ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2025

Hong Kong Stock Code 00330
Esprit Holdings Limited
Incorporated in Bermuda with limited liability

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ABOUT ESPRIT

LETTER FROM THE GROUP

Dear Readers,

We are pleased to present the environmental, social and governance report (the "ESG Report" or the "Report") of Esprit Holdings Limited ("ESPRIT", the "Company", "we" or "our") for the year ended 31 December 2025 (the "Year"). Our ESG Report reflects on a transformative period marked by resilience, strategic realignment, and a sharpened focus on sustainable value creation.

Founded in California by environmentalists Susie and Doug Tompkins in 1968, ESPRIT has always aimed to create genuine, circular fashion. Our vision is to foster authentic fashion through collections crafted by our licensee partners, who share our commitment to mindful design and responsible production. The Company's dedication to sustainability and responsible practices guides every facet of our operations, affirming our belief that fashion can be both beautiful and environmentally conscious.

Our licensing-centric business model offers meaningful environmental advantages compared to direct production. By relying on demand driven manufacturing by our licensee partners, we help reduce waste and limit overproduction, resulting in output that aligns closer to actual market demand. These practices are designed to lower the likelihood of excess inventory, which mitigates potential pre-consumer disposal impacts.

Financial Resilience Amid Restructurings

Following the Group's top-to-bottom restructuring initiated in 2024, the Year represents a critical inflection point in our strategic shift to an asset-light, licensing-centric business model, leading to a substantial reduction in net loss attributable to shareholders of the Company. This reduction is primarily attributable to a substantial decrease in operating expenses from continuing operations and one-off gain on deconsolidation related to discontinued operations arising from the Group's restructuring initiative. These steps position us for long-term efficiency and adaptability in a challenging retail landscape.

Social Impact and Community Focus

Employee well-being remained central, with cost discipline enabling continued talent development amid restructuring, fostering a lean yet innovative workforce. Through our licensing partnerships, we remain committed to maintaining strong labour standards and promoting diversity in brand management – strengthening stakeholder confidence and trust as we progress.

Governance and Future Outlook

Robust governance frameworks guided our restructuring, with Board oversight of risk management and compliance during deconsolidation and business model transition. Looking ahead, we prioritise scalable ESG integration in our licensing growth, alongside ongoing efforts to achieve profitability and circularity milestones.

ESPRIT works closely with its licensee partners within the clearly defined parameters of strict licensing agreements and brand guidelines, ensuring that each partner leverages its strong market presence and expertise in its respective territories or product categories while fully adhering to our ESG standards. A core element of our sustainability vision is driving meaningful, positive impact for both people and the planet. We firmly believe that sustainability and social responsibility are essential to our business, and we remain committed to contributing to a more sustainable future.

Thank you for your continued support.

Sincerely,

The Board of Directors of Esprit Holdings Limited
April 2026

ABOUT THIS REPORT

How We Report

The ESG Report prepared with reference to the Environmental, Social and Governance Reporting Code (the "HKEX ESG Reporting Code"), as set out in Appendix C2 of the Rules Governing the Listing of Securities on The Hong Kong Stock Exchanges Limited (the "Stock Exchange").

Our ESG Report is produced on an annual basis, together with our Annual Report covering our financial performance. This ESG Report addresses our identified risks, focus areas and material topics (please refer to the "Materiality Assessment" chapter in this report for further details), focusing on ESG performance, related policies, and management, and gives an overview of our new strategy towards intellectual property and licensee management, including the tools, targets, and progress of ESPRIT and all its subsidiaries (the "Group") covered in our Annual Report for the reporting period from 1 January 2025 to 31 December 2025 (the "Year") and is published on 29 April 2026 (the "2025 Annual Report").

Over the past decade, the Group has recorded recurring losses and a significant decline in revenue, driven largely by the prolonged underperformance of its European operations. High operating costs, legacy structural inefficiencies, the impacts of inflation, rising interest rates, energy price surges, and geopolitical disruptions have continued to weaken these subsidiaries. As a result, multiple subsidiaries across Europe, North America, and Asia initiated insolvency or restructuring proceedings during 2024. Please refer to "Esprit ESG Report 2024" for further details.

With the cessation and deconsolidation of all production and retail activities since 2024, and the Group's transition to a licensing-centric business model, no products or services are currently being offered by the Group. Consequently, all environmental and social Key Performance Indicators (KPIs) related to our operations, except for the licensing operations, are excluded from the following Report. The scope of this Report is consistent with the scope of the 2025 Annual Report of the Company, covering the Company's licensing activities.

The reporting boundary of this Report includes the subsidiaries of the Group for licensing purposes. At present, the Hong Kong and Shanghai subsidiaries are not engaged in direct production due to a strategic shift in the business model that prioritises licensing activities (please refer to "Our Business Model" chapter for further details). Therefore, the environmental and social KPIs presented in this Report pertain exclusively to subsidiaries involved in licensing.

For any inquiries and feedback about this ESG Report, please contact us via email at esprit-ir@espritholdings.com.

Reporting Principles

To ensure the quality and presentation of the reported ESG disclosures, we follow the reporting principles as outlined in the HKEX ESG Reporting Code, including:

Materiality: We have carried out stakeholder engagement, materiality assessment, and clarified the report content and scope based on the results of our materiality assessment. For details, please refer to the "Ongoing Dialogue" and "Materiality Assessment" sections in this Report.

Balance: This Report unbiasedly discloses both the positive and negative information to showcase the ESG performance of the Group during the Year.

Quantitative: This Report refers to applicable quantitative standards and practices, adopts quantitative methods to disclose applicable KPIs, and elaborates relevant quantitative standards, methodologies and/or calculation tools, and the source of the conversion factors used (if applicable) where appropriate.

Consistency: To ensure comparability over time, we maintain consistency in our reporting principles, scope and data disclosure and calculation methodologies. The reporting scope and statistical methodologies applied to this ESG Report were substantially consistent with previous years, and explanations would be provided if there is any change in the scope of disclosure of data or calculation methodologies. (Resulting from the change of business model, please refer to "How We Report" chapter on the change in reporting scope.)

Ongoing Dialogue

We greatly value ongoing stakeholder dialogue and have integrated this in our business processes, informing the priorities and the sustainability targets shared in this Report. As a foundation for dialogue, we have responded to our stakeholders' desire for greater transparency. This is emblematic of the way we work: we strive for open and transparent dialogue to explain challenges in our industry and to communicate how we are tackling them.

OUR BUSINESS

Our Culture and Brand Story

Unique Brand Heritage

Fuelled by a vision of radical positivity, ESPRIT was founded in California by environmentalists Susie and Doug Tompkins in 1968. ESPRIT is one of the few remaining American heritage brands dating back to the 80s and 90s. At the time it was founded, ESPRIT captured the spirit of California cool: countercultural, entrepreneurial, and energetic, with an undercurrent of activism.

Unlike start-up brands with no history, ESPRIT can tap into consumers' nostalgia from the 1980s to the 2000s. This audience are expected to have considerable purchasing power, thereby providing a compelling value proposition for our licensee partners.

Our Global Reach

The iconic ESPRIT logos are still widely recognised by consumers around the world, boasting a significant presence and reach worldwide. ESPRIT's mass market positioning allows licensees to leverage multiple channels across the value spectrum to maximise revenue, and in turn, generate significant royalty income for the Company. Hong Kong remains as the headquarters office.

