industrial Wastewater Discharge 2020-2024



WASTE MANAGEMENT

We are committed to responsible waste management and follow effective procedures for ensuring recycling and reducing waste, thereby promoting a circular economy. Through strict compliance with waste management laws and regulations, we strive to minimise environmental impact and contribute to a more sustainable fashion industry.

During the reporting period, the Group generated 3.35 tonnes of hazardous waste, with an intensity of 0.000131 tonnes per 1,000 units of output. Additionally, 1,755 tonnes of non-hazardous waste were generated, with an intensity of 0.069 tonnes per 1,000 units of output.

Hazardous Waste Management

Most of the hazardous waste is generated in the course of manufacturing activities and in our offices. These include chemical residues, batteries, and toner cartridges. We strictly classify, store, and dispose of hazardous waste in accordance with pre-defined procedures that ensure compliance with applicable laws and regulations. Authorised third-party contractors handle hazardous waste disposal, ensuring safe treatment and minimal environmental impact.

Additionally, the Group continuously explores cleaner production technologies and process optimizations to reduce hazardous waste at the source.



LOWER IMPACT

Non-hazardous Waste Management

For non-hazardous waste, we actively promote waste reduction, reuse, and recycling to minimise non-hazardous waste generated from production and daily operations. Silk fabrics, packaging materials, and general office waste are systematically sorted and recycled whenever possible. Non-recyclable non-hazardous waste is responsibly disposed of through qualified third parties, in compliance with environmental regulations.

Our initiatives include:

Optimising production processes to reduce raw material waste

- We utilise a MRP system to plan material procurement based on sales demand, ensuring efficient use of resources.
- Our MES system controls the production process and quality, enhancing material usage and reducing waste.
- We have implemented 3D cut-to-fit tailoring technology, which reduces excess material consumption, minimises errors, and ensures precise measurements during production.

Implementing waste sorting and recycling programs

- We provide recycling bins for plastic, paper, and tins in office buildings to encourage employees to recycle.
- Collection bins in respect of non-hazardous waste, food waste and residual waste are also placed in office buildings to encourage waste separation at source.

Recycling Event Day

To raise environmental awareness and encourage responsible waste management among employees and the community, we organised a Recycling Event Day in August 2024.

A smart used clothes recycling bin for used clothes was placed in the High Fashion Centre car park, allowing participants to recycle items such as handbags, shoes, clothing, and backpacks. Recycled items could be converted into reward points for redemption. During the event, we successfully collected 130 kg of recyclable materials.



Packaging Materials

The Group actively promotes the use of recyclable, biodegradable, and responsibly sourced packaging materials to reduce waste generation. During the Reporting Period, the Group consumed 626 tonnes of packaging materials used for finished products.

BETTER PRODUCTS

UN SDGs

Our Actions in 2024



9.5 Enhance scientific research and innovation

- Advanced green material innovation by launching sustainable products such as:
 - INNOCELL® (recycled cellulose fibre)
 - WISE ∞ COSE® (natural wood-based fibres)
 - SILKOLOGY® (washable silk)
 - Plant-based dyes and biodegradable fabrics



12.a Promoting sustainable consumption and production

- Achieved certifications including OEKO-TEX®, SEDEX, ICS, and WRAP to promote responsible production and supply chain transparency
- Prioritised sustainable procurement, choosing eco-friendly products and suppliers that meet high environmental and ethical standards
- Integrated responsible practices across the supply chain by adopting internationally recognized standards such as Bluesign®, OEKO-TEX®, and the Higg Index

We are committed to operational excellence and continuously optimise our manufacturing processes, enhancing efficiency, and integrating sustainable practices in our operation to ensure high-quality production while minimising environmental impact and upholding social responsibility.

ISO 9001 Quality Management System



Dongguan Yihao Fashion Limited



High Fashion (China) Co., Ltd.

BETTER PRODUCTS

PRODUCT INNOVATION

High Fashion is committed to product innovation, guided by its four core principles: brand leadership, quality as the foundation, innovation as the driving force, and culture as the root. The Group specialises in a wide range of sustainable new materials (INNOCELL®, WISE ∞ COSE®), silk-based fabrics (SILKOLOGY®), athleisure textiles, and original print design.

INNOCELL®

INNOCELL® (循環再生纖維素) is an innovative recycled cellulose fibre designed to promote circular fashion and reduce textile waste. Each year worldwide, approximately 92 million tons of textile waste is generated, yet merely 12% of garment materials undergo recycling. The vast majority of the remaining textiles are either sent to landfills or destroyed through incineration. INNOCELL® provides an eco-friendly alternative by transforming discarded textiles into high-quality regenerated fibres.



Key Features of INNOCELL®

Made from Recycled Textiles

INNOCELL® is produced using cotton and other cellulose-rich fabrics, reducing reliance on virgin materials

High Regeneration Rate

The fibre boasts a regeneration rate of over 80%, ensuring efficient material recovery

Zero Production Waste

The recycling and regeneration process is designed to minimise waste, contributing to a more sustainable production model

Reduced Carbon Emissions

By recycling existing textiles, INNOCELL® helps cut down carbon footprints associated with traditional fibre production

Biodegradable

While being biodegradable, INNOCELL® retains its high-quality performance, making it a reliable choice for sustainable fashion

Reduces Tree Felling

By reusing cellulose fibres, INNOCELL® decreases the demand for virgin wood pulp, helping to preserve forests

Fully Traceable Supply Chain

Ensuring transparency and accountability, INNOCELL® supports responsible sourcing and manufacturing

BETTER PRODUCTS

Reduce Carbon Footprint

INNOCELL® significantly lowers its carbon footprint – compared to generic viscose, it achieves an 82% reduction in carbon emissions, and when compared to cotton, it reduces carbon emissions by 26%.



WISE ∞ COSE®

Made from natural, eco-friendly wood-based fibres, WISE ∞ COSE® incorporates patented technology and advanced sustainable production techniques to enhance fabric durability, improve wrinkle resistance, and ensure easy care.

Key Features of WISE ∞ COSE®



Wood-based cellulose fibre



Tenacity enhancement



Stable shrinkage rate



Breathable and comfortable



Easy care



Fantastic colors

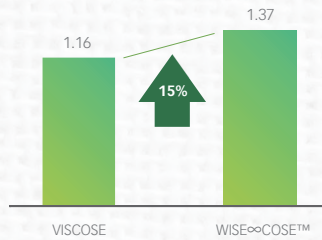


BETTER PRODUCTS

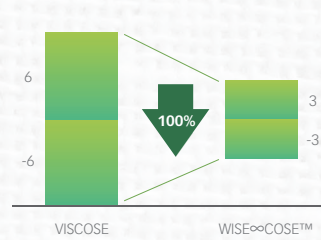
Performance Comparison



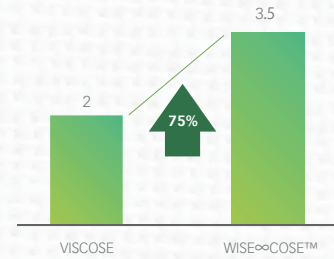
Fiber Wet Breaking Tenacity (CN/DTEX)
ASTM D5034-2017



Fabric Dimensional Stability To Washing (%)
ISO 3759-2011

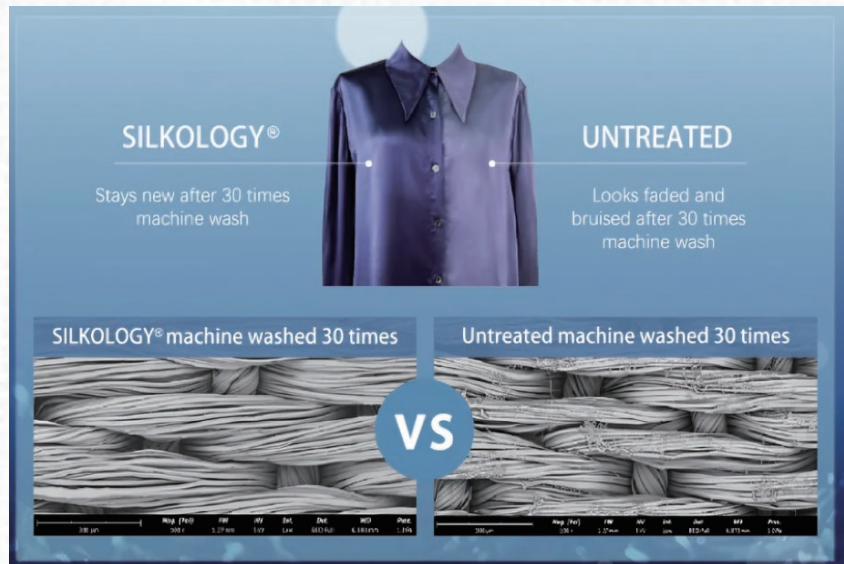


Fabric Appearance Flatness Evaluation
To Washing (SA) ISO 7768-2009



SILKOLOGY®

Developed with proprietary patented technology, SILKOLOGY® silk fabrics undergo a special machine-washable treatment, allowing them to retain their lustre, texture, and colour even after 30 wash cycles. This innovation overcomes traditional silk fabric limitations, such as being non-machine washable, difficult to maintain, prone to whitening, and susceptible to colour fading.



