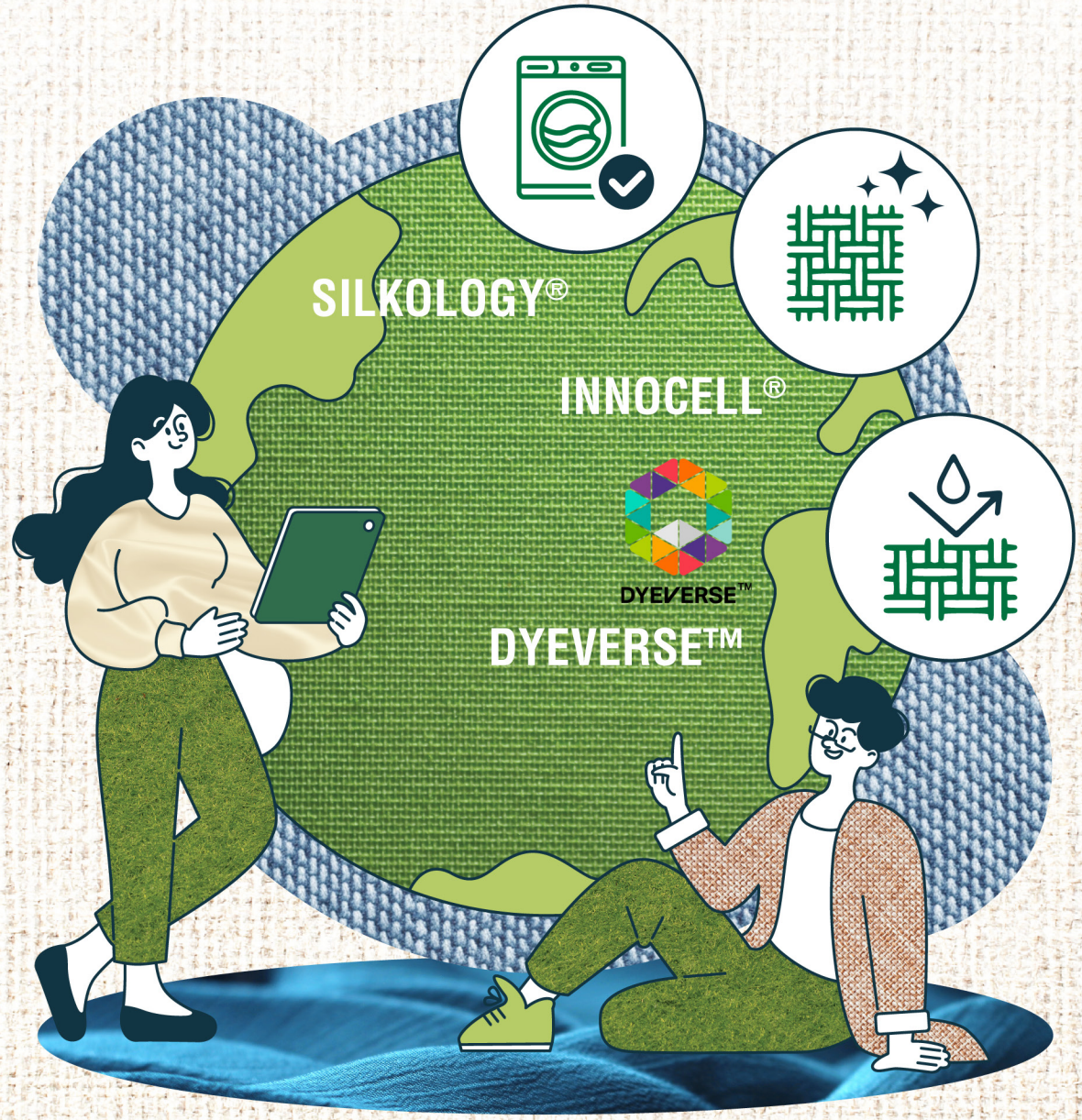
High Fashion International Limited

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



2025

Environmental, Social and Governance Report

CONTENTS

1.	ABOUT THE REPORT	2
1.1.	Reporting Standards and Principles	2
1.2.	Reporting Period and Scope	2
1.3.	Approval, Access and Feedback	2
2.	ABOUT HIGH FASHION	3
2.1.	Corporate Culture	4
3.	2025 SUSTAINABILITY GOALS AND PROGRESS	5
3.1.	2025 ESG Highlights	5
3.2.	2025-2030 6-Year Sustainability Goals	5
4.	SUSTAINABILITY GOVERNANCE	7
4.1.	Board Statement	7
4.2.	Sustainability Governance Structure	8
4.3.	Sustainable Strategies	12
4.4.	Material Topics	13
5.	ENVIRONMENTAL STEWARDSHIP	16
5.1.	Climate and Energy	18
5.2.	Emissions and Resources	25
5.3.	Sustainable Value Chain	30
6.	SOCIAL RESPONSIBILITY	35
6.1.	Responsible Employment	36
6.2.	Nurturing Talents	43
6.3.	Advocating Health and Safety	44
6.4.	Community Investment	48
7.	GOVERNANCE AND OPERATING PRACTICES	51
7.1.	Business Ethics	51
7.2.	Product Responsibility	53
7.3.	Supply Chain Management	59
8.	APPENDIX	62
8.1.	Highlighted Sustainability Awards, Recognition Obtained or Valid and Membership in 2025	62
8.2.	Other Awards and Honors	64
8.3.	Laws and Regulations	68
8.4.	Performance Data Summary	71
8.5.	HKEX ESG Reporting Code Content Index	75



1. ABOUT THE REPORT

This report presents an overview of the Group's overall performance in Environmental, Social and Governance ("ESG") aspects. It systematically outlines our sustainability management approaches, strategic directions and key initiatives undertaken during the Reporting Period. The report also summarises our efforts in creating long-term value for the community through various green initiatives, while fulfilling our corporate social responsibilities.

1.1. Reporting Standards and Principles

This report has been prepared in accordance with the applicable disclosure requirements set out in Appendix C2 Environmental, Social and Governance Reporting Code (the "ESG Code") to the Main Board Listing Rules issued by The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

While preparing this report, the Group has strictly adhered to the reporting principles of materiality, quantitative, balance and consistency as set out by the Stock Exchange, ensuring that the information disclosed is objective, comparable and transparent.

1.2. Reporting Period and Scope

This report covers the period from 1 January 2025 to 31 December 2025 (the "Reporting Period"). Unless otherwise specified, the scope of disclosure includes our manufacturing and branding operations in China, Cambodia and the USA, which represent the most significant environmental and social impacts of the Group.

1.3. Approval, Access and Feedback

This report has been reviewed by the Company's Environmental, Social and Governance Committee (the "ESG Committee") and formally approved by the Board of Directors (the "Board"). An electronic version of this report is available on the Group's official website and the HKEX news website of the Stock Exchange. Readers may access and download this report via the Group's website (www.highfashion.com.hk) or the HKEX news website (www.hkexnews.hk).

We highly value your feedback on this report. If you have any enquiries or suggestions, please contact us by email at esg@highfashion.com.hk. We will continue to enhance our communication mechanisms to facilitate effective stakeholder engagement.



2. ABOUT HIGH FASHION

Since its establishment in 1978, High Fashion International Limited ("High Fashion", the "Company", "we", "our" or "us") has integrated environmentally responsible operations with innovation-driven development as part of its long-term corporate strategy. The Company and its subsidiaries (collectively referred to as the "Group") operate an extensive business network across multiple countries and regions, covering the entire fashion value chain, including fashion design and manufacturing, fabric research and development, dyeing and printing, as well as branded retail and wholesale operations. The Group is also committed to promoting industry innovation and development platforms, with a view to supporting industry upgrading and facilitating a transition towards more sustainable production models.

Headquartered in Hong Kong, High Fashion has progressively expanded its global presence over the years, with operations spanning key markets in United States, Europe, the United Kingdom and the broader Asia-Pacific region, including Southeast Asia, Japan, Australia and other countries. To enhance production flexibility and operational efficiency, the Group has established manufacturing facilities in several locations, including Hangzhou, Xinchang and Dongguan in China, as well as selected regions in Southeast Asia such as Cambodia.

Leveraging a well-established quality management system and its ongoing innovation capabilities in the textile and garment sector, the Group continues to diversify its product portfolio and actively expand into emerging segments, including sportswear and athleisure. These efforts aim to support diversified business development and enhance the overall brand competitiveness and market presence of High Fashion.



2. ABOUT HIGH FASHION



2.1. Corporate Culture

"Put the Needs of Others before Your Own"

The Group upholds the core value of "Put the Needs of Others before Your Own". We believe that personal growth is realised through contributing to the well-being and success of others. Guided by this belief to create shared happiness, the Group conducts its business in accordance with the principles of maintaining accountability, exercising emotional discipline and addressing challenges with a constructive mindset. We encourage a culture in which employees take responsibility for their actions, engage in continuous reflection and improvement, respond effectively to risks and drive sustainable progress.

"People-oriented and Joyful Mind", "One Heart One Power"

At the same time, the Group places strong emphasis on employee development and well-being. We are committed to fostering a harmonious and inclusive workplace founded on equality, respect, freedom, accountability and trust. By cultivating a culture characterised by professionalism, dedication, commitment and enthusiasm, the Group strives to support employees in achieving personal fulfilment while advancing the long-term development of the business.

3. 2025 SUSTAINABILITY GOALS AND PROGRESS

3.1. 2025 ESG Highlights

Environmental Stewardship

Water recovery volume reached **397,655** cubic metres (13.62% increase)	Renewable electricity usage rate reached **56.56%** (11.59% increase)	Annual Solar Power Generation volume of approximately **6.07 million** kWh (131.62% increase)

Social Responsibility

More Admirable Workplace

- Total Training Hours：**111,532** hours (**12.81%** increase)
- **9** consecutive years with **0** workplace fatalities

Sustainable Community

- Volunteer Hours **300** hours (**50%** Increase)

Governance and Operating Practices

Business Ethics

- Percentage of directors receiving anti-corruption training **100%**

Better Products

- Number of New Patents:
  13 invention patents
  11 utility model patents
  16 design patents
  3 software copyrights
- DYEVERSE™ Waterless Dyeing Technology
  over **90%** water savings
  Reduces energy consumption by more than **30%**
  Lowers chemical usage by over **20%**

3.2. 2025-2030 6-Year Sustainability Goals

Based on a comprehensive review of the latest international and regional developments, relevant legal and regulatory requirements, and the Group's long-term business strategy, the Group has established a new phase of sustainability goals for the period from 2025 to 2030. These goals are designed to further strengthen the Group's commitment to sustainable development and to create positive impact on society and the environment. With the support of the ESG Committee, the Board of Directors regularly reviews the progress of these targets and monitors implementation across various locations to ensure the orderly advancement of sustainability initiatives.