Our Business

In the past, ESPRIT was a global company principally engaged in the retail (including E-shop), wholesale distribution, and licensing of quality fashion and non-apparel products designed under its own internationally renowned ESPRIT brand name. With this exit from such legacy business model and infrastructure, the Company is now well-positioned to transition and move forward with its adoption of an asset-light, licensing-centric business model. The Company has already established partnership in the Greater China region, North America, and Latin America. ESPRIT will continuously engage with potential strategic partners to explore licensing opportunities for ESPRIT's intellectual property across various geographic locations. By carefully selecting suitable partners and leveraging the advantages of the licensing-centric business model, the Company aims to maximise sustainable monetisation of ESPRIT's global brand.

Our Future Business Model

ESPRIT is dedicated to leveraging its iconic brand recognition to maximise revenue through its licensing activities. This strategy emphasises partnerships with licensee partners that possess strong market presence and expertise in their respective territories or specific product categories. Licensee partners will tailor their strategies and product offerings to suit local preferences, resulting in collections that align closely with regional demand. Notably, as all products are independently designed, developed, sourced, and distributed by our licensee partners, the operational risks associated with these activities are solely borne by them. Consequently, effectively overseeing and managing these licensee partners becomes a critical priority for the Company.

To successfully achieve this transition, the Company is focusing on geographical expansion into countries and regions with large domestic consumer markets to maximise growth potential and scalability. Key targets include the Greater China region, North America, and Latin America. These locations offer significant opportunities for rapid scaling due to mature retail environments, strong consumer demand, and integrated supply chains.

As a direct consequence of the cessation of production due to the insolvency of our European, US, and Canadian subsidiaries, and the transition toward a licensing-centric business model, all aspects of the value chain – such as supplier engagement, responsible marketing, procurement and shipments, community outreach, etc. – as well as manufacturing aspects, including product design, material circularity, water, waste and chemical management, quality and safety, and associated disclosures, are excluded from this Report. The cessation of production activities has rendered these elements not applicable in the current reporting period. We are diligently assessing the impact of these changes on our operations and remain committed to transparency and accountability in our reporting practices.

Policy Commitments

ESPRIT is dedicated to ensuring that its policy commitments related to responsible business practices and ESG are effectively communicated to our employees, business partners, and other relevant stakeholders. Employees are informed of the Company's policies through a variety of means, including the Employee Handbook, Staff Code of Conduct, and other internal communication channels. To ensure that potential barriers to communication are identified and addressed, the Company conducts regular assessments of its communication channels and seeks feedback from different stakeholders on their effectiveness. ESPRIT makes every effort to ensure that our policies and communications are accessible and available in languages that are needed.

List of ESG Policies:

- Anti-Corruption Policy
- Antitrust Policy
- Employee Handbook
- Fair Recruitment and Promotion Policy
- Partner and Licensing Code of Conduct
- People First Policy
- Policy on Human Rights
- Responsible Exit Policy
- Staff Code of Conduct
- Trade Engagement & Associated Legal Framework
- Whistleblowing Policy
- Worker Code of Conduct

OUR ESG APPROACH

Board Statement

Governance

The Board of Directors of the Company (the "Board") oversees ESG strategies, goals and plans to ensure that ESG considerations and strategies, as well as climate-related risks and opportunities, are included in its business operation processes and investments. The Board is supported by the Risk Management Committee and the internal ESG Taskforce, which comprises of management staff from different departments. The Board has delegated day-to-day responsibilities for ESG-related matters to the ESG Taskforce. The ESG Taskforce assists on all ESG-related matters, including but not limited to identifying potential risks associated with our business model, communicating with business partners and resolving any issues, while staying updated on regulatory requirements, monitoring legislations and due diligence standards, and supervising the Company's assessment on being a responsible and transparent fashion brand throughout the value chain. The ESG Taskforce will report on the latest progress of ESG and climate-related matters to the Risk Management Committee at least once a year, keeping both the Risk Management Committee and the Board informed.

Going forward, to ensure the Board and ESG Taskforce have the necessary skills and capabilities to oversee ESG-related and climate-related risks and opportunities, ESPRIT plans to to provide them with ESG and climate-related training.

Stakeholder Engagement and Strategies

The Company's strategy in ESG management is achieved by applying sustainable practices across various departments, promoting green awareness within the Group and licensee partners. We believe in the development and maintenance of sustainable relationships with all stakeholders, internally and externally. We demonstrate this commitment through consistent outreach in the communities where our employees, business partners and customers live and work. Regarding the process, we have adopted to evaluate, prioritise, and manage ESG material topics. Please refer to the "Ongoing Dialogue" and "Materiality Assessment" sections in this Report.

Reviews

Over the years, we have continued to review our environmental performance and implement initiatives to reduce the ecological footprint of our business. In light of the strategic corporate restructuring of the Company and transition in the new business model during the Year, the Company has made the decision to suspend all previously established environmental and social KPIs. We are committed to setting new goals that align with our updated business strategies and ESG objectives. This suspension allows us the opportunity to reassess our priorities and establish goals that are better suited to the changing dynamics of our operations. We remain dedicated to advancing our environmental stewardship. For more details about our governance structure and composition, please refer to the "Corporate Governance" section in the Annual Report.

Stakeholder Engagement

Employees

Our employees are the heart and soul of our Company, and we foster a culture that they can feel proud to contribute to. Alongside trainings, we offer opportunities for community engagement and ways to shape our Company.

Shareholders

Our shareholders help define the priorities of the Company, including our ESG goals and our overall ambition to help build a circular economy for fashion. Our shareholders play a key role in the development of our materiality assessment.

Licensee Partners

We value and welcome feedback from our licensee partners, which can be conveniently communicated to the management team. Licensees partners are invited to participate in engagement surveys to provide their input.