Key Features of SILKOLOGY®



Machine Washable



6A Mulberry Silk



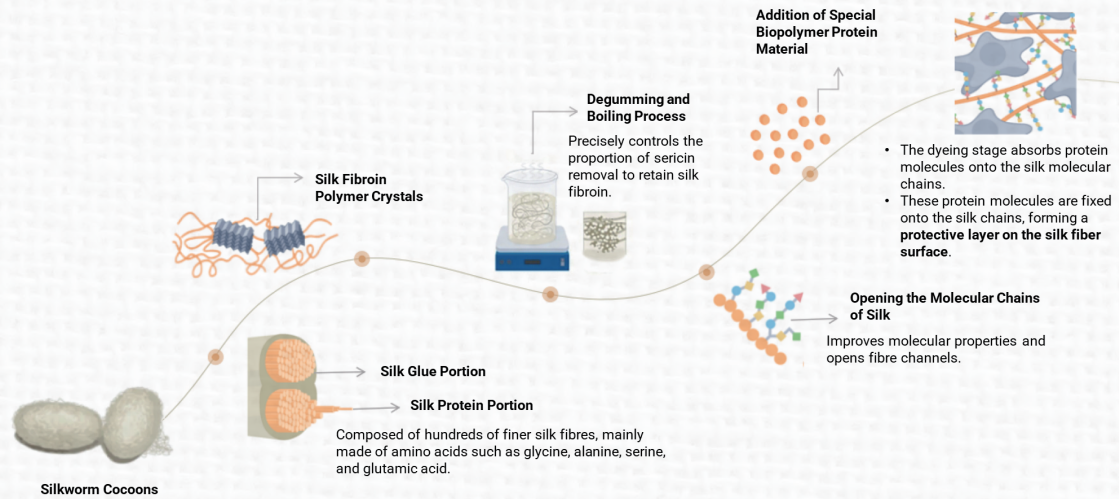
7A Antibacterial Standards



Cool Touch

BETTER PRODUCTS

Innovation Technology



Collaboration with Industry Partners

As the circular economy gains global recognition as it contributes significantly sustainable development, the Group remains committed to working alongside supply chain partners to drive green and low-carbon industry transformation.

Collaboration with Tangshan Sanyou Group Xingda Chemical Fibre Co., Ltd. and Circulose

In 2024, we signed a strategic partnership with Tangshan Sanyou Group Xingda Chemical Fibre Co., Ltd. and Circulose to further advance sustainable practices in the textile industry. This collaboration leverages CIRCULOSE®, a regenerated raw material, to produce TangCell™ ReVisco™ recycled fibres. This product incorporates 50% recycled materials, transforming waste cotton textiles into valuable resources. It fosters a circular and sustainable supply chain while supporting environmental protection and carbon reduction efforts. High Fashion will promote the application of ReVisco™ in the textile industry, providing greener, environmental-friendly and low-carbon solutions for clothing brands.



BETTER PRODUCTS

Collaboration with Yibin Grace Group Co., Ltd.

In 2024, we also established a strategic partnership with Yibin Grace to collaborate on recycling old cotton textiles and expanding market opportunities. Our partnership supports national efforts to drive green and low-carbon development, leveraging innovative recycling technologies to transform the textile industry and create high-value products.



PRODUCT RESPONSIBILITY

The Group aims to achieve high levels of customer satisfaction by delivering reliable, high quality, cost effective service and output products within agreed timeframes. We are committed to the continual improvement of our performance by the monitoring quality issues and through involvement with customers and suppliers.

Product Quality Management

We have implemented a robust product quality management system to ensure the consistency, durability, and functionality of all our products. Our quality control processes span from raw material selection to final production, with rigorous testing and inspection procedures in place to meet both industry standards and customer expectations.

Product Quality Assurance

Ensuring product quality and safety is a top priority at the Group. We have established a comprehensive and rigorous quality management system to maintain high standards across every stage of production.

Our quality control measures cover raw material inspection, in-process intermediate checks, final product inspection, and pre-shipment testing to ensure that all products meet expected performance, functionality, and consistency standards. Upon completion of the production process, a thorough safety and quality assessment is conducted to verify compliance with relevant industry regulations and customer requirements.



To guarantee product integrity, we prescribe strict transportation protocols, including appropriate packaging, clear labelling, controlled transportation environments, and post-delivery inspection. These measures ensure that products remain undamaged throughout the logistics process and are delivered safely and in perfect condition to customers.

Additionally, our quality control framework is aligned with customer-designated Acceptable Quality Level ("AQL") standards, ensuring consistent product excellence.



BETTER PRODUCTS

Non-confirming Product Control

We have established a strict unqualified product control process to ensure that only high-quality products reach our customers. Our approach includes systematic inspections at every stage of production, with clear procedures for handling non-conforming materials and products.

Incoming Material Inspection	In-Process Inspection	Final Product Inspection
<ul style="list-style-type: none">If raw materials fail to meet quality standards, they are identified, isolated, and reported to the procurement department for further handling.	<ul style="list-style-type: none">If semi-finished products are found to be defective, the cause is analyzed and corrective actions are taken to prevent further issues.	<ul style="list-style-type: none">Any non-conforming finished products undergo reworking or corrective measures. Customers are informed of the issue, and appropriate solutions are implemented to ensure compliance with quality standards.

Product Safety

We prioritise the safety of our products by strictly adhering to global safety regulations and conducting regular testing for harmful substances. All our products are designed to meet or exceed international safety standards.

To maintain compliance, we require our suppliers and in-house business units to provide third-party testing certifications. Additionally, we continuously update our restricted substance list based on customer requirements and relevant regulations, ensuring that our products remain safe and of the highest quality.

The independent organisations are regularly commissioned to review our manufacturing processes to verify that our final products comply with specific safety, quality, and performance standards, aligning with all applicable laws and regulations.

High Fashion integrated Bluesign®-certified materials into selected products, further reinforcing our commitment to sustainable and responsible manufacturing. By adhering to Bluesign® standards, we ensure that our textile production processes meet stringent environmental, health, and safety requirements. The Group is dedicated to reducing harmful substances, minimising resource consumption, and promoting eco-friendly innovations across our supply chain.



Raw Material Sourcing

We source raw materials responsibly to ensure product safety, environmental sustainability, and compliance with international standards. Most of the raw materials we purchase hold environmental protection certifications and are free from chemicals that violate the Registration, Evaluation, Authorisation, and Restriction of Chemicals ("REACH") regulations and Bluesign® Recognition. We maintain strict control over material selection to ensure that no harmful substances that could impact human health or the environment are included in our products.



BETTER PRODUCTS

Product Recall Procedure

We have established a comprehensive product recall procedure to address serious defects or potential safety risks in delivered products. In the event of a recall, the Business Department and Quality Management Department are responsible for coordinating the recall process.

Once a recall is initiated, we first identify the affected stakeholders and promptly communicate the recall notice through multiple channels, including phone, email, and media announcements. All recalled products are classified as non-conforming products and handled in accordance with our Non-Conforming Product Management Procedure to ensure proper resolution and prevent further risks.

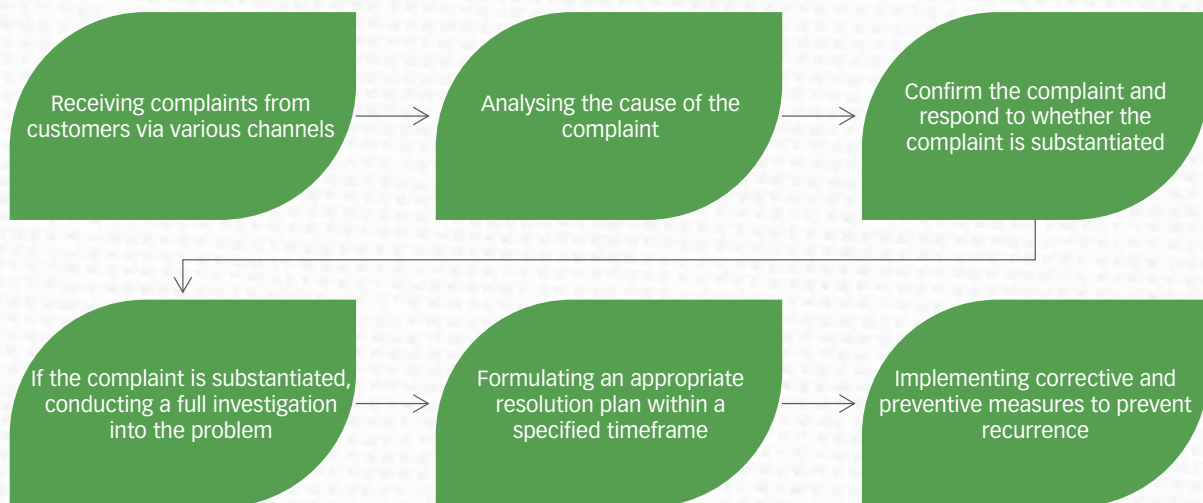
None of total products sold or shipped subject to recalls for safety and health reasons during the Reporting Period.

CUSTOMER MANAGEMENT

Our approach is always customer-centric and we are always committed to providing the best possible service experience to all our customers.

We have established a smooth customer feedback and complaint handling mechanism. Through multiple channels such as hotlines, emails, online customer service, etc., customers can put forward their opinions or complaints at any time. During the Reporting Period, we received 2 products and services related complaints.

We have set up a specialised team to ensure that customer feedback is promptly responded to and efficiently resolved.



Customer Complaint Handling Procedures



BETTER PRODUCTS

DATA SECURITY AND PRIVACY

We are committed to protecting customer data privacy and ensuring the security of personal information. We only collect necessary personal data with explicit customer authorisation and clearly communicate the purpose and scope of data usage. All data collection and usage adhere to the principle of minimisation, ensuring that information is strictly used for providing relevant services.