3. 2025 SUSTAINABILITY GOALS AND PROGRESS

Environmental Stewardship	Goal Description	Progress in 2025
Renewable Energy	Achieve a renewable electricity usage rate of 65% at factories in China and Cambodia by 2030	In 2025, renewable electricity usage rate reached 56.56%
Carbon Emissions	Reduce carbon emission intensity (tonnes) by 56% compared with the 2024 baseline	Carbon emission intensity (by output unit) reduced by 12.72% in 2025 from the 2024 baseline
Water Consumption[1]	Achieve an average annual reduction in water intensity of 2%	Reduced water intensity (by output unit) by 15.50% in 2025
Waste Reduction[2]	Reduce waste intensity (hazardous and non-hazardous waste) by 28% compared with the 2024 baseline	Reduced waste intensity (by output unit) by 34.79% in 2025

Social Responsibility		
Our goal is to build a diverse, inclusive and safe workplace that enables employees to realise their potential and safeguards their well-being	Maintain zero work-related fatalities	Number of work-related fatalities: zero
	Treat all individuals fairly and equally, regardless of gender, sexual orientation, race or other personal characteristics, ensuring equal rights, responsibilities and opportunities across operations, and maintaining zero discrimination cases	Number of employee discrimination cases: zero
	Provide at least six hours of training per employee per year	Average training hours per employee: 27.18 hours
Our goal is to integrate the business with the community, give back to society and contribute to the development of sustainable communities	Support youth career development and industry talent cultivation through student sponsorship and school-enterprise collaboration programmes	✓
	Contribute at least 500 hours of volunteer service annually	Total volunteer service hours contributed by the Group's employee volunteer teams in 2025: 300 hours
	Increase the employment ratio of persons with disabilities to 2.2%	In progress

1 Water intensity = Fresh water consumption ÷ Output volume. Reused water has not been included in the target.
2 Waste intensity = Total waste generation ÷ Output volume.

4. SUSTAINABILITY GOVERNANCE

4.1. Board Statement

We recognise that a robust ESG governance framework is essential to driving the Group's sustainable development and creating long-term value. As an active participant in the industry, the Group continues to integrate sustainability considerations into its corporate strategy and daily operations, ensuring that business growth progresses in alignment with environmental protection, social responsibility and good governance.

The Board bears ultimate responsibility for the Group's ESG management framework, performance, disclosures and related decision-making. Through the establishment of a structured governance framework, the Board oversees and guides the implementation of sustainability initiatives. With the support of the Risk Management Committee, the Board identifies and evaluates the priority of material ESG issues and incorporates related risks and opportunities into the overall business strategy. At the same time, the Board closely monitors evolving climate-related disclosure requirements and regulatory trends. It oversees the Group's progress in climate risk identification, management and disclosure, and ensures that preparatory work is carried out in line with expected standards.

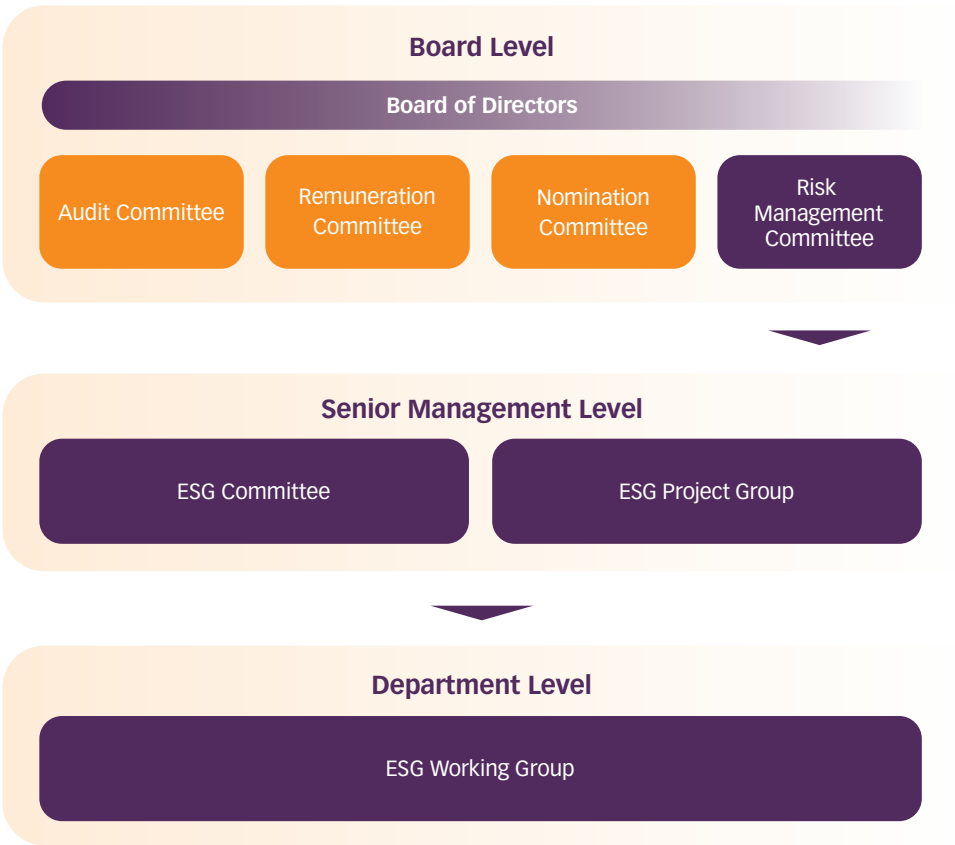
With the assistance of the ESG Committee, the Board regularly reviews the achievement of sustainability goals and Key Performance Indicators (KPIs), and evaluates the effectiveness of the management systems, making enhancements where appropriate. During the year, the Group commenced the implementation of a new round of six-year sustainability goals, and the Board will continue to oversee the progress of related initiatives.

Looking ahead, the Board will continue to refine the ESG strategy with reference to international and regional trends, industry developments and applicable regulatory requirements. While strengthening its strategic approach, the Board will closely monitor implementation progress and develop subsequent sustainability goals and action plans in phases, guiding the Group towards a more resilient and responsible path of sustainable development.

4. SUSTAINABILITY GOVERNANCE

4.2. Sustainability Governance Structure

To ensure the steady advancement of ESG initiatives, the Group has established an integrated sustainability governance structure that combines top-down strategic direction with bottom-up execution mechanisms. This structure provides clear responsibilities, well-defined reporting lines and efficient operations, enabling the Group to coordinate, implement and oversee ESG matters in a systematic manner, and to continuously enhance the effectiveness of sustainability management and execution.



Sustainability Governance Structure

4. SUSTAINABILITY GOVERNANCE

4.2.1. Responsibilities and Functions

The responsibilities and functions at each level are outlined below:

The Board	**Chairman** With the support of the Risk Management Committee and the ESG Committee, the Board oversees and leads the Group's ESG matters, management approach, strategic direction and disclosures **Responsibilities and Functions** • Assess the effectiveness of the ESG management system and regularly review the progress of ESG goals and key performance indicators • Review and approve proposals relating to ESG goals, frameworks, strategies and policies on an ongoing basis • Periodically examine and ensure the adequacy and effectiveness of the Group's ESG management framework and sustainability initiatives • Independent Non-executive Directors provide independent advice on sustainability issues based on their professional background, experience and expertise
Risk Management Committee	**Members** Chaired by the Managing Director and comprising certain Board members **Responsibilities and Functions** • Supervise, review and approve the risk management framework, policies and risk tolerances • Identify and assess potential ESG risks and opportunities and report to the Board at least once a year • Ensure the effectiveness and adequacy of robust risk management and internal control systems relating to ESG

4. SUSTAINABILITY GOVERNANCE

ESG Committee	**Members** Chaired by the Managing Director and comprising heads from various profit centres and business divisions **Responsibilities and Functions** • Oversee and review proposed ESG goals, strategies and policies • Research, monitor and review existing and emerging ESG trends and issues to understand their potential impact on the Group's business • Discuss the implementation of ESG policies with the ESG Working Group • Monitor the Group's ESG performance against targets and key performance indicators, report to the Risk Management Committee, and provide recommendations for improvement • Oversee stakeholder engagement processes to ensure effective communication of stakeholder concerns and support the Board in conducting materiality assessments
ESG Project Group	**Members** Consists of the Company Secretary and representatives of profit centres **Responsibilities and Functions** • Arrange regular training for the ESG Committee and ESG Working Group • Monitor the latest compliance requirements at the Hong Kong headquarters and across regions, and implement measures to meet specific regulatory requirements • Coordinate quarterly ESG meetings for reporting regularly to the ESG Committee on target progress and related rules • Formulate and recommend different ESG policies and project execution plan to the ESG Committee



4. SUSTAINABILITY GOVERNANCE

ESG Working Group	**Members** Consists of department heads and the sustainability team **Responsibilities and Functions** • Implement ESG projects and assign related tasks within their respective teams • Report project progress to the ESG Committee and identify potential fraud and risks in execution • Collect regular ESG information and verify the data accuracy and completeness before submission to the headquarters

During the Reporting Period, the ESG Committee and ESG Working Group convened **3** meetings to carry out the following work:

(a) Review and confirm the direction and framework of the ESG Report;

(b) Examine and monitor the progress of regional profit centres in achieving social and environmental goals;

(c) Analyse industry and market developments, benchmark against the latest local and international trends and regulatory requirements, and conduct integrated assessments in line with the Group's business strategy;

(d) Review the proposal on the 2025-2030 6-year sustainability goals of the Group; and

(e) Identify relevant ESG risks and opportunities and formulate corresponding response measures.

For further details on the Group's risk management and internal control systems, please refer to the section headed "Corporate Governance Report" in our 2025 Annual Report.

4. SUSTAINABILITY GOVERNANCE

4.3. Sustainable Strategies

The Group firmly believes that sustainability is a core component of its overall corporate strategy. Sustainability principles and ESG practices are integrated into daily operations, with strategic direction led by the Board, implementation driven by management, and active participation from all employees. The Group advances its sustainability commitments through the following key focus areas:

Governance			
• 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 of Green Products	**Green Manufacturing**	**Green Supply Chain**	**People Management and Community**
• 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.	• 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.	• In procurement, the Group prioritizes the use of green and low-carbon materials and adopts natural dyeing techniques. By promoting the use of recycled and organic materials, the Group enhances resource efficiency and advances sustainable fashion.	• 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.