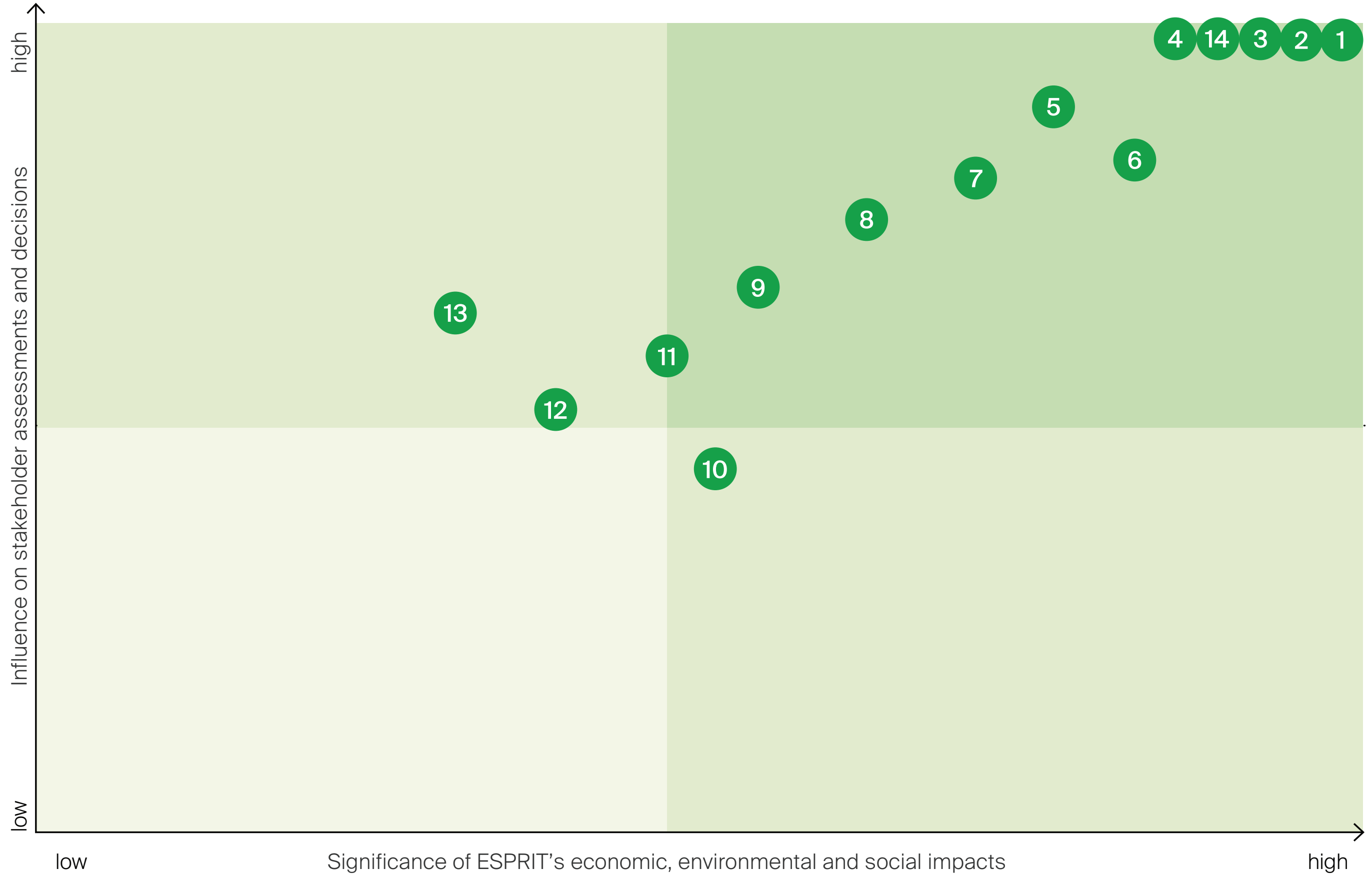
Materiality Assessment

In 2024, we updated our material topics to reflect the cessation of production and our strategic transition toward a licensing centric business model. The revised list captures the areas with the most significant social, environmental, and economic impacts, as well as those most relevant to our stakeholders. During the Year, we added "Brand Management" as a new material topic to reflect the strategic shift to a licensing-centric model. It ensures that licensee partners align with ESPRIT's brand values, quality, and aesthetics, supporting consistency, customer trust, and long-term performance. The list of material topics has been reviewed and confirmed by the Board.

FY2025 Material Topics

1 Intellectual Property
2 Licensee Management, including product safety and quality, sustainable materials, animal welfare, responsible sourcing and traceability, supplier and vendor management, solid waste
3 Business Performance (including Cost Management and Risk Management)
4 Customer Satisfaction
5 Human Rights
6 Employee Welfare
7 Climate Change and Carbon Footprint
8 Diversity, Equality and Inclusion
9 Business Ethics and Integrity
10 Remuneration and Employee Benefits
11 Occupational Health and Safety
12 Responsible Marketing
13 Data Privacy
14 Brand Management *

Topics marked with * are material topics newly added to the list in 2025.



GOVERNANCE

Corporate Governance

Corporate governance is the fundamental pillar of our business operations. Corruption and unfair competition pose significant risks, as these practices violate competition law. To address these risks, ESPRIT has established stringent internal controls, including the Anti-Corruption Policy and the Antitrust Policy, which are aligned with applicable local and international competition laws. We strictly adhere to all applicable laws and regulations, including the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong), the Competition Ordinance (Cap. Of 619 of the Law of Hong Kong), the Anti-Monopoly Law of the People's Republic of China, and are committed to maintaining the highest ethical standards.

Antitrust

ESPRIT understands that free and fair competition is vital to sustainable commercial activity. To uphold this principle, we have implemented the Antitrust Policy and the Trade Engagement & Associated Legal Frameworks, which prohibits agreements, practices, and conduct that could harm competition. Antitrust regulations have a significant impact on our day-to-day operations. Under our new business model, pricing, promotion, sales, and relationships with suppliers, distributors, dealers, franchisees, and competitors are managed by licensee partners, requiring strict compliance across all levels. All management personnel are expected to be fully aware of and adhere to the principles of national and international competition laws to safeguard effective market competition.

Anti-corruption and Extortion

We maintain zero-tolerance to any kind of corruption and extortion and expect our employees and all business partners to clearly denounce corruption and unfair business practices. The Anti-Corruption Policy outlines the expected behaviour of all employees related to integrity and fairness. This policy covers corrupt business practices and criminal offenses such as bribery, misappropriation, embezzlement, fraud, money laundering, and violations of tax and foreign exchange laws, as well as dealing with political parties, donations, monitoring of compliance and consequences resulting from compliance breaches. To ensure the highest ethical standards are upheld across ESPRIT, all directors receive a comprehensive compliance booklet (includes the Anti-Corruption Policy), while employees receive the Staff Code of Conduct which contains anti-corruption provisions as an attachment to their employment contract. Directors and employees are required to sign an acknowledgement form to confirm their understanding and commitment to compliance.

Through our Staff Code of Conduct and the Anti-Corruption Policy, ESPRIT maintains its commitment to the global anti-corruption programme (the "Anti-Corruption Programme"). This risk-based and tailored initiative is designed to prevent corruption across all aspects of our business and applies to all individuals working for or on behalf of the Company. The Anti-Corruption Policy and the effectiveness of the Anti-Corruption Programme are regularly reviewed and updated by our compliance team, reflecting our ongoing dedication to continuous monitoring and improvement.

In 2025, the Company focused on reorganising its network of licensee partners. As the restructuring required significant time and attention from operational and compliance teams, the annual anti-corruption training in the Hong Kong and Shanghai offices was temporarily postponed. During the Year, there were no legal cases related to anti-corruption brought against the Group's employees based in Hong Kong and Shanghai.

Grievance Process

A robust grievance process can address any issues that may arise within our Company. In 2025, we updated the Whistleblowing Policy to better suit our licensing business. The policy covers all employees (full-time, part-time, contract), as well as licensees, suppliers, and third parties. Concerns can be reported to line managers, department heads, dedicated confidential mailbox, or personnel in the Legal Department and Company Secretary. The process ensures no retaliation, and we actively foster a speak-up culture through regular training, email updates, and alerts. As we seek new licensee partners, we remain committed to ensuring that all partners have grievance mechanism in place within their manufacturing supply chain.

During the Year, there were no public legal allegations or concluded legal cases relating to compliance matters, including corruption, unfair competition, or breaches of antitrust law.

Protection of Personal Data

We put great importance to the protection of data privacy of our employees and our business partners and strictly observe compliance with the applicable laws and regulations relating to privacy matters, including the Personal Data (Privacy) Ordinance (Cap 486 of the Laws of Hong Kong) and the General Data Protection Regulation of European Union.

We process personal data in a lawful, fair manner that is transparent to the data subject. Personal data may be collected or processed only were permitted by law for specific and explicit purposes. This could include obtaining consent from the data subject, fulfilling contractual obligations, serving legitimate interests, or complying with legal requirements.