To safeguard customer data, we have established rigorous data management processes, ensuring security and confidentiality throughout the collection, storage, usage, and transmission stages. Internal access to customer information is strictly controlled, with only authorised personnel permitted to handle data when necessary.

We have designated specialised data protection roles responsible for overseeing and managing data security practices. Additionally, we conduct regular employee training programmes to strengthen awareness and capabilities in data protection, ensuring that all staff members understand their responsibilities in safeguarding customer information.

Intellectual Property

We have established comprehensive policies to prevent the unauthorised disclosure of confidential information, ensuring that intellectual property, including internal R&D projects, design drawings, and proprietary technology from customers, remains protected.

At the regional level, the “Intellectual Property Rights Working Group” (知識產權領導小組) leads the efforts in intellectual property right protection. This includes overseeing R&D project reviews, managing patent applications, and enforcing robust security protocols.

To safeguard intellectual property, we actively require the signing of confidentiality agreements with customers, vendors, and relevant stakeholders. Additionally, we implement strict security measures, such as prohibiting photography and installing closed-circuit television (“CCTV”) monitoring within our factories.

Product advertising is not a material issue for our business. If necessary, we apply suitable labels to garment products on behalf of our clients, in order to provide fabric information and washing instructions.



BETTER PRODUCTS

SUPPLY CHAIN MANAGEMENT

Our supply chain plays a critical role in fulfilling our commitment to sustainability and ethical practices. By embedding sustainable development principles into our supply chain management, we aim to create a responsible and resilient network that aligns with our values and supports the long-term sustainability of our business.

Supplier Onboarding

As a leading modern fashion enterprise with a diverse range of apparel and textile businesses, we have built an extensive network of partners throughout our supply chain. These partners primarily provide us with fabrics, yarns, and textile auxiliaries.

Our Supplier Management Standards is in place to effectively standardise the process of selecting, evaluating, and extending the use of suppliers to ensure that the qualifications of suppliers and the quality of the products they provide meet the requirements of the Group.

When the Group initiates the selection of new suppliers, the procurement team conducts a thorough assessment of all potential suppliers based on comprehensive criteria. This includes assessing the supplier's ability to meet product and quality specifications, adherence to environmental sustainability practices, and competitiveness of pricing structures.

Supplier Performance Evaluation

The Group has established a comprehensive supplier performance evaluation process to ensure that all partners in our supply chain meet the highest standards of quality, timeliness, and service.

Performance data is collected through a structured process and analysed to measure defect rates, compliance levels, and overall satisfaction. Monthly or annual evaluations are conducted depending on the supplier's role and performance trends.



BETTER PRODUCTS

Sustainability Performance Evaluation

The Group employs a rigorous supplier selection process to ensure that all partners in our supply chain align with our ESG standards and commitment to sustainability. Our supply chain procedures undergo rigorous monitoring and control, as demonstrated in the following:



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



Suppliers will be informed about product requirements, environmental and safety management, and social responsibility. Separate files will record information, assessment results, and improvement measures. Selected suppliers must sign a commitment letter to ensure compliance.



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



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. Replacement or return of the goods or repurchase will be arranged if necessary.



BETTER PRODUCTS

Green Procurement

Green procurement is a cornerstone of High Fashion Group's supply chain sustainability efforts. We actively seek to minimise the environmental impact of our operations by prioritising the procurement of sustainable materials, low-carbon products, and eco-friendly packaging solutions. Our focus on green procurement extends across every stage of the supply chain, ensuring that our sourcing practices are aligned with our broader climate and environmental goals.

We evaluate suppliers against the following relevant green management criteria, including but not limited to :

STeP by OEKO-TEX® minimum standards	Bluesign®	The Higg Facility Environmental Module (Higg FEM)	The Higg Facility Social & Labor Module (Higg FSLM)	Global Recycle Standard
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We are committed to creating a sustainable supply chain characterised by minimal carbon emissions. In doing so, we prioritise more sustainable suppliers in our procurement process, focusing on selection of green products and equipment that conserve energy, water, and materials, along with other eco-friendly alternatives.

We have incorporated environmental and social responsibility clauses in procurement contracts, with regular audits. For suppliers that violate standards, the Group takes measures such as reducing orders, suspending cooperation, and requiring rectification until termination of cooperation.

Supply Chain Risk Management

Managing risks across our supply chain constitutes a critical component of our ESG strategy.

Risk Identification

The Group appoints relevant staff or third-party organisations to regularly assess suppliers' performance in key areas, including product quality, safety, working conditions, environmental impact, and social responsibility. These assessments are conducted through on-site inspections to ensure suppliers comply with local regulatory requirements, the Group's environmental and social responsibility standards, as well as safety policies and the supplier code of conduct.



BETTER PRODUCTS

Mitigation Initiatives

All selected suppliers are required to sign several commitment documents, including a Social Responsibility Commitment Letter (《社會責任承諾書》), where they pledge to comply with local labour laws and social responsibility standards. Additionally, they must sign a Declaration on Intellectual Property (《採購協議知識產權聲明》) to protect customer intellectual property rights and an Environmental Commitment Letter (《環保承諾書》), ensuring their products meet national textile standards, STANDARD 100 by OEKO-TEX®, STeP by OEKO-TEX® minimum standards, and the European Union's REACH regulation.





Additionally, suppliers who provide specific materials, such as chemicals or other hazardous materials, must comply with all environmental and safety regulations, including providing relevant material safety data sheets ("MSDS"). A thorough environmental risk assessment and supplier audit is conducted as part of the approval process.

To strengthen suppliers' ability to manage environmental and social risks, we conduct regular training sessions and provide on-site guidance.

We enforce strict social responsibility requirements, we are committed to minimising risks in the entire our supply chain. Our goal is to prevent disruptions or sudden terminations caused by serious incidents related to health and safety violations, environmental breaches, or other ethical and critical issues.



MORE ADMIRABLE WORKPLACE

UN SDGs	Our Actions in 2024	
 <p>3 GOOD HEALTH AND WELL-BEING</p>	3.8 Promote universal health coverage	<ul style="list-style-type: none"> Promoted employee well-being by launching sports and hobby clubs, organising fitness activities, and hosting health talks to encourage a healthy lifestyle
 <p>4 QUALITY EDUCATION</p>	4.4 Increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	<ul style="list-style-type: none"> Supported future talent by providing hands-on training for young people, contributing to a sustainable talent pipeline for the textile and apparel industry Provided continuous learning opportunities through diverse training programmes that support employees' professional growth
 <p>5 GENDER EQUALITY</p>	5.1 Promote, enforce and monitor equality and non-discrimination on the basis of sex	<ul style="list-style-type: none"> Maintained an inclusive and respectful workplace by preventing gender discrimination, ensuring equal opportunities in hiring, compensation, and advancement, and upholding a harassment-free environment
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>8.7 Eliminate forced labour and prevent child labour</p> <p>8.8 Safeguard labour rights and ensure a safe working environment for all employees</p>	<ul style="list-style-type: none"> Registered with the International Labour Organisation's Better Factories Cambodia Project since 2023

At High Fashion, we believe that our people are the foundation of our success. We are committed to fostering a workplace that values diversity, equity, and inclusion and to supporting our employees' well-being, and upholding responsible and ethical labour practices.

We are committed to adhering to the laws and regulations⁹ of the countries and regions where we operate. The Group has implemented a comprehensive framework, including the Code of Conduct, Staff Handbook, and a series of standard operating procedures, all designed to comply with relevant local legal requirements.

⁹ List of applicable laws and regulations available in "Laws and Regulations".

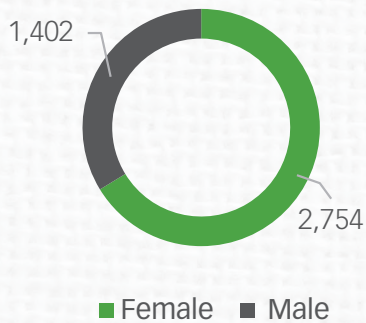


MORE ADMIRABLE WORKPLACE

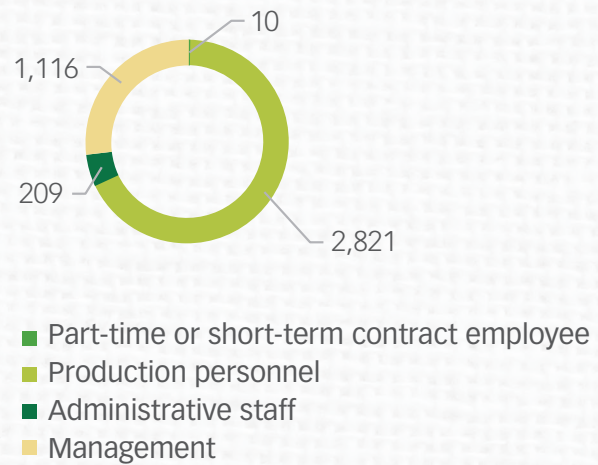
RESPONSIBLE EMPLOYMENT

We are proud to be an employer of choice, offering fair wages, benefits, and opportunities for growth. As of 31 December 2024, we have 4,156 employees in total, with 4,146 full-time employees.