4. SUSTAINABILITY GOVERNANCE

4.4. Material Topics

4.4.1. Stakeholder Communications

We recognise that maintaining smooth and transparent communication with stakeholders is essential for building trust and fostering long-term collaborative relationships. Our stakeholder communication approach is guided by the principles of openness, responsiveness and collaboration.

Stakeholder Groups	Area of Interest	Engagement Channels	Frequency
Customers	• Customer Service • Customer Health and Safety • Customer Privacy Protection	• Customer Satisfaction Survey and Opinion Collection Form • Social Media and Press Releases • Company Website • Daily Operation and Communication • Factory Visit • Exhibition and Showcase	Daily to Annually
Employees	• Career Development • Remuneration and Benefits • Working Environment • Equal Opportunities • Prohibition on Child Labour and Forced Labour	• 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	• Compliance Operations • Investment Returns • Business Strategies • Corporate Governance	• Announcements • Corporate Communications • Company Website • General Meetings • Social Media and Press Releases	Regularly
Government and Authority	• Compliance with Regulations • Risk Management Strategy • Business Ethics	• Meetings • Compliance Reporting	Occasionally or Regularly
Suppliers	• Procurement and Supply Chain Management • Fair and Equitable Procurement Practice • Business Ethics	• Meetings • Annual Supplier Evaluation and Corrective Actions Follow-up • On-site Visit	Quarterly to Annually

4. SUSTAINABILITY GOVERNANCE

4.4.2. Materiality Assessment

We recognise that identifying ESG issues that are most important to stakeholders is fundamental to the effective implementation of our sustainability strategy. To ensure that our sustainability direction remains aligned with the interests and concerns of stakeholders directly or indirectly affected by our business, High Fashion has established a systematic materiality assessment mechanism.

During the assessment process, we proactively engage with both internal and external stakeholders and collect feedback through surveys and other channels. Such input is incorporated into the screening and prioritisation of ESG issues. By considering stakeholders' perspectives, we are able to identify and analyse ESG risks and opportunities that are closely linked to our long-term development.

Our materiality assessment consists of three key steps and is designed to determine the ESG areas most relevant to the Group. An overview of the assessment process is set out below:

Identification

- Conduct peer benchmarking to identify industry trends and prevailing practices
- Invite High Fashion's key stakeholders to rate the importance of ESG issues related to our business operations

Prioritisation

- Consolidate, analyse and evaluate the results from the first step to determine the relative priority of different ESG issues
- Classify each issue into materiality levels based on its significance to High Fashion and internal stakeholders

Validation

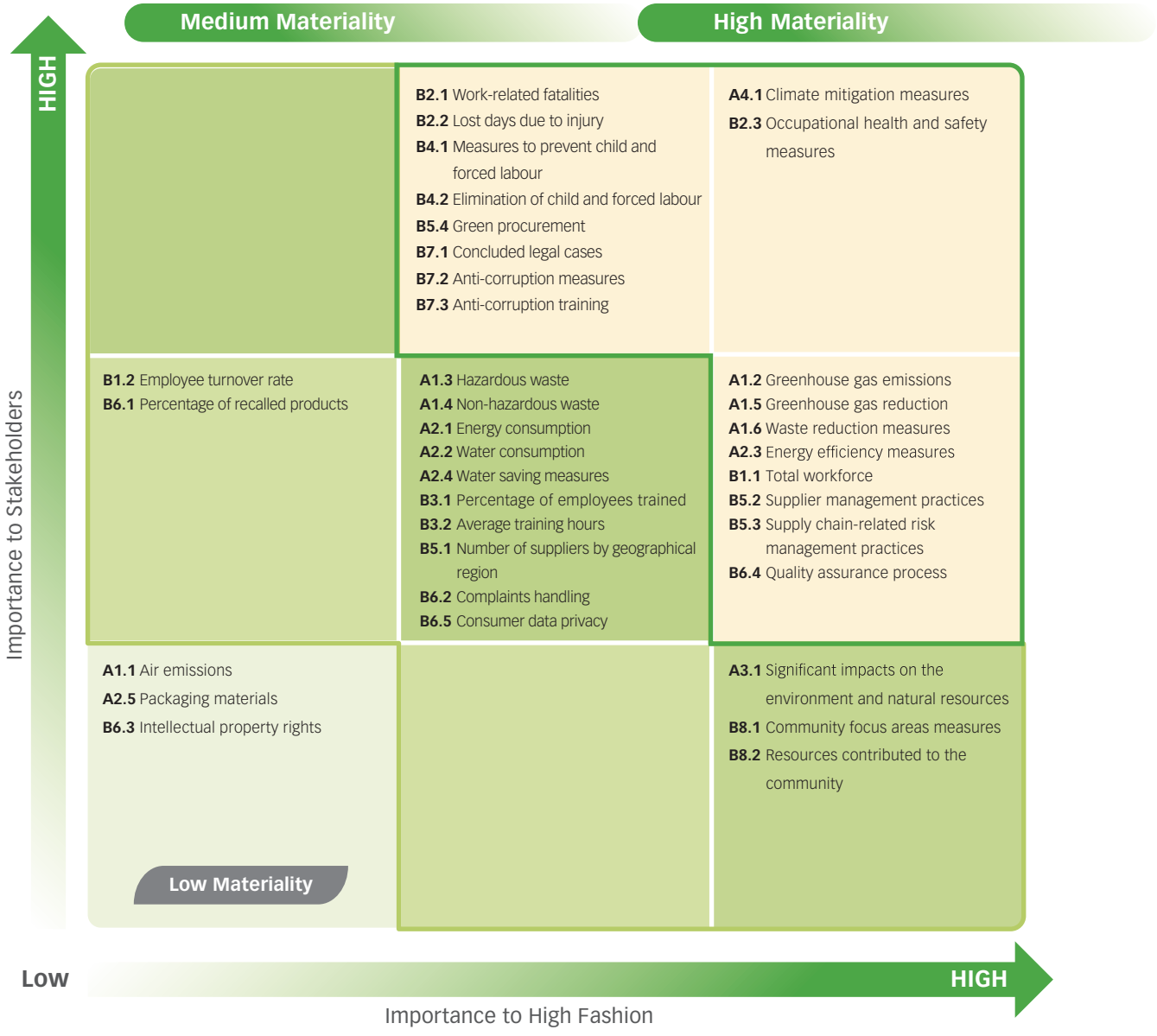
- Present the prioritised list of material ESG issues to management for discussion and confirmation

The list of issues relevant to our stakeholders and the Group's sustainability priorities has been prepared with reference to the ESG Code, and the priority of each issue has been determined through the materiality assessment process described above. Given that there have been no significant changes in the nature of the Group's business, operational structure or systems, we will continue to adopt and focus on the material issues identified in 2021.



4. SUSTAINABILITY GOVERNANCE

Currently, the Group has identified 18 high-materiality issues, covering key areas such as climate change, supply chain management, occupational health and safety, and business ethics. These issues are strategically important to the Group's sustainable development and are closely aligned with the interests of our stakeholders. During the year, the ESG Committee reviewed and confirmed the identified material issues.



5. ENVIRONMENTAL STEWARDSHIP

UN SDGs		Our Actions in 2025
	6.3 Taking responsibility for the quality of water used in operations	• Maintained ISO 14001 and ISO 50001 environmental and energy management certifications • Actively reduced industrial wastewater discharge, representing a **27.71%** decrease compared with 2024
	7.2 Increase the share of renewable energy in total energy consumption	• Added a **3MW** distributed solar photovoltaic project, which was successfully connected to the grid in May 2025 • Achieved an annual photovoltaic power generation volume of approximately **6.07 million** kWh
	9.5 Enhance industrial innovation and infrastructure	• Launched sustainable material innovation products and technologies, such as the DYEVERSE™ digital intelligent waterless dyeing technology
	12.4 Strengthened chemical and waste management through responsible handling 12.5 Reduce waste generation through prevention, reduction, recycling and reuse	• Complied with stringent chemical management requirements, including participation in the Zero Discharge of Hazardous Chemicals ("ZDHC") programme • Collaborated with Yibin Grace Group Co., Ltd. to launch a pilot production line for textile-to-textile recycling of waste textiles • Established a dedicated company to support textile-to-textile recycling and promote the recovery of textile waste
	13.2 Integrate climate change measures into policies 13.3 Improve climate education and capacity for climate action	• Established a dual-carbon management system to support carbon peak and neutrality goals • Continued efforts to reduce carbon footprint and mitigate climate-related risks • Adopted greener production solutions, such as applying gas overflow washing technologies to reduce carbon emissions • Continued utilization and renovation of waste heat recovery systems and energy storage systems to improve energy efficiency • ESG-related initiatives were led by a dedicated professional committee at the Board level • Conducted quarterly carbon management training for employees

2025 Highlights

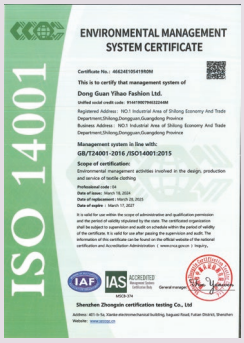
- In 2025, renewable electricity usage rate reached **56.56%**
- Total carbon emission intensity (by output unit) reduced by **12.72%** in 2025 from the 2024 baseline
- Reduced water intensity (by output unit) by **15.50%** in 2025

5. ENVIRONMENTAL STEWARDSHIP

At High Fashion, we continuously enhance our environmental management systems, strengthen pollution prevention and resource conservation measures, and actively fulfil our environmental responsibilities as an industry participant. We strictly comply with applicable environmental laws and regulations and adopt a systematic approach to reduce the impact of our operations on the ecological environment.

During the Reporting Period, the Group maintained its certifications under ISO 14001 Environmental Management System and ISO 50001 Energy Management System, further improving the standardisation and performance of environmental and energy management.

ISO 14001 Environmental Management System Certificates



Dongguan Yihao Fashions Limited



High Fashion (China) Co., Ltd.

ISO 50001 Energy Management System Certificate



High Fashion (China) Co., Ltd.

5. ENVIRONMENTAL STEWARDSHIP

5.1. Climate and Energy

5.1.1. Addressing Climate Change

The Group fully recognises that climate change has become one of the most critical challenges facing society today. As a participant in the fashion industry, we remain committed to advancing sustainable practices and reducing the environmental impact of our operations, thereby effectively addressing climate-related risks and opportunities. We systematically promote climate-related management across four key pillars, namely governance, strategy, risk management, and metrics and targets.

5.1.1.1. Governance

The Group has incorporated climate considerations into its core corporate development strategy, explicitly integrating sustainability into daily operations and long-term planning. With the support of the Risk Management Committee and the ESG Committee, the Board provides effective oversight of the Group's ESG governance framework, strategic deployment, performance, and disclosures, including all material climate-related matters, to ensure climate governance initiatives are implemented in an orderly, standardised and efficient manner. Additionally, the Board undergoes regular training conducted by professional advisors, covering topics such as climate-related regulations and European requirements to ensure they remain fully aware of how climate-related risks and opportunities affect the Group's operations.