At ESPRIT, data protection is considered a core asset that builds and fosters long–lasting relationships. We have a data protection management framework in place which ensures that the records of processing activities are monitored and updates regarding the privacy policies for business partners are communicated in a timely manner. These activities are aligned with the relevant data privacy laws across different jurisdictions. For example, to detect and report data protection breaches, and to comply with the data subject rights of our licensee partners, other business partners and employees. In addition, all newly hired employees are required to complete a general compliance training, which includes an overview of all high-risk policies within our company.

Protection of Intellectual Property Rights

We have embarked on a strategic transition towards an asset-light, licensing-centric business model, which emphasises the growth of licensing activities and a shift towards an Intellectual Property ("IP") management structure since 2024. The Company owns the ESPRIT trademarks for all regions outside of Europe, providing a strong foundation for developing and expanding its licensing business. With a unique brand heritage dating back to the 80s and 90s, ESPRIT embodies the spirit of California cool. The iconic ESPRIT logos are still widely recognised by consumers around the world, boasting a significant presence and reach worldwide. ESPRIT's mass market positioning allows licensee partners to leverage multiple channels across the value spectrum to maximise revenue, and in turn, generate more royalty income for the Company.

As of the date of this Report, the Company has already successfully established partnerships for the Greater China region, North America and finalised the renewal of a licensee partnership in Latin America. These recent partnerships enable the Company to leverage licensee partners' valuable local market knowledge, along with their established infrastructure and distribution networks. The Company will actively continue exploring for additional geographical locations and product categories. By carefully selecting suitable partners with local market knowledge, e-commerce expertise and established distribution networks, the Company aims to maximise sustainable monetisation of ESPRIT's global brand, while minimising financial strain and reliance on any single licensee partners. This strategic transition positions the Company for future sustainable success and long-term value creation.

During the Year, we maintained our global trademark portfolio (except in Europe) and actively monitored potential infringement. Our approach includes a professional trademark watching service, which provides regular feedback. Upon identifying any potential conflicts, we promptly initiated opposition proceedings against such conflicting trademark applications. In addition to monitoring, we take necessary legal actions to protect our IP rights if an infringement is identified, including but not limited to issuing warning letters, seeking preliminary injunctions and initiated lawsuits against infringers. Under the new business model, our licensee partners will play a key role in the management of our IP rights and complying with the Licensee Code of Conduct (Please refer to "Our Licensee Partners" section, for further details). They will notify us of any potential infringements identified and will work closely with us to protect our intellectual property rights. In addition, trademark searches are conducted and applications are filed for new trademarks where there is an intention to use them in the course of our business.

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ENVIRONMENT AND PRODUCT RESPONSIBILITY

- Our Approach

OUR APPROACH

Our approach on environment and product responsibility is centred on reducing our carbon footprint and environmental impacts. Due to the transition towards the licensing-centric business model, we are currently not directly involved in production activities and all products are independently designed, developed, sourced, and distributed by the licensee partners. The role of the Company has shifted to oversee and manage licensee partners. Therefore, we are committed to procure our licensee partners to strictly comply with all relevant national and international standards, laws and regulations on environmental protection and product responsibility within each country where they operate. Even within the licensing-centric business model, we place strong emphasis on product quality. Product quality control provisions are included in the license agreements with each licensee partner.

We aim to proactively minimise the Company's impact on the environment and promote sustainability in the fashion industry. Due to the cessation of production activities following the initiation of Insolvency Proceedings and the strategic decision to transition towards a licensing-centric business model, our focus remains in monitoring electricity and waste disposal of our headquarters office in Hong Kong and staff office in Shanghai. The Company acknowledges the pivotal role of energy consumption in mitigating carbon emissions and air pollution. Our commitment to reducing environmental impact hold within our office operations, where we consistently monitor energy usage and strive to enhance overall energy efficiency. Please refer to Appendix I: Performance Data Table for further details.

The Company integrated environmental protection into its licensing partnerships through the Partner and Licensing Code of Conduct, which is embedded in license agreements. This sets clear expectations for licensee partners on sustainable design and responsible practices, including reducing excess production and inventory, enhancing energy and water efficiency, implementing responsible waste management procedures, prioritising sustainable material sourcing, and adhering to established environmental management standards. As the majority of the licensee partners are currently in the early stages of business initiation, certain environmental policy updates originally planned for 2025 remain in development. In the meantime, we will maintain regular and open dialogue with our licensee partners on both apparel design and ESG-related matters. This demonstrates our continued commitment to embedding sustainable practices across operations.

ESPRIT, as an international fashion brand, is aware of the adverse impacts posed by climate change to both the environment and society. With the HKEX ESG Reporting Code effective for financial years beginning on 1 January 2025, we have included a content index in response to Part D: Climate-related Disclosure (Please refer to "HKEX Reporting Code Content Index" for further details). Due to the business model restructuring, the Company will focus on enhancing climate-related governance and risk management. We will further assess how climate related risks and opportunities may impact our future operations and strategic direction in the future.

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OUR LICENSEE PARTNERS

- Our Approach

OUR APPROACH

The Group aims to foster enduring, strategic partnerships with experienced licensee partners, collaborating equitably for mutual success. In alignment with our unwavering commitment to delivering superior products and services with integrity and excellence, we only engage reputable licensee partners which are committed to high standards in quality, integrity, and responsibility across ESG practices. The distribution of the licensed products by our licensee partners is subject to applicable laws and regulations in the relevant countries and territories.

We have implemented and updated our various Code of Conducts, which are appliable for all licensee partners, suppliers, subcontractors, manufacturers, agents, and service providers. The policy outlines our ethical, social and environmental standards which we require all our licensee partners to adhere to, including but not limited to working hours, payroll and wages, safety working conditions, prohibition of child and forced labour, sustainable design, use of chemicals, control of waste and emissions, the use of eco-friendly materials, and sustainable manufacturing. We require all our licensee partners to be aware of and expect their compliance with our expectations through appropriate contractual arrangements with suppliers, documentation of escalation approaches and corrective actions, and submission of compliance reports.

Beyond compliance, we are dedicated to actively supporting our licensee partners by constantly communicating, sharing best practices, and fostering open dialogue on product development and responsible business practices throughout their supply chains. We aim to bridge cultural and operational differences in design and production to foster mutual understanding and alignment on the shared sustainability goals in the contractual commitments. This ongoing engagement ensures consistency across markets, and strengthening long-term partnerships.

Going forward, we plan to take several practical steps to improve sustainability across our licensing network. These include increasing visibility into supply chains, providing focused training, rewarding strong performance through preferred partner status, and carrying out audits. Together, these measures will help ensure standards are met and reduce the risk of greenwashing.

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OUR EMPLOYEES AND COMMUNITY

- Our Employees
- Diversity Equality and Inclusion
- Employee Development
- Human Rights
- Health and Safety
- Our Community

OUR EMPLOYEES

The Company is dedicated to complying with applicable laws and regulations regarding diversity, equity, and workplace safety. We ensure that all employment practices are conducted fairly and without discrimination. We will explore opportunities to strengthen diversity, inclusion, workplace safety, employees' development and wellness in the future as part of our long-term people strategy.