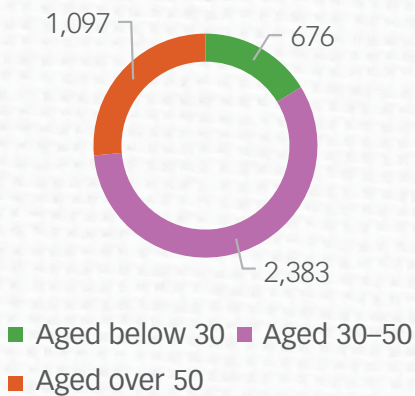
**Number of Employees
(by Gender)**



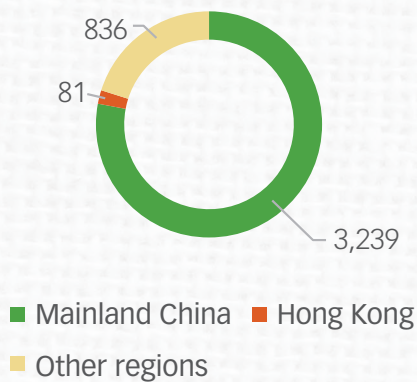
**Number of Employees
(by Employee Category)**



**Number of Employees
(by Age Group)**



**Number of Employees
(by Geographical Region)**



MORE ADMIRABLE WORKPLACE

Employee Management

Our internal policies cover a wide range of key areas, ensuring fair and transparent practices in employee management. These policies include clear guidelines on compensation and dismissal, recruitment and promotion, working hours, rest periods, and employee benefits. We are dedicated to fostering a work environment that values equal opportunity, diversity, and inclusion, with firm anti-discrimination practices in place.

To ensure alignment with evolving market trends and regulatory requirements, we conduct regular benchmarking and reviews of employment policies to adjust compensation packages, workplace practices, and employee benefits proactively, maintaining competitiveness and compliance while fostering equity and employee satisfaction.

Employee Recruitment

The Group's recruitment strategies focus on identifying individuals whose thinking and behaviour align with our values and culture and we provide them the resources and development programmes they need to perform and thrive. Through mentorship, continuous learning, and career progression opportunities, we ensure that our employees remain motivated and engaged, fostering long-term retention and contributing to the Group's growth and innovation.

Our Recruitment Policy ensures a fair and inclusive hiring process. We offer equal opportunities to all candidates, ensuring that every employee has a fair chance to apply and work within the Group.

We strictly adhere to a policy where all applicants must be at least 18 years old to be considered for employment, and the Human Resources ("HR") department is responsible for verifying the age of interviewees by checking their identity cards before interviews.

Promotion

The Group has established an Employee Promotion Policy to ensure a fair and transparent process for advancing internal talent. The head of the employing department is responsible for selecting the most qualified candidate for each position based on performance evaluations and job-related criteria.

Diversity and Inclusion

Diversity and inclusion are central to our corporate values, and we are committed to fostering a workplace that celebrates differences and promotes belonging. We comply with anti-discrimination laws, equal opportunity regulations. Our established Female Employee Protection Policy, Anti-Harassment Policy, and Recruitment Policy ensure equity and respect for all employees while outlining clear goals for representation at all levels of the organisation.

At the end of the Reporting Period, 66.3% of our workforce and 61.1% of all managerial positions are females.



At the end of the Reporting Period, **66.3%** of our workforce and **61.1%** of all managerial positions are females.



MORE ADMIRABLE WORKPLACE

Female Employee Protection

The Group is committed to safeguarding the rights and well-being of female employees through a comprehensive management programme designed to protect them during pregnancy and beyond. In accordance with legal requirements, the Group ensures that work assignments and schedules for pregnant employees are reasonably adjusted to accommodate their needs. Female employees are entitled to paid maternity leave as stipulated by law.

To demonstrate care and support, the Group celebrates Women's Day by presenting gifts to female employees, fostering a culture of appreciation and inclusivity. Additionally, the Group has implemented facility upgrades, such as installing dedicated breastfeeding facilities setting up a "Mom's Comfort Room," which provide nursing mothers with a private and convenient space for breastfeeding.



Anti-discrimination

To ensure fair treatment of all employees in areas such as recruitment, salary, benefits, training opportunities, work assignments, promotions, disciplinary actions, and termination, the Group has implemented an Anti-discrimination Policy. The Group strictly prohibits discrimination based on gender, race, religion, age, disability, sexual orientation, nationality, political views, social status, or ethnic background in day-to-day work and when evaluating employee performance.

The Group has established a grievance and complaint mechanism to address any discrimination. Employees who experience discrimination can report the issue directly to their employee representative, higher-level managers, or even the general manager. The Group also provides a suggestion box where employees can submit written complaints regarding discrimination. The management representative is responsible for investigating each case thoroughly. If the complaint is verified, appropriate disciplinary actions are to be taken against the offender, and the outcome is communicated to the employee.

Labour Practice

The Group is committed to upholding high standards of labour practices, ensuring that all employees are treated with respect, dignity, and fairness in compliance with national and international labour laws¹⁰. To reinforce this commitment, the Group has implemented a Forced Labour Policy and a Child Labour Policy, which strictly prohibit any form of forced labour or child labour in the organisation.



¹⁰

List of applicable laws and regulations available in "Laws and Regulations".

MORE ADMIRABLE WORKPLACE

Our factory in Cambodia has been registered with the International Labour Organisation's Better Factories Cambodia Project since 2023, demonstrating our commitment to adhering to legal requirements, monitoring compliance, and continuously improving working conditions.

Additionally, our factories in Cambodia and Dongguan use the Higg Facility Social and Labor Module ("FSLM") as an assessment tool to evaluate and enhance workplace standards, ensuring a safe, fair, and sustainable working environment for all employees.

Forced Labour

The Group strictly prohibits all forms of forced labour, including prison labour, indentured labour, bonded labour, and any other practices that exploit individuals. We ensure that no employee is subject to involuntary servitude, human trafficking, or any form of coercion in their employment. All employees must voluntarily agree to the terms of their employment, and they are free to leave their position in accordance with the relevant legal notice periods and procedures.

The Group adheres to the principles of freedom of employment and ensures that employees are not subjected to any form of physical, psychological, or financial coercion.

Child Labour

We strictly prohibit use of child labour in any of our operations or supply chain partners. Our Child Labour Remediation Policy outlines clear procedures for addressing any instances of child labour. If child labour is identified, immediate action is taken: the child must stop working, the Group provides body check and contacts the child's parents or legal guardians to ensure safe return home. If the child is the primary income earner for the family, the Group provides financial support until the child reaches the legal working age.



During the Reporting Period, the Group recorded zero non-compliance cases with relevant laws and regulations relating to recruitment and employment practices, anti-discrimination, diversity, benefits and welfare, and was not found to be involved in any incidents concerning child or forced labour.

EMPLOYEE WELLBEING

We place strong emphasis on wellbeing of our employees, recognising that their health, satisfaction, and personal development are critical to the success of our business. We are committed to fostering a work environment that supports both physical and mental wellbeing of our workforce.

We continuously implement initiatives aimed at promoting a balanced and healthy lifestyle, ensuring that employees have access to resources that enhance their overall wellbeing.



MORE ADMIRABLE WORKPLACE

Welfare

The Group offers comprehensive benefits ranging from tangible to intangible, and from financial to cultural aspects. We are committed to creating a harmonious, inclusive, warm, and friendly work environment. While encouraging employees to strive for excellence, we also regularly arrange various recreational and cultural activities to promote work-life balance, effectively enhance employees' sense of belonging to the Group, and strengthen internal cohesion within the organization.



Festival Gifts



Family Vacation



Birthday Party



Employee Childcare

High Fashion's "Caring Home"

On International Day of Persons with Disabilities, High Fashion (China) Co., Ltd. organised a heartfelt event under the theme "Caring Home, Spreading Warmth." During the event, employees with disabilities received carefully prepared gifts and bonuses as a token of appreciation for their dedication.



We are committed to fostering an inclusive workplace by providing thoughtful care and support to every employee with disabilities. Through this initiative, the company not only demonstrates corporate responsibility but also promotes a culture of inclusivity and social awareness. The event strengthened mutual understanding, reinforced team cohesion, and contributed to a society that values and supports individuals with disabilities.

Family Caring

To effectively address the challenge of providing care to employees' children during vacations, we took proactive actions and launched the Staff Children's Summer Childcare Programme in the summer of 2024. Before the programme started, we conducted extensive research from various aspects to fully understand the age characteristics and hobbies of the children. Based on this, we formulated an elaborate childcare model that combined full-day care with special courses, including reading, painting, basketball, etc., ensuring a dynamic-static balance and an education-entertainment blend. This aimed to create a safe and fun-filled growth space for the children.



MORE ADMIRABLE WORKPLACE

Employee Communication

We foster a safe and supportive work environment where all employees' needs are respected, and their voices are heard. To maintain transparent communication, we use a range of channels to keep employees informed about the Group developments, key decisions, and relevant policies.

Regular meetings provide employees with opportunities to express their opinions, contribute ideas, and align with the Group's objectives. We leverage online platforms such as Ding Talk and WeChat, along with general staff meetings, to ensure efficient information sharing and to keep employees at all levels updated on important group news. Furthermore, we promote a feedback-driven culture, encouraging employees to share suggestions or raise concerns through a suggestion box or direct communication with HR or management.

Employee Activities

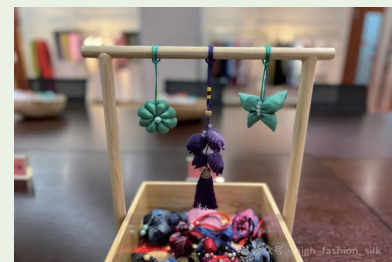
To enhance employee engagement and strengthen relationships across teams, the Group organises a variety of employee activities throughout the year. These activities range from wellness programmes, sports and recreational events, to team-building workshops and charity initiatives.