To further strengthen the execution of emissions reduction and sustainable development initiatives, we have established a dual-carbon management system ("Dual-carbon" (carbon peak and carbon neutral)), which institutionalises systematic carbon management practices. Key elements of this system include:

- Continuous monitoring and management of decarbonization initiatives.
- Ensuring compliance with relevant climate regulations and disclosure requirements.
- Collecting and analysing climate-related data to track progress.
- Establishing carbon management metrics, targets and action plans to drive continuous improvement.

5.1.1.2. Strategy

To systematically address climate-related risks and capitalise on potential development opportunities, the Group has integrated climate considerations into its overall development strategy. We have established management processes and a risk control framework, and we continuously conduct risk identification, assessment and dynamic monitoring. In alignment with development priorities at different stages, we coordinate the implementation of both mitigation and adaptation actions, thereby strengthening the strategic role of climate-related issues in supporting operational stability and resource allocation decisions.



5. ENVIRONMENTAL STEWARDSHIP

Climate-related Risks		Risk descriptions	Potential Financial Impact	The Group's Response
Physical Risks	**Acute Risks**	Extreme weather events	• Increased repair and replacement costs due to significant asset damage • Adverse impacts on employee safety and health, leading to higher management costs • Damage to stored raw materials and finished goods due to flooding may lead to asset impairment losses • Disruptions in logistics and supplier operations may result in increased procurement costs and delayed delivery schedules • Temporary suspension of production caused by typhoon or flooding may lead to revenue loss and order delay penalties	• Formulate emergency response procedures for extreme weather events • Conduct regular climate risk assessments on facilities located in vulnerable regions • Enhance factory climate resilience through infrastructure planning and periodic inspections • Optimize cooling and ventilation systems to ensure operational continuity • Invest in R&D to reduce production's reliance on water supply and enhance climate resilience
	Chronic Risks	Sea level rise	• Increased insurance costs for assets located in high-risk areas • Additional operating expenses arising from potential supply chain disruptions	
		Temperature increment	• Reduced production efficiency due to higher temperatures and lower water supply, resulting in compressed profit margins	
Transition Risks	**Policy and Legal**	More stringent climate policies and regulations	• Increased compliance costs	• Regularly monitor relevant policy developments and adapt to regulatory changes • Proactively respond to more stringent standards
	Technology	Low-carbon technology transition	• Increased capital expenditure on equipment upgrades and environmental technologies	• Invest in R&D for green technologies in production • Replace outdated equipment with more energy-efficient and lower-emission machinery through adoption or investment
	Market	Rising expectations for sustainability and circular economy practices	• Potential loss of orders and market share if sustainability requirements are not met	• Strengthen the application of renewable energy • Strengthen the R&D of and broaden the provision of sustainability products
	Reputation	Heightened stakeholder expectations for ESG transparency and accountability	• Risk of declining investor and customer confidence	• Enhance ESG disclosure and transparency • Strengthen stakeholder engagement and trust through sustainability initiatives

5. ENVIRONMENTAL STEWARDSHIP

Climate-related Opportunities		Potential Financial Impact	The Group's Response
Products and Services	Development of low emission products	• Potential revenue growth driven by sustainable product innovation • Enhanced market competitiveness	• Invest in and expand R&D of sustainable and environmentally-friendly products • Pursue green product certifications
Energy Source	Use of lower-emission energy sources	• Reduction in operating costs • Lower exposure to carbon tax liabilities • Improved access to green financing and stronger market recognition	• Transition towards renewable and low-carbon energy sources • Implement energy efficiency programmes
Climate Resilience	Promotion of climate-resilient design	• Improved operational stability and reduced losses from climate-related disruptions • Increased market confidence in supply chain reliability, creating potential order opportunities • Enhanced long-term asset utilisation efficiency and reduced costs associated with unexpected events	• Gradually integrate climate resilience concepts into planning and management processes to strengthen overall response capability • Continuously monitor market demand for resilient supply chains and optimise related management arrangements where appropriate

5.1.1.3. Risk and Opportunity Management

The Group has established a structured management approach centred on the identification, assessment and response to climate-related risks and opportunities. This approach forms an integrated strategic framework covering both mitigation and adaptation measures.

Mitigation: Reducing Carbon Emission Intensity

In addressing climate change mitigation, we focus on reducing greenhouse gas (GHG) emissions and accelerating the transition towards a low-carbon development model.

Renewable Energy Integration

- We expand the use of solar energy by installing photovoltaic systems and purchasing Green Electricity Certificates ("GECs") and green power to offset emissions

Energy Efficiency Improvement

- We optimize production processes and upgrade equipment to more energy-efficient models. We also maintain the utilization of waste heat recovery systems to reduce energy loss

Sustainable Materials and Processes

- We increase the use of environmentally-friendly and recycled materials, adopt water-saving technologies, and reduce reliance on chemical-intensive processes

Supply Chain Decarbonisation

- We collaborate with suppliers through product carbon footprint accounting to identify improvement opportunities, promote sustainable production practices and strengthen carbon management capabilities
- We prioritise the procurement of certified sustainable raw materials, including those accredited by GOTS, GRS and OEKO-TEX®

5. ENVIRONMENTAL STEWARDSHIP

Adaptation: Building Climate Resilience

With regard to adaptation, we enhance resilience to climate risks through the systematic implementation of adaptation measures.

Climate Risk and Opportunity Assessment

- We conduct structured identification and assessment of climate-related risks and opportunities to analyze their potential impact on the Group's operations and risk management framework

Infrastructure Enhancement

- Through infrastructure planning and regular inspections, we strengthen the climate adaptability of existing manufacturing facilities

Employee Training and Awareness

- We enhance employee training to improve awareness of climate risks and sustainable practices, thereby fostering an organizational culture of resilience
- We develop contingency plans for extreme weather events to guide employees in responding effectively to such situations

5.1.1.4. Metrics and Targets

We firmly support and actively respond to the national "dual-carbon" strategic goals ("雙碳"), and are committed to contributing to the achievement of carbon neutrality. In alignment with the Chinese Government's commitment to reach peak carbon emissions before 2030 and achieve carbon neutrality before 2060, we have systematically established phased emission-reduction targets together with feasible implementation plans.

Our Goals

The Group planned to reach peak carbon emissions in 2025 and achieve carbon neutrality by 2050. The Group has already achieved its peak-emission target ahead of schedule.

By 2030, we plan to reduce carbon emission intensity by 56% compared with the baseline year of 2024.



Carbon Emission Goal

Reduce by **56%** from the 2024 baseline

To continuously monitor progress toward carbon emission targets, the Group has established and maintained a stable dual-carbon data management mechanism covering key processes such as data collection, calculation and analysis, with routine monthly management practices in place.

5. ENVIRONMENTAL STEWARDSHIP

5.1.2. Energy and Carbon Emission Management

Green energy management and low-carbon emission reduction form important components of the Group's sustainable development strategy. In accordance with regulations on energy conservation and carbon reduction, we have progressively established and enhanced our energy management framework together with supporting implementation procedures, thereby continuously advancing energy-saving initiatives.

5.1.2.1. Energy and Low-carbon Technologies

Energy-saving technologies

The Group continues to promote low-carbon technological upgrades and optimization of the energy structure within production systems. Through equipment replacement and process improvements, we directly reduce energy consumption and carbon emission intensity, thereby enhancing overall energy efficiency and emission reduction performance.

	Scope 1 (in tonnes of CO_2e)				Scope 2 (in tonnes of CO_2e)		Scope 3 (in tonnes of CO_2e)			
Year	Stationary Fuel	Mobile Fuel (Vehicles)	Purchased Town gas	Refrigerant	Electricity	Steam[3]	Water	Industrial Wastewater	Domestic Wastewater	Biomass combustion (in tonnes of CO_2e)
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
2025	3,676	250	0	59	8,610	15,633	134	84	18	2,139

Table 1: Breakdown of Greenhouse Gas Emissions

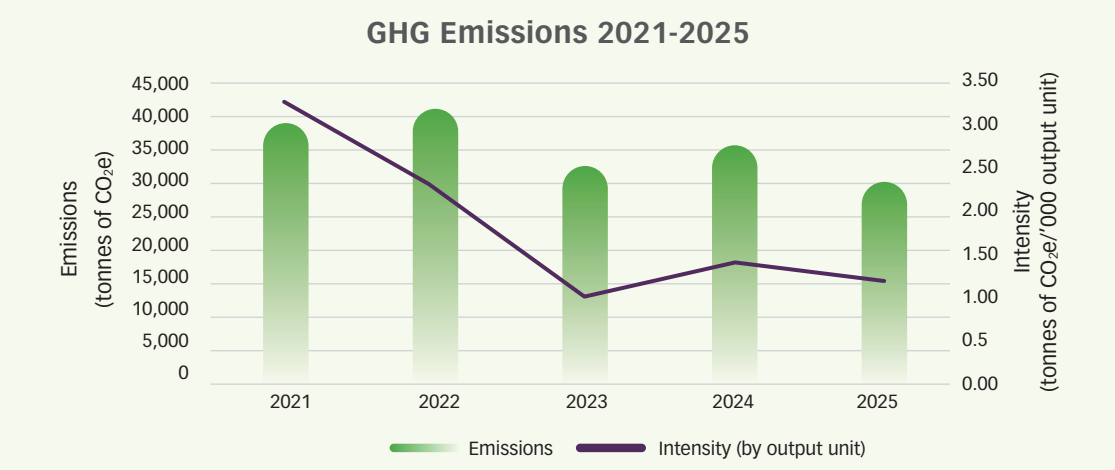


Figure 1: Greenhouse Gas (GHG) Emissions and Intensity

[3] During year 2024 and 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 CO_2 emission factor of the heat supply.

5. ENVIRONMENTAL STEWARDSHIP

During the Reporting Period, the Group completed multiple equipment upgrades, including the replacement of steam traps and the upgrading of natural gas boilers. These initiatives have effectively reduced steam leakage and unnecessary energy losses while improving steam generation efficiency. At the same time, we are gradually transitioning part of the steam supply method to natural gas energy supply, reducing emission intensity while maintaining stable production capacity.

Low-carbon digitalization and management systems

Last year, the Group implemented an advanced dual-carbon management system to strengthen the continuous monitoring of carbon emissions and data management. To improve data accuracy, the Company optimized its weight calculation logic by replacing the averaging method with system-based order-matching calculations, thereby enhancing accounting precision. We also continue to align with updated client requirements and strengthen data sharing to enhance information transparency.