ESPRIT is dedicated to maintaining high standards and clear expectations for our employees, which are communicated and documented in our policies and guidelines. Our Policy on Human Rights ensures our business is not complicit in human rights abuses. Our Fair Recruitment and Promotion Policy, Staff Code of Conduct, and People First Policy prohibits unfair treatment or any other behaviour contrary to the provision of equal opportunity. Moreover, the Employee Handbook provides information on compensation, recruitment, promotion, working hours, equal opportunities, diversity, and welfare. All decisions regarding recruitment, promotion, and dismissal are made solely based on the experience, ability, and capacity of candidates and employees, regardless of their background and social identity. We value the opinions and feedback of our employees. Therefore, an employee feedback mechanism is in place to collect feedback. Where issues are identified, appropriate follow up measures are implemented, with Human Resources and Supplies Department (HR&S) personnel engaging directly with the relevant employees to address concerns.

We comply strictly with all applicable laws and regulations in respective jurisdictions of the Company's operations, including the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), and Sexual Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong), Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong), Family Status Discrimination Ordinance (Cap. 602 of the Laws of Hong Kong), and Race Discrimination Ordinance (Cap. 527 of the Laws of Hong Kong). During the Year, there were no cases reported regarding non-compliance to the employment and labour practice.

Workforce

Following the Group's restructuring activities since 2024, our focus remains on supporting the remaining team members through this transition. During the Year, we have a total of 31 full-time equivalent ("FTE") employees as of 31 December 2025.

	FTE	Male	Female
Hong Kong office	29	13	16
Shanghai office	2	1	1

Retaining and Attracting Talent

We provide career development opportunities, flexible working conditions, as well as competitive compensation and benefits to attract and retain talent. We offer competitive salaries, benchmarked annually in Hong Kong against market standards. Employee performance is evaluated objectively based on merit, ability, and proficiency, ensuring fairness and transparency in career progression and compensation decisions.

At ESPRIT, we aim to provide a high quality of life for our employees. We offer each employee with an insurance plan, and other employee benefits. Medical benefits are provided to employees in Hong Kong, and we complied with all social insurance requirements applicable to our employees in Shanghai. We also provide flexible working hours and remote work options, particularly for employees with caregiving or family responsibilities, to support work-life balance and trust-based collaboration.

Turnover Rate

During the Year, the business model transition resulted in a reduction in employees. As manufacturing, operations, and production support functions were phased out, the majority of roles were no longer required. This led to a notable increase in employee turnover. In cases of employee dismissal, the Group adheres to a structured termination procedure, which includes issuing clear notification to the employee, elucidating the reasons for the termination, specifying the effective date of dismissal, conducting an exit interview involving the employee's supervisor, HR&S personnel, and/or labour union representatives, and providing severance compensation in compliance with relevant local labour regulations. The Group maintains its dedication to monitoring industry trends and effectively managing its workforce in a conscientious and adaptable manner, promoting sustainable business advancement while honouring its commitments to employees and stakeholders.

DIVERSITY EQUALITY AND INCLUSION

Inclusion and Diversity Commitments

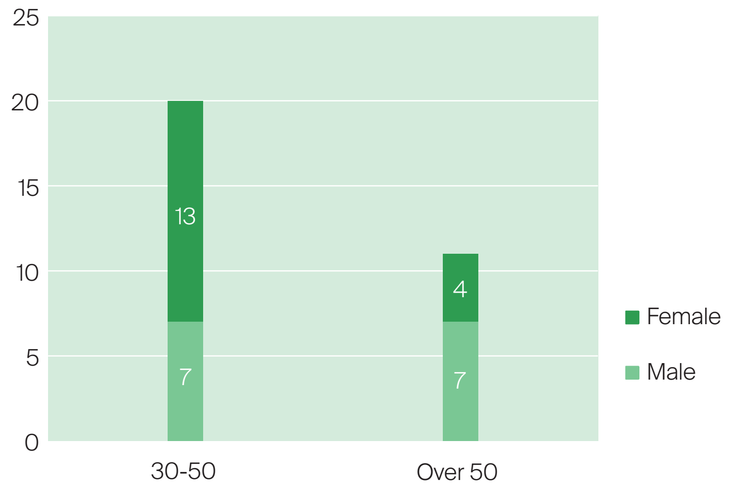
We value diversity and inclusion in our workforce and are committed to protecting the rights and interests of employees. To us, equality means removing barriers to collaboration, ensuring fair licensing opportunities, and providing equal access–both in how we employ people, how we engage with service providers, and how we deliver our licensed apparel goods. No discrimination shall be committed on the basis of race, social class, religion, nationality, gender or disability.

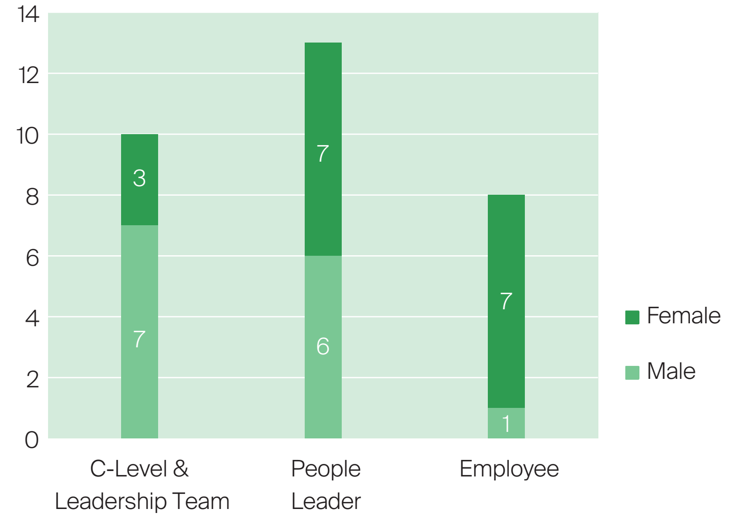
The Employee Handbook, Staff Code of Conduct, People First Policy, and Worker Code of Conduct establish clear standards for fair employment practices. We maintain a clear complaint reporting procedure for discrimination. This encourages employees to raise concerns through their line manager or senior colleagues and file reports, with all cases reviewed by HR&S Department and escalated to the Chairperson, and the Board, for appropriate disciplinary or legal action as needed.

Gender Diversity

We aim to create a gender diverse balance within our leadership that is reflective of our Company as a whole. Despite a reduction in overall headcount due to the ongoing business restructuring, ESPRIT has made progress in advancing gender balance across leadership levels in 2025. Female representation at the C-Level and Leadership Team increased from 26% in 2024 to 30% in 2025. We will continue to prioritise inclusive leadership and is committed to building a culture that supports greater female representation at all levels.

The breakdown of employees by gender, age, and employee group as of 31 December 2025 is as follows:





[1] C-Level & Leadership Team: C-Level, SVPs, VPs, Directors
People Leader: Head, Team Leader, Manager with leadership responsibility
Employees: Employees without leadership responsibility

EMPLOYEE DEVELOPMENT

Learning

We are committed to empowering our employees with the skills and knowledge they need to grow and thrive. ESPRIT offers technical and soft skills training programmes to equip employees for future business challenges and opportunities. Due to the strategic corporate restructuring and the absence of new hires, no training hours were delivered during the Year.

As we transition into a licensing-centric business model, we plan to develop capabilities focused on brand management and strategic partnerships. We will continue to provide equal learning opportunities and support ongoing employee development.

HUMAN RIGHTS

Prevention of Child Labour and Forced Labour

In accordance with human rights principles, we strictly prohibit child labour and forced labour in our operations. ESPRIT has complied with all relevant national and international standards, laws and regulations relating to preventing child and forced labour within all the regions where we operate during the Year. Our Policy on Human Rights and Worker Code of Conduct demonstrates our efforts and commitment on respecting internationally recognised human rights and prevention on child and forced labour.