Festival Celebration

As the Dragon Boat Festival approaches, High Fashion organises a series of cultural activities. The annual zongzi-making competition, a long-standing tradition followed by the labour union, draws enthusiastic participation from employees, creating a vibrant atmosphere.

Meanwhile, the "Artemisia in Mid-spring, Cultural Heritage" silk sachet-making competition attracts enthusiasts from different parts of the country, such as Hangzhou, Shanghai, Beijing, and Xinjiang. After preliminary screening, the Company's review panel evaluated and presented awards to the shortlisted works in late May.

High Fashion is steadfast in its commitment to nurture cultural inheritance and innovation, taking practical steps to preserve and promote Chinese civilisation and silk culture.



High Fashion Silk

MORE ADMIRABLE WORKPLACE

Employee Sports Day

High Fashion held the 43rd Employee Sports Meeting at its Xinchang Park in Zhejiang. The events included traditional ones like tug-of-war, and new ones such as pot-throwing. Year-end, over 600 employees joined a 15-km cross-country hike passing scenic spots. This sports meet served as a platform for fair competition, communication and team-building, enabling employees to enjoy sports, embrace a healthy lifestyle and work with more passion.



NURTURING TALENTS

At High Fashion, we recognise that our employees are the foundation of our success. As part of our ESG strategy, we are committed to enhancing employee knowledge and skills through comprehensive training and development programmes. By fostering a culture of continuous learning, we aim to empower our workforce, drive innovation, and cultivate high-calibre talent for the fashion industry.

The Group has established Employee Skills Development Policies and Procedures to enhance the employee's ability and retain the talents.

Employee Training

In 2024, the Group has continued to prioritise employee training, with a focus on nurturing multi-skilled professionals. The Group has further strengthened its employee training system, implementing annual training plans that are executed by the Human Resources and Administration Department. The department is responsible for managing training schedules, tracking attendance, evaluating effectiveness, and maintaining records on employee training hours.

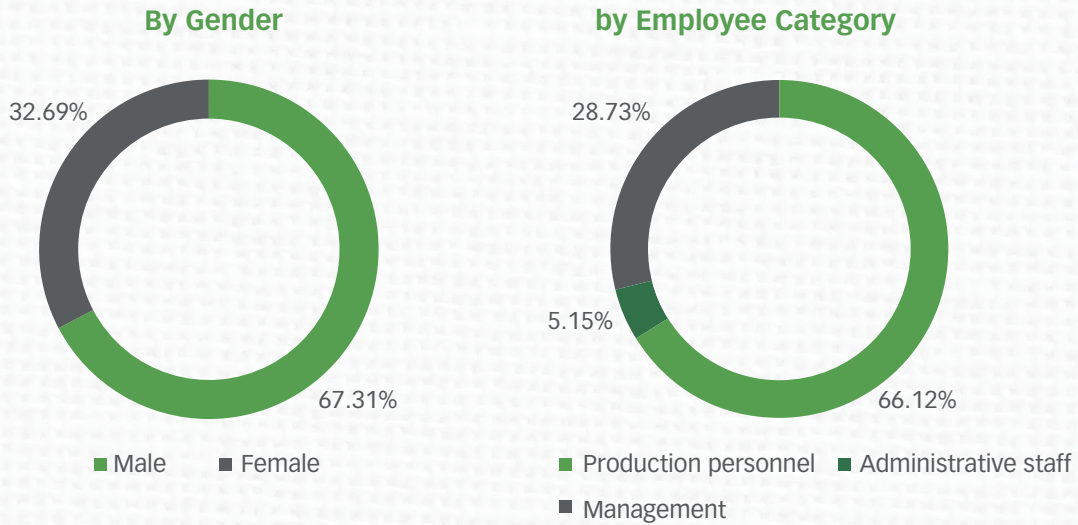
Our approach includes specialised training across various levels, with particular attention to high-skill talent development, safety skills improvement, product knowledge, job transition training, and the promotion of general career skills and digital literacy. These efforts ensure that employees continuously expand their capabilities, equipping them to meet the evolving demands of the market.



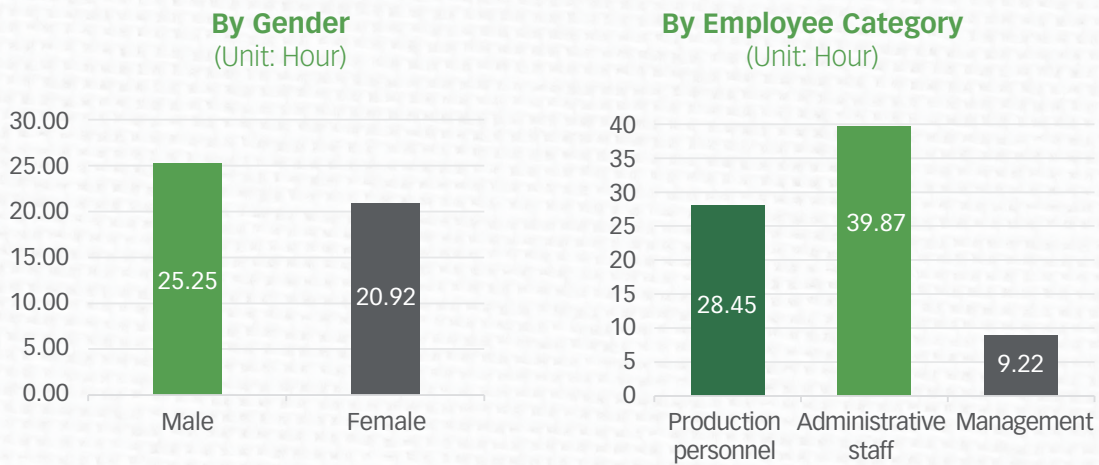
MORE ADMIRABLE WORKPLACE

In 2024, the total number of training hours was 98,867. For the breakdown of training statistics, please refer to the following table:

Percentage of Trained Employees¹¹



Average Training Hours per Employee¹²



¹¹

Percentage of employees trained in each category = Number of employees trained in each category ÷ Total number of trained employees x 100%

¹²

Average number of training hours in each category = Total number of training hours received by employees in each category by the end of the Reporting Period ÷ Number of employees in each category at the end of the Reporting Period

MORE ADMIRABLE WORKPLACE

Training Programmes

Onboard Training

To help new employees transition smoothly into their roles and workplace, we offer a structured onboarding programme. It covers essential topics such as workplace safety, company culture, and organisational policies. New hires gain a solid understanding of their responsibilities by attending this programme and can quickly integrate into the team.

Management Trainee Programme (明日之星計劃)

The Management Trainee Programme is a key initiative designed to nurture future leaders. Targeted at talented graduates, the programme provides job training across various functions, allowing participants to gain a comprehensive understanding of the Group's culture and operations. We believe this initiative is an integral part of our youth succession planning.

Corporate Workers Academy (企業藍領學院)

The Corporate Workers Academy offers skill enhancement courses for blue-collar workers to help expand their skills, techniques, and knowledge. The programme is aimed at improving the overall quality of our workforce, and we recognise employees with high skill levels annually to encourage continued learning.

We are proud to have been appointed 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), a recognition that highlights our commitment to developing skilled talent and drive further progress in talent cultivation.

Employee Development

To support long-term employee development, we provide clear career progression pathways and practical learning opportunities. We use a Talent Nine-Box Grid to evaluate employees' performance and potential. This system categorises employees into distinct levels, helping to identify key areas for growth and development. Based on these assessments, the Group tailors personalised development paths to ensure employees are continuously challenged and supported in their career progression.

In alignment with the Group's talent development strategy, we adhere to the "Mentor-Mentee Development Management Guidelines" (《良師益友培養管理辦法》). These guidelines serve as a framework for nurturing and growing talent across all levels. We focus on building a robust talent pipeline and strengthening our leadership structure through effective identification and selection of high-potential candidates.



MORE ADMIRABLE WORKPLACE

ADVOCATING HEALTH AND SAFETY

We are committed to fostering a safe, healthy, and sustainable working environment for all employees. We strictly comply with relevant laws and regulations¹³ and follow internationally recognised standards for occupational health and safety. Our goal is to systematically identify, manage, and mitigate health and safety risks, while continuously fostering a culture of improvement and well-being across the organisation.

Our Hangzhou and Dongguan subsidiaries obtained ISO 45001 Occupational Health and Safety Management System Certification.

ISO 45001 Occupational Health and Safety Management System Certificates



Dongguan Yihao Fashion Limited



High Fashion (China) Co., Ltd.

Workplace Safety

Recognising that a proactive approach is essential for maintaining employee well-being, we have established a series of health and safety policies covering areas such as workplace safety, fire prevention, and occupational injury management. These policies align with industry best practices and are regularly reviewed and updated to ensure effectiveness.

During the Reporting Period, our safety performance was as listed below:

Occupational Health and Safety	2024	2023	2022
Rate of work-related fatalities	0	0	0
Work-related fatalities	0	0	0
Lost days due to work-related injury ¹⁴	261	67	114

¹³ List of applicable laws and regulations available in "Laws and Regulations".

¹⁴ The Group records and reports work-related injuries in accordance with the definitions and requirements of local regulations where it operates.

MORE ADMIRABLE WORKPLACE

Health and Safety Risk Assessment

We regularly organise company-wide risk assessments based on our established Health and Safety Management Procedures (《健康與安全控制程序》), identifying various health and safety hazards, implementing appropriate measures and developing corresponding health and safety education and training programmes.

Annually, we reassess health and safety risks classified as moderate or higher. Based on the findings, we update our Register of Significant Safety and Health Risks.