Heat recovery system

Steam energy is primarily utilised in the key processes flows of the printing and dyeing centre, including printing, steaming, dyeing, sand washing and drying. It also provides heat support for ironing and drying operations at the garment manufacturing centre. During steam utilization, significant exhaust gas and condensate water are generated from processes.



To improve steam utilization efficiency and reduce thermal energy loss, the Company has established and continuously operates a waste heat recovery system to enhance energy recycling capacity. The system comprises steam discharge recovery pipelines, collection tanks, storage facilities, water pumps, and automated water-level and temperature control modules. By recovering residual heat generated during boiler operation and converting it into hot water for production processes such as sand washing and dyeing, the system enables circular reuse of thermal energy and reduces demand for additional energy input. Following implementation, the system has significantly reduced energy wastage during production while simultaneously lowering carbon emissions and water consumption.

5. ENVIRONMENTAL STEWARDSHIP

Energy storage system application

In terms of integrated energy management, the Company has advanced the deployment of photovoltaic and energy storage systems by installing storage facilities with a capacity of 600 kWh, forming an integrated energy regulation mechanism in conjunction with solar power generation. This initiative increases the self-consumption ratio of photovoltaic electricity, alleviates power consumption pressure on subsidiaries and enhances power system resilience in peak regulation and emergency scenarios, thereby further strengthening energy mix stability and low-carbon performance.

Higg Facility Environmental Module ("Higg FEM")

In 2025, alongside the ongoing participation and completion of Higg FEM assessment by our subsidiary, Eminent Garment (Cambodia) Limited, three branches of High Fashion (China) Co., Ltd. ("High Fashion (China)") also successfully completed its Higg FEM self-assessment. This assessment evaluates environmental performance across manufacturing operations, including key areas such as water resource utilization, waste management effectiveness, chemical control measures and energy efficiency.



Certificate
of Completion
2025

Hereby certifies that

Eminent Garment (Cambodia) Limited.

Has completed the HIGG FEM SELF-ASSESSMENT

Worldly ID: 128822

OS ID:

Cascale

Higg Index

Harsh Saini

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

Harsh Saini
Interim Chief Executive Officer
Cascale

Cascale (formerly Sustainable Apparel Coalition) 1714 Franklin St. #100-272, Oakland, CA 94612

5. ENVIRONMENTAL STEWARDSHIP

5.1.2.2. Application of Renewable Energy

To further advance its sustainable transformation strategy, the Group increased its investment in renewable energy deployment in 2025, systematically enhancing the proportion of clean energy within its energy mix.

In 2025, High Fashion (China) commissioned a new 3 MW distributed solar photovoltaic project, which was connected to the grid in May, thereby expanding clean energy supply capacity. Annual photovoltaic power generation reached approximately **6.07 million** kWh, effectively improving the self-generation ratio.



In addition to our ongoing procurement of GECs, the Company has entered into contracts with electricity retailers for the purchase of green power. In 2025, High Fashion (China) achieved a total procurement of **6.55 million** kWh of green electricity.

During the Reporting Period, the proportion of renewable electricity usage of the Group reached **56.56%**, indicating that clean energy has become an important component of the Group's energy mix. While continuously strengthening its renewable energy management system, the Company actively explores additional renewable energy options. These efforts have achieved phased progress in energy mix optimization, carbon emission control and regulatory response, laying a solid foundation for the achievement of long-term carbon goals.

5.2. Emissions and Resources

5.2.1. Water Management

The Company continues to advance its responsible water resource management strategy by integrating water conservation and recycling into daily operations. Through systematic management measures, investment in water-saving technologies and real-time monitoring systems, the Company seeks to minimize water consumption while enhancing overall water use efficiency and strengthening accountability for water resource protection.

During the Reporting Period, the Group's total municipal water consumption amounted to **629,611** cubic metres, representing a year-on-year decrease of **17.19%**. This reflects that the water-saving initiatives and water efficiency optimisation measures currently being implemented are gradually yielding results. The Group primarily sources production and domestic water from local municipal supply systems. Water supply remained stable, and no restrictions on water access were experienced.

5. ENVIRONMENTAL STEWARDSHIP

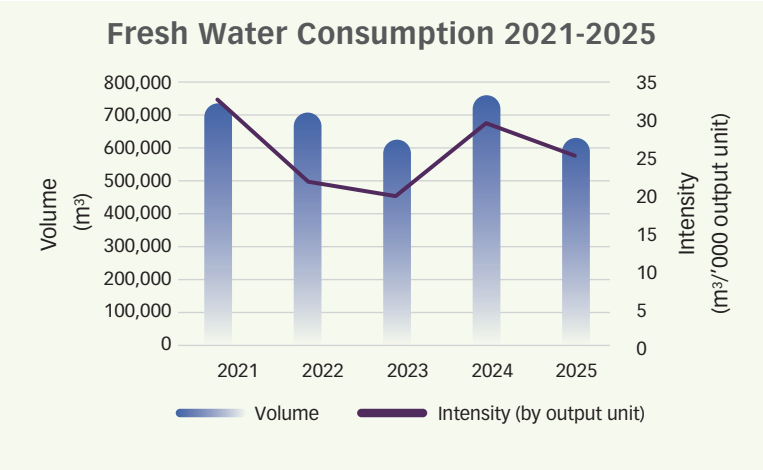


Figure 2: Fresh water Consumption Volume and Intensity

5.2.1.1. Water Consumption Reduction Initiatives

Water conservation measures have been comprehensively implemented across production processes. Regular inspections of pipeline networks and operational systems are conducted to promptly identify and repair potential leakage points, thereby reducing unnecessary water losses.

To further enhance water utilisation efficiency, the Company continues to promote technological upgrades of production equipment and systematically implements water-saving initiatives. These efforts gradually improve resource utilisation performance within production workflows and support steady progress towards water conservation targets.

Gas Overflow Dyeing Technology	Continuous Rope Washing Machines
• By introducing gas overflow dyeing equipment to replace traditional overflow dyeing machines, the Company effectively reduces liquor ratios and significantly lowers water and steam consumption. The technology also reduces chemical usage while improving dyeing uniformity and overall production efficiency, enabling a balanced approach between water conservation management and product quality stability.	• The Company upgraded conventional rope washing equipment by adopting a closed-loop continuous operation design. This enhances water recycling efficiency and reduces wastewater discharge during production processes. The upgrade not only strengthens water resource management outcomes but also contributes to lower steam consumption and reduced carbon emission intensity, thereby supporting continuous improvement in environmental performance across production operations.

5. ENVIRONMENTAL STEWARDSHIP

5.2.1.2. Water Reuse Enhancement

Water recycling represents a key component of the Company's water management system. Since 2010, the Company has continuously invested in wastewater treatment and reuse systems, improving water recovery rates through ongoing technological upgrades. In 2025, total water recovery volume reached **397,655** cubic metres, representing a year-on-year increase of **13.62%**.

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

Within production processes, ultrafiltration and reverse osmosis membrane technologies are applied to conduct advanced purification of biologically treated wastewater, enabling recycled water to be reused in production lines and reducing reliance on freshwater resources.

Condensed Water and Cooling Water Reuse System

In addition, the Company has established condensate and cooling water recovery systems to further optimize internal water circulation during production, thereby lowering overall freshwater consumption.

Rainwater Collection for Landscape Use

A rainwater harvesting system has also been introduced, with collected rainwater utilized for purposes such as landscape irrigation within plant premises.

These initiatives reduce dependence on municipal water sources, diversify water resource utilization and promote more systematic and refined water management practices.

5.2.2. Wastewater Management

The Company strictly complies with national and local laws and regulations relating to wastewater discharge and implements classified management based on wastewater types. Domestic wastewater generated by the Group is uniformly discharged into the municipal sewage network for centralized treatment by local wastewater treatment plants.

For industrial wastewater, an independent industrial wastewater treatment system has been installed at the Hangzhou dyeing and finishing production base, with a designed treatment capacity of 4,000 tonnes per day, ensuring compliant treatment of production effluent. To enhance water recycling efficiency, the plant adopts advanced treatment processes such as quartz sand filtration, ultrafiltration and reverse osmosis, allowing treated wastewater to be reused in production workshops. This internal recycling approach reduces freshwater withdrawal while alleviating wastewater discharge pressure.

To ensure discharge compliance, online monitoring systems have been installed at wastewater discharge outlets and connected to environmental regulatory authorities to enable real-time data monitoring. Monitoring indicators include chemical oxygen demand (CODcr), ammonia nitrogen (NH_3-N), total nitrogen (TN) and pH value, ensuring that discharge quality meets national standards. In 2025, the Company established a target to reduce wastewater discharge by 50,000 tonnes. During the Reporting Period, approximately **452,124** tonnes of industrial wastewater were treated and discharged, representing a year-on-year decrease of **27.71%**.

5. ENVIRONMENTAL STEWARDSHIP

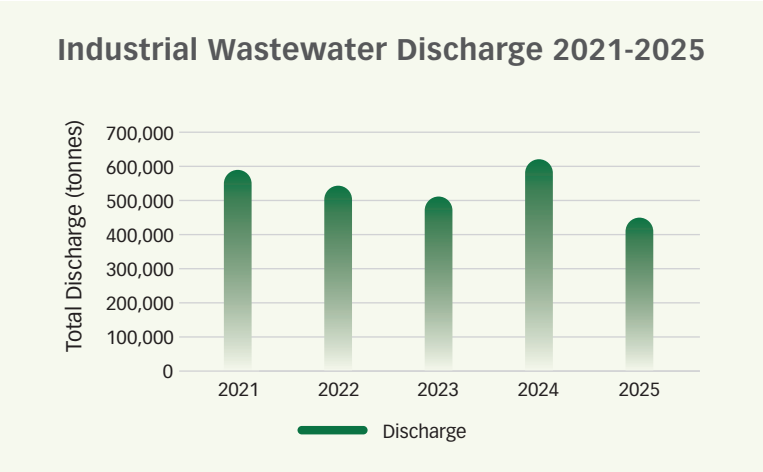


Figure 3: Total Industrial Wastewater Discharge

5.2.3. Air Emissions Management

The Company strictly complies with national regulations and those of operating locations regarding air pollutant emissions and continuously optimises its emission control mechanisms to ensure production activities meet environmental standards. A systematic monitoring and management process has been established to minimize potential environmental impacts from manufacturing emissions.

During the Reporting Period, production activities generated approximately **829.11 kg** of nitrogen oxides (NOx), **166.40 kg** of sulphur oxides (SOx) and **263.33 kg** of particulate matter (PM).