During our recruiting process, the candidate's identity is verified through a legal identification and background check. If the identity information is found to be untrue or the candidate is found to be underage, the recruitment process will not proceed. If such cases are found and confirmed after an investigation, the Company will take appropriate action, which may include, but is not limited to, initiating disciplinary actions, initiating legal proceedings, and/or reporting to relevant governmental/regulatory authorities.

HEALTH AND SAFETY

Safe Working Conditions

We secure safe working environments and protect our employees from occupational hazards. We comply strictly with or exceed all applicable occupational health and safety-related laws and regulations in respective jurisdictions of the Company's operations, including the Occupational Health and Safety Ordinance (Cap. 509 of the Laws of Hong Kong).

We believe that policies and procedures play a crucial role in building a safe working environment. To support this, we provide clear and concise safety policies, guidelines and procedures in the Employee Handbook and Worker Code of Conduct to employees and workers. This includes emergency plans and guidelines to ensure proper response in case of any emergencies, equal standards for residential facilities, and hygienic workplace.

To strengthen workplace safety, we provide occupational health and safety trainings on various aspects to our employees. These trainings cover first aid, fire safety and electrical safety, to ensure their awareness on occupational health and safety in the office environment. In general, all new employees are instructed by their supervisors around relevant occupational health and safety topics. In addition, employees can access comprehensive health and safety information anytime through the Employee Handbook.

To monitor our progress on maintaining a safe working environment, regular inspections and assessments on health and safety are conducted by HR&S to identify safety hazards, non-compliance and areas for improvement.

In 2025, there were no work-related fatalities and work-related injury cases.

OUR COMMUNITY

Community Engagement

The origins of ESPRIT are steeped in social impact, which includes doing business responsibly and leaving a positive legacy through our actions. As a global company, ESPRIT believes in developing and maintaining sustainable relationships with all stakeholders. We demonstrate this commitment by acting imaginatively and consistently in the communities where our employees, business partners and customers live and work.

As a result of the strategic corporate restructuring and gradual shift towards a new business model, the Group has temporarily paused direct community engagement initiatives. However, we remain committed to our long-term social mission and would actively seek for opportunity in community engagement to understand the needs of the communities where we operate and to ensure our activities take into consideration the communities' interests in different focus areas in the future.

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APPENDIX

- Performance Data Table
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APPENDIX I: PERFORMANCE DATA TABLE

Environmental KPIs

				2025			2024
Greenhouse Gas Emissions[2]	**Unit**	**Hong Kong**	**Shanghai**	**Total**	**Hong Kong**	**Shanghai**	**Total**
Scope 1 – Direction greenhouse gas emissions[3]	tCO_2e	8.22	–	**8.22**	–	–	**-**
Scope 2 – Indirect greenhouse gas emissions	tCO_2e	68.95	2.23	**71.18**	125.28	37.35	**162.63**
Total greenhouse gas	tCO_2e	77.17	2.23	**79.40**	125.28	37.35	**162.63**
Greenhouse gas emissions intensity	tCO_2e/person	–	–	**2.56**	–	–	**2.96**
Energy Consumption							
Purchased electricity	KWh	114,922	3,852	**118,774**	208,801	63,865	**272,666**
Electricity consumption intensity	KWh/person			**3,831.42**			**4,957.56**
Water Consumption[4]							
Water Consumption	m^3	–	–	**-**	0	325	**325**
Water consumption intensity	m^3/person	–	–	**-**	–	–	**5.91**
Waste Generation – Non-hazardous Waste							
Non-hazardous waste (Printer paper)	kg	525.00	3.00	**528.00**	1,153.50	2.88	**1,156.38**
Non-hazardous waste intensity	kg/person	–	–	**17.03**	–	–	**21.03**
Waste Generation – Hazardous Waste							
Total hazardous waste (Ink cartridges)	kg	27.50	0.20	**27.70**	148.00	32.74	**180.74**
Hazardous waste intensity	kg/person	–	–	**0.89**	–	–	**3.29**

[2] Greenhouse gas emissions refer to "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" by The Hong Kong Stock Exchanges Limited for calculation. In addition, emission factors for scope 2 emissions have been referred to the HK Electric Investments Sustainability Report 2024 and the National Average Emission Factor for Electricity published by the Ministry of Ecology and Environment of the People's Republic of China in 2024.

[3] Scope 1 emissions are attributable solely to mobile combustion from company-owned vehicles operated by the Hong Kong office. The Shanghai office does not operate company vehicles and therefore has no Scope 1 direct greenhouse gas emissions.

[4] Water consumption data is unavailable in 2025 as water usage is recorded on a building wide basis without sub-metering by floor or tenant.

Social KPIs

		2025			2024		
Workforce	**Unit**	**Hong Kong**	**Shanghai**	**Total**	**Hong Kong**	**Shanghai**	**Total**
FTE	FTE	29	2	**31**	42	13	**55**
Total Workforce (Head) [5]	no. of people	29	2	**31**	42	13	**55**
By Gender							
Male	no. of people	13	1	**14**	22	8	**30**
Female	no. of people	16	1	**17**	20	5	**25**
By Employee Category							
C-Level & Leadership Team	no. of people	10	0	**10**	19	0	**19**
People Leader	no. of people	11	2	**13**	8	4	**12**
Employee	no. of people	8	0	**8**	15	9	**24**
By Age Group							
30 or under	no. of people	0	0	**0**	1	0	**1**
31 – 50	no. of people	18	2	**20**	23	10	**33**
Above 51	no. of people	11	0	**11**	18	3	**21**

Turnover Rate [6,7]	**Unit**	**2025**	**2024**
By Gender			
Male	%	114%	213%
Female	%	41%	312%
By Age Group			
30 or under	%	–	2,100%
31 – 50	%	55%	291%
Above 50	%	109%	119%
By Geographic Region			
Hong Kong office	%	41%	338%
Shanghai office	%	550%	0%

		2025			2024		
Health and Safety	**Unit**	**Hong Kong**	**Shanghai**	**Total**	**Hong Kong**	**Shanghai**	**Total**
Total Number of							
Work-Related Fatalities	no. of people	0	0	**0**	0	0	**0**
Work-Related Injury Cases	no. of cases	0	0	**0**	0	0	**0**
Lost Days Due to Work Injury	no. of days	0	0	**0**	0	0	**0**

5 All the employees in 2024 and 2025 were full-time and permanent employees.

6 The turnover rates by geographical region, gender and age group were calculated as: Turnover rate (per category) = Employees in the specified category leaving employment/Number of employees in the specified category * 100%.

7 The reason for the turnover rate over 100% in 2024 and 2025 is because of business restructuring and the number of employees leaving employment is larger than the number of employees.

APPENDIX II: HKEX ESG REPORTING CODE CONTENT INDEX

The ESG Report 2025 was prepared in compliance with the mandatory disclosure requirements and "comply or explain" provisions of the HKEX ESG Reporting Code. As a consequence of the cessation of production due to the insolvency of our subsidiaries since 2024, some of the KPIs are no longer applicable to the Company's current licensing business operations. The following are the disclosures for Part C of the HKEX ESG Reporting Code, which sets out provisions to be reported on a "comply or explain" basis.