Production Safety

The Group consistently adheres to the safety in production policy of “safety first, prevention foremost.” To ensure safety in our operations, we have established clear guidelines for the provision of personal protective equipment (“PPE”) based on specific needs of each job, such as masks and steel wire gloves. Our maintenance department is responsible for ensuring safe operations and upkeep of primary production equipment, adhering to established safety procedures.

Employees in key management positions must receive relevant safety training, and only after certification, can they carry out their duties.

Fire Safety

To further safeguard employees and infrastructure, we have implemented fire safety measures, such as regular fire drills, regular fire safety inspections, installation of fire suppression systems, and compliance with fire safety regulations.

We ensure that fire-fighting facilities are properly configured, personnel are well-trained, and fire-fighting equipment are well-maintained and used correctly. We regularly organise fire drills, simulating fire scenarios to enhance employees’ emergency response capabilities.

2024 Fire Drills



Accident Investigation and Procedure

Our Accident Investigation Policy ensures consistent recording of accident details and helps prevent recurrence. In the event of an occupational injury or incident, the injured worker must immediately report it to the supervisor. The supervisor will then inform the Administration and Occupational Health and Safety (“OHS”) Committee. Both committees will investigate the incident with the injured worker and complete an Accident Investigation Report.



MORE ADMIRABLE WORKPLACE

Employee Safety

In addition to providing a safe working environment, the Group offers comprehensive annual health check-ups for employees, covering routine examinations as well as specialised tests for occupational diseases. Employees found to have health conditions contraindicated by their check-up results are reassigned to roles that do not expose them to the identified hazards.



Health and Safety Training

Regular seminars are conducted by professional medical personnel and health experts, covering topics such as the prevention of common diseases, maintaining a healthy diet, exercise and physical health, and promoting mental well-being.



MORE ADMIRABLE WORKPLACE

BUSINESS ETHICS

The Group has always adhered to honest business practices, strictly complying with relevant laws and regulations¹⁵, and is committed to maintaining highest standards of business ethics. As a leader in the fashion industry, we recognise that strong business ethics are essential to building trust with our stakeholders, including employees, customers, suppliers, and shareholders.

Anti-corruption

The Group has developed and implemented the Code of Conduct on Integrity, which clearly defines the behavioural guidelines for employees and partners, eliminating any form of bribery, fraud, and improper benefit transfer. The Code of Conduct on Integrity has been provided in multiple languages to internal employees and subsidiaries to ensure that employees across regions can fully understand and follow the code, ensuring that the integrity culture is fully implemented in allocations where we operate.



Employees are strictly prohibited from accepting any form of inducement or advantage from both internal and external parties. They are required to declare any gifts or benefits received from external parties when appropriate. Additionally, any business-related relationships that may result in potential conflicts of interest must be promptly disclosed to their supervisors for further review and consideration.

Our Code of Conduct on Integrity is regularly reviewed and updated to reflect evolving regulations and industry best practices, ensuring that our ethical standards remain robust and relevant.

MORE ADMIRABLE WORKPLACE

Anti-corruption Training

The Group places great importance on anti-corruption and integrity education, enhancing employees' compliance awareness and ethical standards through diversified training methods.

All employees, including directors, are required to complete mandatory annual anti-corruption and ethics training. In 2024, we conducted specialised training on integrity, strengthening employees' understanding and adherence to the Code of Conduct on Integrity. Additionally, the Group invited law firms to conduct anti-corruption awareness education sessions, focusing on spreading relevant legal knowledge and further enhancing employees' legal awareness to ensure compliance and integrity in business activities.

2024 Anti-corruption Training




Whistleblowing

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





OUR **COMMUNITY**

UN SDGs	Our Actions in 2024	
	10.4 Adopt social protection policies to achieve greater equality	• Participated in social welfare activities, supported vulnerable groups and promoted social equality

Since its establishment, the Group has consistently upheld the spirit of generosity, viewing corporate social responsibility as an essential part of its development process. We firmly believe that corporate growth is closely linked to social progress, and therefore actively engage in various charitable endeavors. Beyond providing material donations, we also employ methods such as educational empowerment to help different groups and promote harmonious social development. The Group’s charitable philosophy involves participating in social construction in a continuous and systematic manner, integrating compassion and responsibility into our corporate culture.

YOUTH EMPOWERMENT

At High Fashion, we believe that supporting young people is important for the future of the textile and apparel industry. We offer opportunities to help them grow professionally and build a strong talent pipeline for the industry.

We work closely with universities such as Zhejiang Sci-Tech University, Jiangnan University and Shaoxing College of Arts and Science. These partnerships give students practical experience and industry knowledge to prepare them for future careers.

High Fashion Womenswear Institute

To strengthen collaboration between academia and industry, High Fashion Womenswear Institute provides a professional learning and practical training platform for young people aspiring to enter the field of women’s fashion design and production. Through structured courses, hands-on training, mentorship, and real-world industry experience, the institute equips students with comprehensive skills across the entire value chain—from creative design to manufacturing techniques. We aim to foster cooperation in talent development, employment, and industry-academia research, achieving mutual success for both educational institutions and the company.



OUR COMMUNITY

“Little Silk Explorers” Educational Programme

In 2024, we invited young enthusiasts to embark on an exciting journey to discover the wonders of silk through our “Little Silk Explorers” educational program. This initiative aims to inspire children’s curiosity about silk culture and craftsmanship through interactive learning experiences.

Participants enjoyed a guided tour of an AAAA-rated tourist attraction, explore the Silk Culture Expo Park, and witness traditional silk-reeling and weaving processes up close. Through hands-on activities and immersive storytelling, children will gain a deeper understanding of the history, artistry, and science behind silk production.



COMMUNITY INVESTMENT

Spring Breeze Action (春風行動)

In 2024, the Group continued to expand its charitable footprint, supporting multiple social organizations, with the most representative being the support for the Spring Breeze Action in Xiaoshan District. The Group’s donations primarily flow to various disadvantaged groups in Xiaoshan District, precisely covering the needs of different social strata. Whether they are unemployed people who have temporarily lost job opportunities, employed workers facing economic pressure, or women’s groups in difficult circumstances, they can all receive support to improve their living conditions.

These donations not only reflect the Group’s emphasis on social responsibility but also demonstrate its care and support for grassroots livelihood issues. Through cooperation with the Spring Breeze Action in Xiaoshan District, the Group ensures that donations can be precisely used for the groups most in need of help, maximizing social benefits.

Support To Association For Caring For Veterans In Zhejiang (浙江省關愛退役軍人協會)

In addition to caring for the Spring Breeze Action in Xiaoshan District, the Group has also actively extended a helping hand to the Association for Caring for Veterans in Zhejiang through donations. These funds specifically focus on improving veterans’ daily lives, expanding employment channels, providing psychological comfort, and other diverse services, demonstrating the Group’s strong support for the cause of honoring the military and their families. We are committed to encouraging these pillars of the nation to contribute to China’s characteristic modernization through comprehensive measures including political care, livelihood assistance, employment guidance, and emotional comfort. At the same time, we strive to enhance the social prestige of military careers, making them highly respected professions admired by all citizens, thus taking practical action to repay the brave soldiers who protect our homeland.

The Group will continue to give back to society and expand the scope of charitable donations. The Group also actively encourages employees to participate in volunteer services, delivering love and warmth through practical actions. We believe that through the joint efforts of enterprises and all sectors of society, we can definitely build a more harmonious and warmer social environment, allowing everyone in need of care and support.



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HIGHLIGHTED SUSTAINABILITY AWARDS AND RECOGNITION OBTAINED OR VALID IN 2024

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



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

High Fashion (China) Co., Ltd.
Dongguan Dalisheng Fashion Company Ltd.
Eminent Garment (Cambodia) Limited



Global Recycled Standard ("GRS")
Certification awarded by Control Union Certifications B.V. & SGS-CSTC Standards Technical Services Co., Ltd.

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

High Fashion (China) Co., Ltd.



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



TE-00049985

Responsible Down Standard Certification awarded by USB Certification Denetim

High Fashion (China) Co., Ltd.
Eminent Garment (Cambodia) Limited

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



Organic Content Standard ("OCS")
Certification awarded by Control Union Certifications B.V. & Intertek Group



TE-00049985

Responsible Wool Standard Certification awarded by USB Certification Denetim and Intertek Group

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High Fashion (China) Co., Ltd.
Eminent Garment (Cambodia) Limited



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

High Fashion (China) Co., Ltd.
Eminent Garment (Cambodia) Limited



Global Organic Textile Standard ("GOTS") awarded by
Control Union Certifications B.V.
& Intertek Group