Given the potential generation of atmospheric pollutants during production processes, the Company remains vigilant and proactively implements emission reduction measures. Air pollution control facilities have been installed and operated to effectively collect and treat emissions generated during manufacturing, ensuring that exhaust gases are discharged in compliance with applicable standards.

Looking ahead, the Company plans to gradually increase the proportion of electric steam boilers in production operations to reduce emission pressure associated with traditional fuel usage, thereby further supporting clean production transformation and green manufacturing objectives.

5.2.4. Waste Management

The Group strictly implements classification, collection and disposal requirements for waste management and conducts lifecycle control in accordance with relevant laws and regulations. Classification registers are systematically established and regulatory reporting is carried out to minimize environmental impacts arising from waste generation.

During the Reporting Period, **2.72 tonnes** of hazardous waste were generated, with an intensity of **0.000109 tonnes** per 1,000 units, while **1,121.10 tonnes** of non-hazardous waste were generated, with an intensity of **0.04 tonnes** per 1,000 units.

5. ENVIRONMENTAL STEWARDSHIP

5.2.4.1. Hazardous Waste Management

Hazardous waste primarily arises from production and office operations, including waste organic solvents, waste lubricating oil, waste acetone and used toner cartridges. Dedicated storage areas are established in accordance with regulatory requirements, with clear classification labelling, leakage prevention measures and safety protection controls. Mixed storage or transportation is strictly prohibited.

Hazardous waste transfer plans are declared in accordance with legal requirements, transfer manifests are obtained, and disposal contracts are signed with qualified third-party service providers to ensure compliant treatment. Through continuous process optimization and source substitution measures, the Company progressively reduces hazardous waste generation and mitigates risks of secondary pollution.

5.2.4.2. Non-hazardous Waste Management

In 2025, the Company continued to promote reduction and resource recovery initiatives for non-hazardous waste, including classified recycling of fabric scraps, packaging materials and office waste, thereby improving reuse rates and reducing environmental impacts. Used chemical packaging materials are collected and returned to suppliers for recycling. Sludge and general solid waste are weighed using vehicle scale systems to improve data accuracy.

During the Reporting Period, High Fashion (China) claimed a general solid waste **decreased by 19.11%** year-on-year, while sludge **decreased by 49.75%**, resulting in a combined **reduction of 37.04%.**

In addition, the Company enhanced material management systems and production control processes to improve raw material utilization efficiency and reduce production waste. In office areas, classified recycling facilities and domestic waste collection points have been installed to encourage source separation practices among employees. The Company also actively promotes paperless office operations. By replacing traditional paper forms with digital workflow systems, processes such as vehicle maintenance applications, administrative repair and cleaning services, front-desk item borrowing registration, meeting room reservations and urgent seal applications have been fully digitalized, thereby reducing non-hazardous office waste at source. For non-recyclable non-hazardous waste, disposal is entrusted to qualified third-party service providers in accordance with regulatory requirements.

Packaging Materials

In managing packaging materials, the Group adheres to the 3R principles of Reduce, Reuse and Recycle, continuously optimizing packaging design and promoting innovative material applications to enhance packaging resource efficiency. The Company also strengthens collaboration with supply chain partners, prioritizing the use of recyclable and responsibly sourced packaging materials, while improving packaging structures to reduce overall environmental impacts.

During the Reporting Period, total packaging material consumption for finished products amounted to **680.96 tonnes**.

5. ENVIRONMENTAL STEWARDSHIP

5.3. Sustainable Value Chain

5.3.1. Green Products

5.3.1.1. INNOCELL® Textile to Textile Circularity

INNOCELL® is a key circular material solution promoted by the Group.

Estimates indicate that its carbon emissions are expected to be over 80% lower than traditional viscose fibres and over 20% lower than conventional cotton. To strengthen the resource utilization of textile waste, the Group has established a specialized entity dedicated to full-category textile waste recycling, and accelerate the development of textile-to-textile recycling solutions. By utilizing recycled textile waste as raw material and transforming it into high-quality fibres through regenerative processing technologies, we reintroduce these materials into supply chain. This effectively reduces reliance on virgin resources and further deepens our commitment to extended producer responsibility. Furthermore, to align with future Digital Product Passport requirements, we provide end-to-end traceability and environmental data support, offering a comprehensive practical pathway for the high-value circulation of textiles.

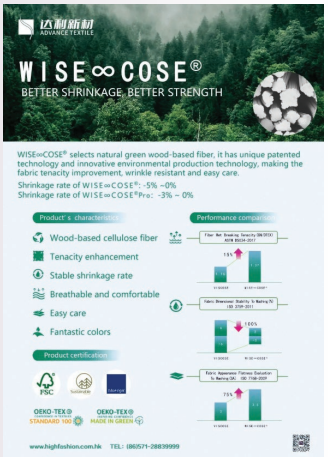


INNOCELL®循环流程图

The Company has achieved a cumulative recovery of more than 1,000 tonnes of textiles waste across our Group network. Through strategic industrial collaboration with various partners, we are committed to suppressing the growth of textile waste while mitigating the environmental impact of existing waste stockpiles.

5.3.1.2. WISE ∞ COSE® Sustainable Wood-based Fibre

WISE ∞ COSE® is developed based on natural wood-derived cellulose and incorporates proprietary modification technologies to improve wet strength and dimensional stability. Performance testing indicates that wet strength is enhanced by approximately 15% compared with conventional wood-based fibres, while surface smoothness is significantly improved and shrinkage performance becomes more stable.

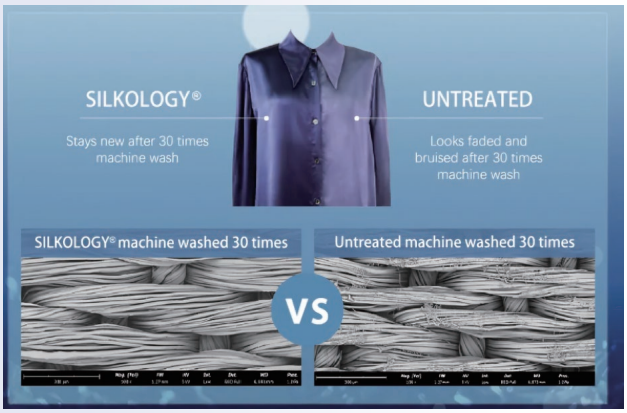


This product series emphasises durability, easy care and breathable comfort. By extending product lifespan, it helps reduce environmental impacts during the consumer use phase, delivering functional performance alongside sustainability value.

5. ENVIRONMENTAL STEWARDSHIP

5.3.1.3. SILKOLOGY® Machine-washable Silk

SILKOLOGY® applies biomolecular technology to optimise silk fibre molecular structure, enabling machine-washable performance while maintaining stable lustre and texture after 30 washing cycles. Compared with traditional silk products that require dry cleaning, this innovation reduces the use of dry-cleaning chemicals and associated energy consumption, while improving convenience in daily wear.



Through durability-oriented design and garment care innovation, SILKOLOGY® supports the transition of silk products from "luxury maintenance" towards "sustainable usability", achieving an integrated upgrade in both product quality and environmental performance.

5.3.1.4. Other Green Products

The Group's subsidiaries, High Fashion (China) and Eminent Garment (Cambodia) Limited, have obtained multiple internationally recognized sustainability certifications, including Global Organic Textile Standard (GOTS) 7.0, Organic Content Standard (OCS) 3.0, Responsible Wool Standard (RWS) 2.2, as well as Global Recycled Standard (GRS) 4.0 and Recycled Claim Standard (RCS) 2.0.

TE-00049985

CU1079122

CU1079122

Certified product categories include organic cotton apparel, responsible wool garments and recycled polyester clothing, reflecting the Group's capability and compliance strength in continuously developing a diversified green product portfolio at the raw material stage.

5.3.2. Green Manufacturing

5.3.2.1. DYEVERSE™ Waterless Dyeing Technology

DYEVERSE™ establishes a green manufacturing framework based on TDSD® digital intelligent waterless dyeing technology, which replaces traditional immersion dyeing processes with high-speed precision spray dyeing. This enables continuous production and more efficient resource utilization. According to product technical data, the technology achieves **90% water savings**, reduces energy consumption by **over 30%**, and lowers chemical usage by **more than 20%**, thereby significantly decreasing greenhouse gas emissions and hazardous waste generation.

The ink integrated into the TDSD® powered digital smart dyeing machine has obtained OEKO-TEX® ECO PASSPORT certification and complies with ZDHC MRSL 3.1 Level 3 requirements. Through technological innovation, the Group has achieved substantive progress in water resource management and carbon emission reduction, providing brand customers with green dyeing and finishing solutions that combine environmental benefits with stable performance.

5. ENVIRONMENTAL STEWARDSHIP



Product Highlight	Description
International Certification Assurance	The technical achievement is SGS-certified, ensuring data authenticity and traceability. This authoritative endorsement enhances credibility and industry recognition. The certification covers key environmental and production metrics.
Remarkable Water-Saving Results	The TDSD process reduces water consumption by 90%, enabling waterless dyeing and revolutionizing traditional water usage. It significantly decreases reliance on water resources and mitigates environmental impacts.
Outstanding Energy-saving Performance	Energy consumption is reduced by over 30%, which improves energy utilization efficiency, reduces production and operation costs, and contributes to the achievement of carbon neutrality goals.
Zero Wastewater Discharge	Achieves zero wastewater discharge in production processes to eliminate pollution from wastewater. Complies with the world's most stringent environmental standards. Promotes the upgrading of green manufacturing practices.
Low-Carbon Emissions	Emission levels have been significantly reduced, helping to mitigate environmental impacts and support cleaner production practices, in line with ESG development requirements.
Reliable Quality	Third-party testing confirms the stability of dyeing quality, ensuring product consistency and enhancing customer satisfaction, supported by proven technical maturity.
Product Safety & Skin-Friendliness	Certified by OEKO-TEX® ECO PASSPORT, the product is safe and eco-friendly.
Comprehensive Technological Advantages	Integrates environmental protection, high efficiency, and stability. Possesses potential for large-scale application. Represents the future trend of dyeing technology.

5. ENVIRONMENTAL STEWARDSHIP

5.3.2.2. Process Efficiency Improvements

The Group continues to explore greener alternatives to conventional production processes. By adopting more sustainable management approaches and technical solutions, we aim to improve resource efficiency and reduce environmental impacts, supporting a gradual transition towards more efficient and low-carbon operations. Key initiatives include:

Gas Overflow Machines for Scouring

In certain product lines, gas overflow machines are used to replace traditional sand washing processes. This reduces steam consumption by approximately **800 cubic metres per 10,000 metres of fabric**, corresponding to a reduction of **0.63 tonnes** of carbon emissions.