Subject Areas, Aspects, General Disclosures and KPIs		**Reporting Location/Remarks**
A. Environmental		
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.	Environment and Product Responsibility, p.15
KPI A1.1	The types of emissions and respective emissions data.	Emission data is considered not relevant to the operations of the Group with a focus on licensing activities. For details, please refer to "Our Business Model".
KPI A1.2	Repealed on 1 January 2025	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	APPENDIX I: Performance Data Table, Environmental KPIs p. 23
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	APPENDIX I: Performance Data Table, Environmental KPIs p. 23
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	About ESPRIT, Board Statement, Reviews, p.9 In light of the strategic corporate restructuring of the Company and transition to a licensing-centric business model in 2025, the Company has made the decision to suspend all previously established ESG targets which are not applicable to the Group's business model.
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	About ESPRIT, Board Statement, Reviews, p.9 In light of the strategic corporate restructuring of the Company and transition to a licensing-centric business model in 2025, the Company has made the decision to suspend all previously established ESG targets which are not applicable to the Group's business model.

Subject Areas, Aspects, General Disclosures and KPIs		Reporting Location/Remarks
A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environment and Product Responsibility, p.15
KPI A2.1	Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in '000s) and intensity (e.g., per unit of production volume, per facility).	APPENDIX I: Performance Data Table, Environmental KPIs p. 23
KPI A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility).	APPENDIX I: Performance Data Table, Environmental KPIs p. 23
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	About ESPRIT, Board Statement, Reviews, p.9 In light of the strategic corporate restructuring of the Company and transition to a licensing-centric business model in 2025, the Company has made the decision to suspend all previously established ESG targets which are not applicable to the Group's business model.
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	About ESPRIT, Board Statement, Reviews, p.9 In light of the strategic corporate restructuring of the Company and transition to a licensing-centric business model in 2025, the Company has made the decision to suspend all previously established ESG targets which are not applicable to the Group's business model.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging material used is considered not relevant to the operations of the Group with a focus on licensing activities. For details, please refer to "Our Business Model".
A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environment and Product Responsibility, p.15
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment and Product Responsibility, p.15
A4: Climate Change		
General Disclosure	Repealed 1 January 2025.	
KPI A4.1	Repealed 1 January 2025.	

Subject Areas, Aspects, General Disclosures and KPIs		**Reporting Location/Remarks**
B. Social		
B1: Employment		
General Disclosure	Information on: a. the policies; and b. compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Our Employee and Community, Our Employees p. 19
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	APPENDIX I: Performance Data Table, Social KPIs p. 24
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	APPENDIX I: Performance Data Table, Social KPIs p. 24
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.	Our Employee and Community, Health and Safety, Safe Working Conditions p. 22
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	APPENDIX I: Performance Data Table, Social KPIs p. 24
KPI B2.2	Lost days due to work injury.	APPENDIX I: Performance Data Table, Social KPIs p. 24
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Our Employee and Community, Health and Safety, Safe Working Conditions p. 22
B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Our Employee and Community, Employee Development, Learning p. 21
KPI B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Our Employee and Community, Employee Development, Learning p. 21
KPI B3.2	The average training hours completed per employee by gender and employee category.	Our Employee and Community, Employee Development, Learning p. 19

Subject Areas, Aspects, General Disclosures and KPIs		**Reporting Location/Remarks**
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.	Our Employee and Community, Prevention of Child Labour and Forced Labour p. 21
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Our Employee and Community, Prevention of Child Labour and Forced Labour p. 21
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Our Employee and Community, Prevention of Child Labour and Forced Labour p. 21
B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Our Licensee Partners, p.17
KPI B5.1	Number of suppliers by geographical region.	Number of suppliers is considered not relevant to the operations of the Group with a focus on licensing activities. For details, please refer to "Our Business Model".
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Our Licensee Partners, p.17
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Our Licensee Partners, p.17
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Our Licensee Partners, p.17

Subject Areas, Aspects, General Disclosures and KPIs		Reporting Location/Remarks
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.	Environment and Product Responsibility, p. 15 Our Licensee Partners, p. 17
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product recall procedures are considered not relevant to the operations of the Group with a focus on licensing activities. For details, please refer to "Our Business Model".
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Number of complaints are considered not relevant to the operations of the Group with a focus on licensing activities. For details, please refer to "Our Business Model". We always welcome our licensee partners' feedback, which they can easily share with our management team. We actively invite our licensee partners to participate in engagement surveys to share their feedback.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	About ESPRIT, Governance, Protection of Intellectual Property Rights, p. 13
KPI B6.4	Description of quality assurance process and recall procedures.	Product recall procedures are considered not relevant to the operations of the Group with a focus on licensing activities. For details, please refer to "Our Business Model".
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	About ESPRIT, Governance, Protection of Personal Data, p. 13

Subject Areas, Aspects, General Disclosures and KPIs		Reporting Location/Remarks
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.	About ESPRIT, Governance, Corporate Governance p. 11 About ESPRIT, Governance, Antitrust p. 11 About ESPRIT, Governance, Anti-corruption and Extortion p. 11
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	About ESPRIT, Governance, Grievance Process, p. 12
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	About ESPRIT, Governance, Anti-corruption and Extortion, p. 11
KPI B7.3	Description of anti-corruption training provided to directors and staff.	About ESPRIT, Governance, Anti-corruption and Extortion, p. 11
B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Our Employee and Community, Our Community, p. 22
KPI B8.1	Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport).	Our Employee and Community, Our Community, p. 22
KPI B8.2	Resources contributed (e.g., money or time) to the focus area.	Our Employee and Community, Our Community, p. 22

The following are the disclosures for Part D of the HKEX ESG Reporting Code, which outlines climate-related provisions to be reported on a "comply or explain" basis.

Content	Reporting Location/Remarks
Governance	
19. An issuer shall disclose information about:	
(a) The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	
(i) How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Our ESG Approach, Board Statement, Governance p. 9
(ii) How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	
(iii) How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	
(iv) How the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and	
(b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate related risks and opportunities, including information about:	
(i) Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	Our ESG Approach, Board Statement, Governance p. 9
(ii) Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	

Content	Reporting Location/Remarks
Strategy	
Climate-related risks and opportunities	
20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
(a) Describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	We currently have not identified climate-related risks and opportunities that could affect the Company over the various time horizons, due to the strategic corporate restructuring of the Company and transition to a licensing-centric business model. We will assess climate-related risks and opportunities in the future.
(b) Explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	
(c) Specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	
(d) Explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	
Business model and value chain	
21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	
(a) A description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	We currently have not identified material climate-related risks and opportunities that are directly applicable to its current operations and value chain due to the strategic corporate restructuring of the Company and transition to a licensing-centric business model. We will assess climate-related risks and opportunities in the future.
(b) A description of where in the issuer's business model and value chain climate related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	

Content	Reporting Location/Remarks
Strategy and decision-making	
22. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
(a) Information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	
(i) Current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	We currently have not identified climate-related risks and opportunities that could affect the Company over the various time horizons, due to the strategic corporate restructuring of the Company and transition to a licensing-centric business model. We will assess the effects of climate-related risks and opportunities on our strategy and decision-making in the future.
(ii) Current and anticipated adaptation and mitigation efforts (whether direct or indirect);	
(iii) Any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	
(iv) How the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	
(b) Information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	
23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	