High Fashion (China) Co., Ltd.
Eminent Garment (Cambodia) Limited



Worldwide Responsible Accredited Production ("WRAP")
Certification



Global Security Verification
awarded by Intertek Group

Eminent Garment (Cambodia) Limited

Eminent Garment (Cambodia) Limited



Participated the ILO-Better Factories
Cambodia Project



Underwent the Sedex Members
Ethical Trade Audit

Eminent Garment (Cambodia) Limited



Participated in the Initiative for
Compliance and Sustainability



APPENDIX

Awards and Honors		Issuing Authority
High Fashion (China) Co., Ltd.		
1	National Green Factory (國家級綠色工廠)	Ministry of Industry and Information Technology of the People's Republic of China (中國人民共和國工業和信息化部)
2	2024 Zhejiang Province Upgraded Industrial Design Centre (2024年度浙江省升級工業設計中心)	Zhejiang Provincial Department of Industry and Information Technology (浙江省經濟和信息化廳)
3	China National Textile and Apparel Council Science and Technology Progress Second Prize (中國紡織工業聯合會科技進步獎二等獎)	China National Textile and Apparel Council (中國紡織工業聯合會)
4	2024 China Textile and Garment Brand Competitiveness Advantageous Enterprises (2024中國紡織服裝品牌競爭力優勢企業)	China National Textile and Apparel Council (中國紡織工業聯合會)
5	Textile Industry Silk Women's Wear Digital Intelligent Manufacturing Technology Innovation Centre (紡織行業絲綢女裝數智製造技術創新中心)	China National Textile and Apparel Council (中國紡織工業聯合會)
6	2024 Silk Standard Innovation Award (2024年度絲綢標準創新獎)	National Silk Standardization Technical Committee (全國絲綢標準化技術委員會)
7	2024 Hangzhou Key Digital Service Trade Enterprises (2024年杭州市數字服務貿易重點企業)	Hangzhou Service Trade and Investment Promotion Association (杭州服務貿易投資促進會)
8	2024 Hangzhou "Future Factory" Intelligent Factory (2024年杭州市“未來工廠”智能工廠)	Hangzhou Municipal Bureau of Economy and Information Technology (Hangzhou Municipal Bureau of Digital Economy) (杭州市經濟和信息化局(杭州市數字經濟局))
9	2023 Top 100 Enterprises in China's Clothing Industry (2023年中國服裝行業百強企業)	China National Garment Association (中國服裝協會)
10	Fabrics China Appraisal Entry Enterprise (中國流行面料入圍企業)	National Textile Product Development Centre (國家紡織產品開發中心)
11	The 2024 Careful Enterprises of Employment Assistance in Hangzhou (2024年度杭州市就業幫扶愛心企業)	Hangzhou Municipal Bureau of Human Resources and Social Security (杭州市人力資源和社會保障局) Hangzhou Development and Reform Commission (杭州市發展和改革委員)



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Awards and Honors		Issuing Authority
High Fashion International Limited		
12	iRecycle Sustainability Award	iRecycle Charity Foundation
13	Golden Pioneer for ESG Connect (Environmental)	Hong Kong Quality Assurance Agency
14	Golden Pioneer for ESG Connect (Social)	Hong Kong Quality Assurance Agency
15	Golden Pioneer for ESG Connect (Governance)	Hong Kong Quality Assurance Agency



APPENDIX



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附件
2024 年度浙江省省级工业设计中心认定名单
(第八批)

序号	工业设计中心名称	申报主体
1	达利（中国）有限公司工业设计中心	达利（中国）有限公司

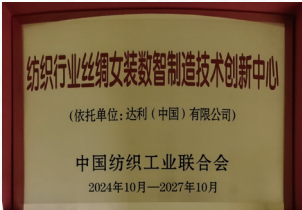
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3



4



5



6



7

“智能工厂”方向

序号	企业名称	企业简称
1	浙江达利	杭州达利机械制造有限公司
2	浙江达利	达利（中国）有限公司
3	浙江达利	达利（中国）有限公司
4	浙江达利	达利（中国）有限公司
5	浙江达利	达利（中国）有限公司
6	浙江达利	达利（中国）有限公司
7	浙江达利	达利（中国）有限公司
8	浙江达利	达利（中国）有限公司
9	浙江达利	达利（中国）有限公司
10	浙江达利	达利（中国）有限公司
11	浙江达利	达利（中国）有限公司
12	浙江达利	达利（中国）有限公司
13	浙江达利	达利（中国）有限公司
14	浙江达利	达利（中国）有限公司
15	浙江达利	达利（中国）有限公司
16	浙江达利	达利（中国）有限公司

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APPENDIX

LAWS AND REGULATIONS

Aspects	Applicable Laws, Regulations, and Standards	Compliance Statement
Environmental	<ul style="list-style-type: none">Environmental Protection Law of the People’s Republic of China 《中華人民共和國環境保護法》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》Energy Conservation Law of the People’s Republic of China 《中華人民共和國節約能源法》Soil Pollution Prevention and Control Law of the People’s Republic of China 《中華人民共和國土壤污染防治法》Atmospheric Pollution Prevention and Control Law of the People’s Republic of China 《中華人民共和國大氣污染防治法》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》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》Measures for Pollutant Discharge Permitting Administration (For Trial Implementation) 《排污許可管理辦法（試行）》Discharge Standards of Water Pollutants for Dyeing and Finishing of Textile Industry 《紡織染整工業水污染物排放標準(GB 4287-2012)》Integrated Wastewater Discharge Standard (GB 8978-1996) 《污水綜合排放標準(GB 8978-1996)》Discharge Standard of Water Pollutants DB44 in Guangdong Province 《水污染物排放標準DB44》Regulations on the Administration of Construction Project Environmental Protection 《建設項目環境保護管理條例》	During the Reporting Period, the Group did not have any non-compliance with relevant laws and regulations that have a significant impact on the Group relating to air emissions and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.



APPENDIX

Aspects	Applicable Laws, Regulations, and Standards	Compliance Statement
Employment & Labour Standards	<ul style="list-style-type: none"> • Law of The People's Republic of China on the Protection of Disabled Persons 《中華人民共和國殘疾人保障法》 • 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》 • Trade Union Law of The People's Republic of China 《中華人民共和國工會法》 • Sex Discrimination Ordinance 《性別歧視條例》 • Disability Discrimination Ordinance 《殘疾歧視條例》 	<p>During the Reporting Period, the Group was not aware of any laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, anti-discrimination, and other benefits and welfare and preventing child and forced labour that have a significant impact on the Group.</p>
Health and Safety	<ul style="list-style-type: none"> • Production Safety Law of The People's Republic of China 《中華人民共和國安全生產法》 • Law of The People's Republic of China on the Prevention and Control of Occupational Diseases 《中華人民共和國職業病防治法》 	<p>During the Reporting Period, the Group was not aware of any non-compliance with laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.</p>
Product Responsibility	<ul style="list-style-type: none"> • The Law of the People's Republic of China on Product Quality 《中華人民共和國產品質量法》 • Law of the People's Republic of China on the Protection of Consumer Rights and Interests 《中華人民共和國消費者權益保護法》 • The Patent Law of the People's Republic of China 《中華人民共和國專利法》 • The Trademark Law of the People's Republic of China 《中華人民共和國商標法》 	<p>During the Reporting Period, the Group was not aware of any incidents of non-compliance with laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services of the Group and methods of redress.</p>
Anti-corruption	<ul style="list-style-type: none"> • Criminal Law of the People's Republic of China 《中華人民共和國刑法》 • Anti-Unfair Competition Law of the People's Republic of China 《中華人民共和國反不正當競爭法》 • Prevention of Bribery Ordinance 《防止賄賂條例》 	<p>During the Reporting Period, the Group was not aware of any non-compliance with relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering.</p>



APPENDIX

PERFORMANCE DATA SUMMARY

Environmental

Environmental Aspect	Unit	2024	2023
Air Pollutant Emissions¹⁶			
Nitrogen oxides	kg	691	687
Sulphur oxides	kg	2	2
Particulate matter	kg	662	771
Greenhouse Gas Emissions¹⁷			
Direct greenhouse gas emissions (Scope 1)	tonnes of CO ₂ e	5,067	4,347
– Stationary Fuel	tonnes of CO ₂ e	4,333	3,891
– Mobile Fuel (Vehicles)	tonnes of CO ₂ e	263	270
– Refrigerants	tonnes of CO ₂ e	471	186
Energy indirect greenhouse gas emissions (Scope 2)	tonnes of CO ₂ e	29,022	26,975 ¹⁸
– Electricity	tonnes of CO ₂ e	9,329	9,534
– Steam	tonnes of CO ₂ e	19,693	17,441 ¹⁹
Other indirect greenhouse gas emissions (Scope 3)	tonnes of CO ₂ e	299	257
– Water	tonnes of CO ₂ e	162	133
– Industrial Wastewater	tonnes of CO ₂ e	117	103
– Domestic Wastewater	tonnes of CO ₂ e	20	21
Biogenic carbon dioxide emissions	tonnes of CO ₂	1,348	1,039
Total greenhouse gas emissions	tonnes of CO ₂ e	35,736	32,618 ²⁰
Greenhouse gas emission intensity	tonnes of CO ₂ e/ '000 output unit	1.40	1.01 ²¹

¹⁶ Air pollutant emissions, greenhouse gas emissions and energy consumption of the Group are calculated with reference to “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” of the Stock Exchange.

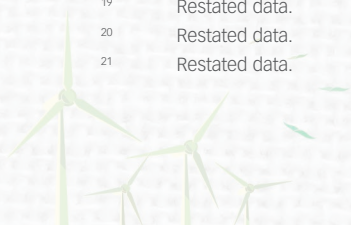
¹⁷ Rounded to the nearest integer, may appear not adding up from respective breakdowns.

¹⁸ Restated data.

¹⁹ Restated data.

²⁰ Restated data.

²¹ Restated data.