Reactive Dyeing Low-Temperature Soaping

The adoption of low-temperature soaping technology for reactive dyeing reduces washing temperatures from 80ºC to 65–70ºC, resulting in a reduction of nearly **1,200 cubic metres of steam consumption per 10,000 metres of fabric**, equivalent to a carbon emission reduction of **0.95 tonnes** per 10,000 metres.

Intelligent Computer-controlled Cutting Machines

These systems enhance production efficiency and material utilisation rates, reducing material waste at the source and further strengthening energy efficiency performance.

5.3.3. Environmental Awareness Training and Collaboration with Industry Partners

As the importance of the circular economy continues to grow within the global sustainable development agenda, the Group will further strengthen collaborative efforts with partners across the value chain. By actively exploring innovative approaches to efficient resource utilization and recycling, we aim to jointly promote the textile industry's transition towards green, low-carbon and sustainable development.

5. ENVIRONMENTAL STEWARDSHIP

5.3.3.1. Collaboration with Yibin Grace Group Co., Ltd.

Building on our long-standing collaboration with Yibin Grace Group Co., Ltd., 2025 marked a significant milestone with the successful launch of the pilot production line for our textile waste recycling project. This achievement delivers tangible results that drive sustainable progress across the industry.





5.3.3.2. Environmental Awareness Training

In 2025, the Company continued to strengthen its internal training framework on environmental and climate-related topics. Two training sessions on dual carbon fundamentals were organized at High Fashion (China) and its subsidiaries, Dongguan Dalisheng Fashion Co., Ltd. ("Dalisheng") and Dongguan Yihao Fashions Limited ("Yihao"), enhancing employees' understanding of carbon emissions management, energy transition and relevant policy developments.

Meanwhile, the Cambodian subsidiary Eminent Garment (Cambodia) Limited conducted dedicated training on energy and environmental management. The programme provided systematic guidance on energy conservation plans, responsible energy usage practices and environmental management requirements, thereby reinforcing frontline employees' awareness of energy efficiency and operational compliance.

5.3.3.3. Promotion and Application of Industry Green Standards

In response to the European Union's promotion of the Digital Product Passport ("DPP"), which requires products to disclose comprehensive life cycle information, High Fashion (China) has leveraged its position as an industry leader by deeply participating in the drafting of key standards for the textile industry. The relevant technical standards include:

- Digital Product Passport for Textile Products Part 1: General Principles
  《紡織產品數字護照 第1部分：通則》
- Digital Product Passport for Textile Products Part 2: Terms and Definitions
  《紡織產品數字護照 第2部分：術語和定義》
- Digital Product Passport for Textile Products Part 3: Technical Specifications for Labels
  《紡織產品數字護照 第3部分：標簽技術規範》

Officially released in 2025, these series of standards marks as a significant milestone in the Group's efforts to lead digital transparency management and align the textile industry with international market regulations.

6. SOCIAL RESPONSIBILITY

UN SDGs		Our Actions in 2025
	3.8 Achieve universal health coverage	• The Group places strong emphasis on employees' physical and mental well-being. Through the provisions of medical insurance coverage, establishment of sports and interest clubs, as well as the organization of fitness activities, employees are encouraged to develop healthy lifestyle habits, thereby continuously enhancing overall employee well-being
	4.4 Quality education	• The Group is committed to supporting the development of future talent by providing education opportunities and practical training opportunities for young people, contributing to the establishment of a sustainable talent pipeline for the textile and garment industry • A diverse range of training programmes is offered to employees to create continuous learning and skill enhancement opportunities, supporting their professional growth • The Group optimized its talent ecosystem through skill grade certifications, ensuring the team possessed the critical competencies required for the industry's future.
	5.1 Non-discrimination on gender 5.5 Equal opportunities on career development	• The Group actively fosters an inclusive and respectful workplace environment, promoting the implementation of gender equality and anti-discrimination principles. Fair opportunities are provided in areas such as recruitment, remuneration and promotion, while efforts are made to maintain a harassment-free working environment

6. SOCIAL RESPONSIBILITY

UN SDGs		Our Actions in 2025
8 DECENT WORK AND ECONOMIC GROWTH	8.7 Eliminate forced labour and prevent child labour 8.8 Safeguard labour rights and ensure a safe working environment for all employees	• The Group maintained policies on prevention of child labour and forced labour in all regions. Regular safety training is provided to factory workers • Since 2023, the Company has been a registered participant in the International Labour Organization's Better Factories Cambodia Project
10 REDUCED INEQUALITIES	10.4 Reduce social inequalities	• The Group actively fulfils its social responsibilities by participating in various community welfare and public interest initiatives, supporting the development of disadvantaged groups and promoting more equitable sharing and allocation of social resources, thereby contributing to social inclusion and equality



2025 Highlights

- Number of work-related fatalities: **zero**
- Number of employee discrimination cases: **zero**
- Average training hours per employee: **27.18 hours**
- Employment rate of graduates of High Fashion Womenswear Institute: **98.14%**

6.1. Responsible Employment

We are committed to building an attractive employer brand by continuously enhancing fair and competitive remuneration and diversified employee welfare programmes, thereby creating a stable and positive development environment for our workforce. As at the end of the Reporting Period, the Group had a total workforce of 4,103 employees, including 4,099 full-time employees.

6. SOCIAL RESPONSIBILITY

6.1.1. Employee Management

In 2025, the Group continued to refine its employee management policy framework, establishing actionable management guidelines across key areas such as remuneration and dismissal, recruitment and promotion, working hours and rest arrangements, as well as leave and employee benefits. These measures help ensure that employee management processes remain fair and transparent.

We uphold principles of equal opportunity and diversity and inclusion, embedding anti-discrimination and anti-harassment requirements throughout all aspects of employee management to safeguard fair treatment in employment and career development and remain aligned with regulatory requirements and evolving labour market conditions.

6.1.1.1. Employee Recruitment

The Group adopts recruitment principles that prioritize business development needs and talent pipeline building. Candidates who align with role competency requirements and corporate culture are given priority consideration. The Company provides training, mentoring and development support to facilitate capability enhancement and stable retention.

Standardized recruitment procedures are implemented to ensure fairness and inclusiveness throughout the hiring process, providing equal opportunities to all applicants. Identity verification and background checks are conducted to ensure compliance with minimum legal employment age requirements.

In addition, the Group utilizes digital tools to establish and maintain a structured talent pool, enabling systematic classification and continuous updating of potential candidates. This enhances responsiveness to future workforce needs and supports workforce stability.

6.1.1.2. Employee Promotion

The Group operates a promotion management mechanism centred on performance outcomes and role competency standards. Promotion decisions are based on monthly performance evaluations, demonstrated capabilities and job competency requirements. Relevant assessment and promotion arrangements are conducted through formalized procedures to ensure transparency of evaluation criteria, timely feedback and explainable outcomes. This approach strengthens talent development and organizational vitality.

6.1.1.3. Employee Well-being

We regard employees' physical and mental well-being, job satisfaction and career development as essential foundations for sustainable organizational operations. In alignment with working hours and attendance management policies, standard working schedules and leave arrangements are implemented to support work-life balance and healthy lifestyle.

6. SOCIAL RESPONSIBILITY

Employee Activities

To enhance employee engagement and cross-departmental collaboration, the Group organizes diversified corporate culture and team-building activities throughout the year. These activities integrate health promotion, sports and recreation, community engagement and learning initiatives, fostering a positive and interactive organizational atmosphere.

In 2025, the Company successfully organized a series of festive and corporate culture events, including annual meetings, gala dinners and new year ceremonies, with over **4,000** participations recorded. These initiatives enriched employees' cultural and social experience, strengthened team cohesion and enhanced organizational belonging.



South China Region Spring Reception Gala of High Fashion International Group (達利國際集團華南區2025年春茗晚會)

During the 2025 Lunar New Year period, the Group organised employee care and cultural engagement activities, including a spring reception gala themed "Leading with Innovation, Advancing Together, Building the Future" ("創新領航·攜手共融·共鑄未來"). Senior management, employees and business partners were invited to participate. Through recognition of outstanding teams and individuals, cultural performances and interactive exchanges, the event fostered a positive corporate culture, enhanced employee engagement and strengthened internal communication and collaboration, contributing sustained momentum to the Group's stable development.

High Fashion Tennis Team in China

In September 2025, the Group officially established the High Fashion Tennis Team as part of its ongoing efforts to promote employee well-being and foster a healthy workplace culture. The launch ceremony, attended by management and guests, marked the integration of sporting spirit with the Company's brand values of health, vitality and innovation. Beyond being a recreational initiative, the tennis team serves as a platform for employees to strengthen physical fitness, relieve stress and enhance team cohesion. By developing diverse sports programmes, the Group aims to encourage active lifestyles, enrich employee engagement and support a more positive, energetic and collaborative working environment.



6. SOCIAL RESPONSIBILITY



Khmer New Year Celebration: Sharing joy, festive spirit and heartfelt appreciation with our dedicated team during the Khmer New Year party in Cambodia.

Employee Benefits

The Group continues to provide comprehensive benefits covering all job roles, including statutory social insurance contributions, paid annual leave, free meals and statutory holidays. Benefit arrangements are continuously reviewed and optimized based on employee needs assessments to support employee well-being and stable career development.

Celebrating the Dual Festivals: Sharing festive gifts and sincere blessings with our hardworking team during the National Day and Mid-Autumn Festival.





From Heart to Hand: Strengthening team spirit through a traditional rice dumpling making activity and gift distribution.

6. SOCIAL RESPONSIBILITY

6.1.1.4. Employee Communication

We are committed to building a safe, inclusive and supportive communication environment that respects employees' diverse needs and safeguards their rights to expression and information. Employees are encouraged to share opinions, and regular employee reception and communication activities are conducted to ensure that management can promptly understand employee suggestions and continuously improve workplace governance practices.

Through multi-channel communication mechanisms, employees are provided with various means to communicate with the Company, enhancing information transparency and feedback efficiency. Channels include suggestion boxes, employee representative meetings, online platforms such as DingTalk and WeChat, as well as regular cross-departmental meetings. Relevant responsible departments follow up on employee suggestions and concerns and provide feedback on outcomes to facilitate continuous improvement.



Empowering Our Workforce: Successful convening of the 4th Trade Union Member and Employee Representative Congress of High Fashion (China) to elect new committee members.

6.1.2. Diversity and Inclusion

Diversity and inclusion represent key principles in our human resources governance. We promote an organisational culture that respects individual differences and encourages fair participation, while continuously fostering an open, equitable and inclusive working environment. The Company strictly complies with national laws and regulations relating to anti-discrimination and equal employment through continuous improvement of internal policies and management systems.