Content	Reporting Location/Remarks
Financial position, financial performance and cash flows	
Current financial effect	
24. An issuer shall disclose qualitative and quantitative information about:	
(a) How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	We currently have not yet identified current financial impacts from climate-related risks and opportunities, due to the strategic corporate restructuring of the Company and transition to a licensing-centric business model. We will assess climate-related financial impact in the future.
(b) The climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	
Anticipated financial effect	
25. The issuer shall provide qualitative and quantitative disclosures about:	
(a) How the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	We currently have not yet identified anticipated financial impacts from climate-related risks and opportunities, due to the strategic corporate restructuring of the Company and transition to a licensing-centric business model and do not have the resources to conduct climate-related financial assessment. We will assess climate-related financial impact in the future.
(i) Its investment and disposal plans; and	
(ii) Its planned sources of funding to implement its strategy; and	
(b) How the issuer expects its financial performance and cash flow to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	

Content	Reporting Location/Remarks
Climate resilience	
26. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	
(a) The issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	
(i) The implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	We currently have not yet conducted scenario analysis, due to the strategic corporate restructuring of the Company and transition to a licensing-centric business model and do not have the resources to conduct scenario analysis. We will explore the feasibility of conducting climate-related scenario analysis to assess its climate resilience in the future.
(ii) The significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	
(iii) The issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	
(b) How and when the climate-related scenario analysis was carried out, including:	
(i) Information about the inputs used, including: (1) Which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) Whether the analysis included a diverse range of climate-related scenarios; (3) Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) Whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) Why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) Time horizons the issuer used in the analysis; and (7) What scope of operations the issuer used in the analysis (for example, the operation locations and business units used in the analysis);	We currently have not yet conducted scenario analysis, due to the strategic corporate restructuring of the Company and transition to a licensing-centric business model and do not have the resources to conduct scenario analysis. We will explore the feasibility of conducting climate-related scenario analysis to assess its climate resilience in the future.
(ii) The key assumptions the issuer made in the analysis; and	
(iii) The reporting period in which the climate-related scenario analysis was carried out.	

Content	Reporting Location/Remarks
Risk Management	
(27) An issuer shall disclose information about:	
(a) The processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	
(i) The inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	We currently have not yet established processes or polices to identify, assess, prioritise and monitor climate-related risks and opportunities, due to the strategic corporate restructuring of the Company and transition to a licensing-centric business model. We will explore the feasibility of integrating climate-related risks into the Company's risk management in the future.
(ii) Whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	
(iii) How the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	
(iv) Whether and how the issuer prioritises climate-related risks relative to other types of risks;	
(v) How the issuer monitors climate-related risks; and	
(vi) Whether and how the issuer has changed the processes it uses compared with the previous reporting period;	
(b) The processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	
(c) The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	

Content	Reporting Location/Remarks
Metrics and Targets	
Greenhouse gas emissions	
28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as:	
(a) Scope 1 greenhouse gas emissions;	APPENDIX I: Performance Data Table, Environmental KPIs p. 23
(b) Scope 2 greenhouse gas emissions; and	APPENDIX I: Performance Data Table, Environmental KPIs p. 23
(c) Scope 3 greenhouse gas emissions.	We currently have not yet measured our Scope 3 greenhouse gas emissions, due to the strategic corporate restructuring of the Company and transition to a licensing-centric business model. We will explore the feasibility of measuring Scope 3 greenhouse gas emissions in the future.
29. An issuer shall:	
(a) Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	APPENDIX I: Performance Data Table, Environmental KPIs p. 23
(b) Disclose the approach it uses to measure its greenhouse gas emissions including:	
(i) The measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	APPENDIX I: Performance Data Table, Environmental KPIs p. 23
(ii) The reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	
(iii) Any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	
(c) For Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	APPENDIX I: Performance Data Table, Environmental KPIs p. 23

Content	Reporting Location/Remarks
(d) For Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	We currently have not yet measured our Scope 3 greenhouse gas emissions, due to the strategic corporate restructuring of the Company and transition to a licensing-centric business model. We will explore the feasibility of measuring Scope 3 greenhouse gas emissions in the future.
Climate-related transition risks	
30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	We currently have not yet identified the amount and percentage of assets or business activities vulnerable to climate-related transition risks, due to the strategic corporate restructuring of the Company and transition to a licensing-centric business model. We will explore the feasibility of assessing business vulnerability to climate-related transition risks in the future.
Climate-related physical risks	
31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	We currently have not yet identified the amount and percentage of assets or business activities vulnerable to climate-related physical risks, due to the strategic corporate restructuring of the Company and transition to a licensing-centric business model. We will explore the feasibility of assessing business vulnerability to climate-related physical risks in the future.
Climate-related opportunities	
32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	We currently have not yet identified the amount and percentage of assets or business activities aligned with climate-related opportunities, due to the strategic corporate restructuring of the Company and transition to a licensing-centric business model. We will explore the feasibility of assessing business alignment with climate-related opportunities in the future.

Content	Reporting Location/Remarks
Capital deployment	
33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	We currently have not allocated capital expenditure, financing, or investment towards climate-related risks and opportunities, due to the strategic corporate restructuring of the Company and transition in the licensing-centric business model. We will evaluate the feasibility of such capital deployment in the future.
Internal carbon price	
34. An issuer shall disclose:	
(a) An explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	We currently have not applied internal carbon price due to the strategic corporate restructuring of the Company and transition to a licensing-centric business model. We will evaluate the feasibility of applying internal carbon price in the future.
(b) The price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	
Remuneration	
(35) An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	We currently have not factored climate-related consideration into remuneration policy due to the strategic corporate restructuring of the Company and transition to a licensing-centric business model. We will evaluate the feasibility in the future.
Industry-based metrics	
(36) An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	We are currently not utilising carbon credits, but we will consider the possibility of using carbon credits to offset greenhouse gas emissions in the future.

Content	Reporting Location/Remarks
Climate-related targets	
(37) An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	
(a) The metric used to set the target;	We have not yet established climate-related targets. However, we are actively advancing climate-related work and plan to set effective climate targets in the future.
(b) The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	
(c) The part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	
(d) The period over which the target applies;	
(e) The base period from which progress is measured;	
(f) Milestones or interim targets (if any);	
(g) If the target is quantitative, whether the target is an absolute target or an intensity target; and	
(h) How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	
38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
(a) Whether the target and the methodology for setting the target has been validated by a third party;	We have not yet established climate-related targets. However, we will explore climate-related work and plan to set effective climate targets in the future.
(b) The issuer's processes for reviewing the target;	
(c) The metrics used to monitor progress towards reaching the target; and	
(d) Any revisions to the target and an explanation for those revisions.	
39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	

Content	Reporting Location/Remarks
40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
(a) Which greenhouse gases are covered by the target;	We have not yet established climate-related targets. However, we are actively advancing climate-related work and plan to set effective climate targets in the future.
(b) Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	
(c) Whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	
(d) Whether the target was derived using a sectoral decarbonisation approach; and	
(e) The issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	
(i) The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	We are currently not utilising carbon credits, but we will consider the possibility of using carbon credits to offset greenhouse gas emissions in the future.
(ii) Which third-party scheme(s) will verify or certify the carbon credits;	
(iii) The type of carbon credit, including whether the underlying offset will be nature-based or based on technology carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	
(iv) Any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	
Applicability of cross-industry metrics and industry-based metrics	
41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	We currently have not adopted cross-industry metrics and industry-based metrics. We will consider the possibility of disclosing industry-specific metrics in the future.