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Environmental Aspect	Unit	2024	2023
Energy Consumption			
Direct Energy			
Diesel	Litres	37,179	43,857
Diesel consumption intensity	Litres/'000 output unit	1.45	1.40
Petrol	Litres	66,802	65,220
Petrol consumption intensity	Litres/'000 output unit	2.61	2.08
Natural gas	GJ	63,992	57,398
Natural gas consumption intensity	GJ/'000 output unit	2.50	1.83
LPG	Kg	1,020	660
LPG consumption intensity	Kg/'000 output unit	0.04	0.02
Indirect Energy			
Purchased electricity	MWh	17,441	16,871
Purchased electricity consumption intensity	MWh/'000 output unit	0.68	0.54
Steam	tonnes	66,713	59,085
Steam consumption intensity	tonnes/'000 output unit	2.61	1.88
Total energy consumption	MWh	85,925	77,885
Energy consumption intensity	MWh/'000 output unit	3.36	2.48
Waste			
Total generated hazardous waste	tonnes	3.35	2.94
Hazardous waste intensity	tonnes/'000 output unit	0.000131	0.000094
Total generated non-hazardous waste	tonnes	1,755	1,815
Non-hazardous waste intensity	tonnes/'000 output unit	0.069	0.058
Packaging Material			
Total packaging material used for finished products	tonnes	626	670 ²²
Packaging material consumption intensity	tonnes/'000 output unit	0.02	0.02 ²³
Water Consumption			
Fresh water consumption	m ³	760,297	625,565
Fresh water consumption intensity	m ³ /'000 output unit	29.75	19.92
Reused water volume	m ³	350,000	350,520

²² Restated data.

²³ Restated data.



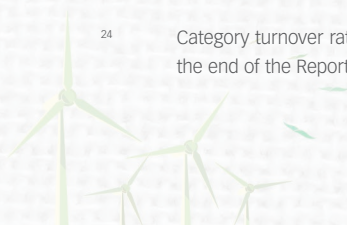
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Social

Social Aspect	Unit	2024	2023
Number of Employees			
Total number of employees	person	4,156	4,034
Number of Employees (by Gender)			
Female	person	2,754	2,644
Male	person	1,402	1,390
Number of Employees (by Employee Category)			
Part-time or short-term contract employee	person	10	6
Production personnel	person	2,821	2,755
Administrative staff	person	209	204
Management	person	1,116	1,069
Number of Employees (by Age Group)			
Aged below 30	person	676	627
Aged 30–50	person	2,383	2,280
Aged over 50	person	1,097	1,127
Number of Employees (by Geographical Region)			
Mainland China	person	3,239	3,183
Hong Kong	person	81	78
Other regions	person	836	773
Employee Turnover Rate²⁴			
Total turnover rate	%	24.35	21.84
Employee Turnover Rate (by Gender)			
Female	%	25.31	19.18
Male	%	22.47	26.91
Employee Turnover Rate (by Age Group)			
Aged below 30	%	38.02	40.35
Aged 30–50	%	21.91	18.99
Aged over 50	%	21.24	17.3

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Category turnover rate = Number of departed employees in each category during the Reporting Period ÷ Number of employees in each category at the end of the Reporting Period x 100%.



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Social Aspect	Unit	2024	2023
Employee Turnover Rate (by Geographical Region)			
Mainland China	%	24.24	18.66
Hong Kong	%	39.51	32.05
Other regions	%	23.33	33.89
Development and Training			
Percentage of Employees Trained (by Gender)²⁵			
Female	%	67.31	66.67
Male	%	32.69	33.33
Percentage of Employees Trained (by Employee Category)²⁵			
Part-time or short-term contract employee	%	0	0
Production personnel	%	66.12	67.42
Administrative staff	%	5.15	4.83
Management	%	28.73	27.74
Average Training Hours of Employees (by Gender)²⁶			
Female	hour/person	25.25	24.16
Male	hour/person	20.92	19.93
Average Training Hours of Employees (by Employee Category)²⁶			
Part-time or short-term contract employee	hour/person	0	0
Production personnel	hour/person	28.45	26.78
Administrative staff	hour/person	39.87	36.01
Management	hour/person	9.22	9.77
Occupational Health and Safety			
Work-related fatalities in the last 3 years (including the Reporting Period)	person	0	0
Rate of work-related fatalities	%	0	0
Lost days due to work-related injuries ²⁷	Day	261	67
Number of Suppliers			
Mainland China	—	1,632	1,048
Hong Kong, Macau and Taiwan	—	257	277
Other regions	—	285	178
Rate of suppliers with annual review conducted	%	76.59	86.63
Resources Contributed to the Community			
Amount of donation	HKD	455,000	255,000
Time contribution	Hour	200	1,000

²⁵ Percentage of employees trained in each category = Number of employees trained in each category ÷ Total number of trained employees x 100%.

²⁶ Average number of training hours in each category = Total number of training hours received by employees in each category by the end of the Reporting Period ÷ Number of employees in each category at the end of the Reporting Period.

²⁷ The Group records and reports work-related injuries in accordance with the definitions and requirements of local regulations where it operates.

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HKEX ESG REPORTING GUIDE CONTENT INDEX

Material Aspects	Content	Reference/Remarks
Mandatory Disclosure Requirements		
Governance Structure		
Board Statement	Disclosure of the Board's oversight of ESG issues	Sustainability Governance – Board Statement
	The Board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses)	Sustainability Governance – Board Statement
	How the Board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses	Sustainability Governance – Board Statement
Reporting Principles		
Description of the application of the Reporting Principles	Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.	Disclosed the process for identifying material ESG issues and the criteria for selecting these factors.
	Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.	The calculation tools, standards, methodologies and emission factors adopted are described to ensure the accuracy and traceability of the measurable environmental and social key performance indicators (KPIs) and statistical data disclosed.
	Balance: The ESG report should provide an unbiased picture of the issuer's performance. The report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.	Provides an unbiased picture of our performance and avoids selections or omissions of information or inappropriate presentation formats.
	Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	To allow meaningful comparisons of ESG data over time, the reporting principles and statistical methodologies for disclosing data are consistent with those of the previous year. Any changes that may affect such comparisons are clearly explained.



APPENDIX

Material Aspects	Content	Reference/Remarks
Reporting Boundary		
Description	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report	About this Report
Comply or Explain Provisions		
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Lower Impact – Energy and Carbon Emission Management Appendix – Laws and Regulations
A1.1	The types of emissions and respective emissions data	Lower Impact – Energy and Carbon Emission Management Appendix – Performance Data Summary
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 – Energy and Carbon Emission Management Appendix – Performance 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 – Waste Management Appendix – Performance Data Summary
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity. (e.g. per unit of production volume, per facility)	Lower Impact – Waste Management Appendix – Performance Data Summary
A1.5	Description of emissions target(s) set and steps taken to achieve them	2024 ESG Highlights – 2020-2024 5-Year Sustainability Goals Lower Impact – Energy and Carbon Emission Management
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	Lower Impact – Waste Management 2024 ESG Highlights – 2020-2024 5-Year Sustainability Goals



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Material Aspects	Content	Reference/Remarks
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	Lower Impact – Energy and Carbon Emission Management – Water Management
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 – Energy and Carbon Emission Management Appendix – Performance Data Summary
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Lower impact – Water Management Appendix – Performance Data Summary
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Lower Impact – Energy and Carbon Emission Management
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	Lower impact – Water Management
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Lower Impact – Waste Management Appendix – Performance Data Summary
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources	Lower Impact – Energy and Carbon Emission Management Appendix – Laws and Regulations
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Lower Impact



APPENDIX

Material Aspects	Content	Reference/Remarks
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	Lower Impact – Addressing Climate Change Appendix – Laws and Regulations
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	Lower Impact – Addressing Climate Change
B. Social		
Aspect 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 – Responsible Employment Appendix – Laws and Regulations
B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region	More Admirable Workplace – Responsible Employment Appendix – Performance Data Summary
B1.2	Employee turnover rate by gender, age group and geographical region	Appendix – Performance Data Summary



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Material Aspects	Content	Reference/Remarks
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	More Admirable Workplace – Advocating Health and Safety Appendix – Laws and Regulations
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	More Admirable Workplace – Advocating Health and Safety Appendix – Performance Data Summary
B2.2	Lost days due to work injury	More Admirable Workplace – Advocating Health and Safety Appendix – Performance Data Summary
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	More Admirable Workplace – Advocating Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities Note: Training refers to vocational training. It may include internal and external courses paid by the employer	More Admirable Workplace – Nurturing Talents
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	More Admirable Workplace – Nurturing Talents Appendix – Performance Data Summary
B3.2	The average training hours completed per employee by gender and employee category	More Admirable Workplace – Nurturing Talents Appendix – Performance Data Summary



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Material Aspects	Content	Reference/Remarks
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	More Admirable Workplace – Responsible Employment Appendix – Laws and Regulations
B4.1	Description of measures to review employment practices to avoid child and forced labour	More Admirable Workplace – Responsible Employment
B4.2	Description of steps taken to eliminate such practices when discovered	More Admirable Workplace – Responsible Employment
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	Better Products – Supply Chain Management
B5.1	Number of suppliers by geographical region	Appendix – Performance 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	Better Products – Supply Chain Management Appendix – Performance Data Summary
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Better Products – Supply Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Better Products – Supply Chain Management



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Material Aspects	Content	Reference/Remarks
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Better Products Appendix – Laws and Regulations
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Better Products – Product Responsibility
B6.2	Number of products and service-related complaints received and how they are dealt with	Better Products – Customer Management
B6.3	Description of practices relating to observing and protecting intellectual property rights	Better Products – Data Security and Privacy
B6.4	Description of quality assurance process and recall procedures	Better Products – Product Responsibility
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Better Products – Data Security and Privacy
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	More Admirable Workplace Appendix – Business Ethics – Laws and Regulations
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	Appendix – Laws and Regulations
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	More Admirable Workplace – Business Ethics
B7.3	Description of anti-corruption training provided to directors and staff	More Admirable Workplace – Business Ethics 2024 ESG Highlights



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Material Aspects	Content	Reference/Remarks
Aspect B8: Community		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	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



2024 ESG Report

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