At the end of the Reporting Period, female employees accounted for **65.6%** of the total workforce, while **59.3%** of management positions were held by women. This demonstrates the Company's ongoing progress in promoting gender diversity and leadership representation.

6. SOCIAL RESPONSIBILITY

6.1.2.1. Female Employee Protection

In accordance with relevant legal requirements such as the *Special Provisions on Labour Protection for Female Employees* (《女職工勞動保護特別規定》), the Company has established dedicated protection mechanisms and relevant policies including the Female Employee Protection Policy and Procedures (《女職工保護政策和程序》), covering pregnancy, maternity and breastfeeding periods. For pregnant employees, work duties and intensity are adjusted in compliance with legal requirements to avoid high-intensity or health-hazardous tasks. Statutory maternity leave and related benefits are provided in accordance with applicable regulations. A female labour union is also established in Hangzhou to protect and represent the female employee's interests.

For employees during the breastfeeding period, the Company strictly implements provisions relating to breastfeeding time arrangements and remuneration to safeguard their lawful rights and interests. Dedicated nursing rooms have been established within factory premises to provide private and convenient facilities for breastfeeding employees. In addition, through festive greetings and employee care initiatives, the Company enhances female employees' sense of belonging and organisational identity, fostering a workplace culture characterised by both respect and support.

International Women's Day Initiative

In 2025, the Group organised an employee care initiative themed around female employee well-being. Party-member volunteers participated in the preparation and implementation of the activity, presenting flowers and greetings to female employees across both office and production functions. Through such initiatives, the Company demonstrates respect and care in practice, enhancing female employees' professional identity and sense of belonging. These human-centred measures further strengthen diversity and inclusion culture and support the continuous enhancement of women's rights protection mechanisms, reflecting our commitment to building an equal and supportive workplace environment.



6.1.2.2. Anti-discrimination

The Group manages discrimination-related matters in a systematic manner through the *Anti-discrimination Management Procedures* (《反歧視管理程序》) and the Employee Handbook (《員工手冊》), which set out handling processes and accountability mechanisms for relevant violations. The Company strictly prohibits any form of discrimination in areas including recruitment, employment, remuneration, performance evaluation, promotion arrangements, training and development, and termination of employment. This includes unfair treatment based on gender, age, disability, religion, ethnicity, marital status or other personal background factors. The Group co-operated with the NGO or other authorities on the employment of protected group and disability group to empower them to utilize their strengths and talents to integrate into the community.

To address discrimination-related issues, the Company has established multi-channel appeal mechanisms. Employees who experience discrimination may report concerns directly to management, the Human Resources Department or the General Manager, or submit written complaints through channels such as suggestion boxes. The Company commits to handling all complaints in a timely, confidential and impartial manner. Verified violations are subject to appropriate disciplinary measures in accordance with applicable rules and regulations.

6. SOCIAL RESPONSIBILITY

6.1.3. Labour Practices

The Company continues to enhance its labour compliance management framework, strictly aligning labour practices with national laws and regulations as well as relevant conventions of the International Labour Organization. This approach safeguards employees' lawful rights and interests. To strengthen governance foundations, the Company has established systematic identification, prevention and remediation mechanisms through policies to ensure the comprehensive elimination of risks related to forced labour and child labour in both internal operations and supply chain activities.

6.1.3.1. Prevention of Forced Labour

The Group firmly opposes all forms of forced or involuntary labour, including but not limited to debt bondage, prison labour and any form of labour obtained through threats, violence or restrictions on personal freedom. In accordance with the *Forced Labour Prevention Management Procedures*(《禁止強迫勞動管理程序》), comprehensive controls are implemented across recruitment, employment management and supplier oversight processes. The Company strictly prohibits practices such as collecting deposits, withholding identity documents or imposing improper restrictions on employees' freedom to resign.

All employment relationships are established on a voluntary basis. Employees may submit resignation requests in accordance with applicable laws and regulations, and the Company does not impose unreasonable restrictions or punitive measures.

6.1.3.2. Prevention of Child Labour

The Company strictly enforces minimum employment age requirements. During recruitment, identity verification and personnel record management mechanisms are applied to prevent the risk of child labour. In accordance with the *Child Labour Remediation and Protection Procedures for Young Workers*(《救濟童工及未成年保護控制程序》), where any inadvertent employment of child labour is identified, the Company will immediately cease the individual's work duties, pay full remuneration in accordance with legal requirements, arrange medical examinations and bear the associated costs.

Under the premise of ensuring health and safety, the Company will escort the child back to their place of residence and place them under the care of their guardian. Where financial hardship is identified within the family, necessary support will be provided in accordance with internal policies until the individual reaches the statutory working age.

In addition, the Company implements dedicated protection measures for young workers, including job suitability arrangements, health monitoring, working hour controls and prohibition from engaging in hazardous or harmful work, thereby safeguarding their physical and mental well-being. During the Reporting Period, no incidents of non-compliance with labour laws and regulations were identified, and no cases of child labour or forced labour were recorded.

6. SOCIAL RESPONSIBILITY

6.2. Nurturing Talents

We firmly believe that enhancing employee capabilities is a key driver of sustainable corporate development. As an integral part of our ESG strategy, the Company continues to refine its talent development framework. Through structured training programmes and career development planning, we aim to strengthen employees' professional competencies and overall capabilities through proactive learning culture.

To ensure the standardisation and long-term effectiveness of training initiatives, the Company has formulated and continuously implemented the *Employee Skills Development Policy and Procedures* (《員工技能發展政策與程序》), establishing a training management mechanism focused on capability enhancement and talent retention.

6.2.1. Employee Training

The Company adopts a closed-loop training management model based on the cycle of "planning – implementation – evaluation – optimisation" ("規劃–執行–評估–優化"). Each year, an annual training plan is developed and implemented. Key aspects such as course delivery, attendance records, training effectiveness assessments and total training hours are systematically documented and analysed to ensure that training processes are traceable and outcomes are measurable.

Our training system is guided by the core objective of "empowering employee growth and supporting corporate development", with a strategic focus on building a multi-skilled technical workforce pipeline. A comprehensive development structure integrating internal training, external training and platform-based learning has been established. In addition, the Company has proactively introduced training modules related to artificial intelligence ("AI"), enabling employees to keep pace with technological transformation trends and enhance their digital and innovation capabilities.

In 2025, total employee training hours increased by **12.81%** compared with 2024, with broader training coverage and deeper participation, and average training hours per employee reached **27.18 hours**.

6.2.1.1. Training Programmes

Skills Grading Certification

To further advance the strategy of "strengthening the enterprise through talent development", the Company actively promoted occupational skills grading certification in 2025 to establish clear career progression pathways. The programme adopts a dual-track development model, combining integrated offline theoretical and practical training with online self-directed learning, covering key operational roles with nationally recognised occupational standards, such as textile dyeing technicians and sewing technicians.

In 2025, the pass rate for occupational skills grading examinations conducted in Hangzhou reached **82.6%**, representing a **46%** year-on-year increase compared with 2024. Certificates obtained by employees were issued by nationally recognised authoritative institutions. This initiative not only strengthened employees' personal career competitiveness but also enhanced the overall technical capability of the workforce, further reinforcing the Company's talent pipeline and providing sustained momentum for long-term business development.

6. SOCIAL RESPONSIBILITY

Onboard Training

To ensure that new employees can effectively adapt to their job responsibilities and organizational culture, the Company continues to enhance its structured onboarding training mechanism. Onboarding training covers key topics including safety production requirements, corporate values and codes of conduct, internal policies, and job responsibilities. Through systematic training courses and on-the-job guidance, new employees are able to develop professional awareness, improve job competency and integrate into teams more efficiently.

Onboard Training: Structured induction programmes were conducted to help new employees understand safety requirements, corporate values, internal policies and job responsibilities.







6.2.2. Employee Development

The Company is committed to providing employees with clear and sustainable career development pathways. Guided by the three-stage growth model of "learner – practitioner – trainer" ("學習者–實踐者–講授者"), employees' professional competencies and mentoring capabilities are progressively enhanced through structured training programmes, job-based practice and coaching mechanisms. This approach facilitates effective knowledge transfer within the organisation.

At the same time, the Company adopts the "**Talent Nine-Box Grid**" ("人才九宮格") as a systematic tool to evaluate employees' performance and development potential. Based on the assessment outcomes, personalised development plans are formulated to clarify career direction and capability enhancement priorities.

Through dual career development pathways and a continuous evaluation framework, the Company continuously optimises its talent structure and builds a robust talent pipeline. This ensures that employees' career development aligns with the Group's long-term strategic objectives, supporting mutual growth for both the organisation and its workforce.

6.3. Advocating Health and Safety

We consistently place employee life safety and occupational health at the core of business operations. In accordance with laws and regulations as well as internal policy frameworks, the Company continues to enhance its occupational health and safety management structure. The Company strictly implements requirements set out in policies such as the *Safety Production Target Management Policy* (《安全生產目標管理制度》), *Occupational Health and Safety Management Policy* (《職業健康安全管理制度》), *Fire Safety Management Policy* (《消防安全管理制度》) and *Production Safety Incident Management Policy* (《生產安全事故管理制度》), thereby establishing a systematic and institutionalised safety management framework to ensure the effectiveness and continuity of safety management practices.

6. SOCIAL RESPONSIBILITY

Our subsidiaries in Hangzhou and Dongguan have obtained and maintained ISO 45001 Occupational Health and Safety Management System certification.

ISO 45001 Occupational Health and Safety Management System Certificates



Dongguan Yihao Fashions Limited



High Fashion (China) Co., Ltd.

6.3.1. Workplace Safety

Occupational Health and Safety	2025	2024	2023
Work-related fatality rate	0	0	0
Number of work-related fatalities	0	0	0
Lost days due to work-related injuries	306	261	67

In 2025, the Company recorded 3 work-related injury incidents, all of which were investigated, rectified and addressed in accordance with the *Production Safety Incident Management Policy* (《生產安全事故管理制度》) and the *Incident Investigation Policy and Procedures* (《事故調查政策與程序》).

6.3.1.1. Health and Safety Risk Assessment

In accordance with the Health and Safety Risk Assessment Procedures (《健康與安全風險評估程序》) and the 2025 Workplace Risk Assessment Report (《2025年工作崗位風險評估報告》), the Company conducted systematic hazard identification based on six key factors: **personnel, machinery, materials, methods, environment and management** ("人、機、物、法、環、管理"). The **LEC risk assessment method** was applied to quantify and classify risks across different job roles, and corresponding control measures were developed.

6. SOCIAL RESPONSIBILITY

Through regular monitoring of occupational hazard factors and evaluation of workplace health risks, the Company continuously monitors noise, dust and other occupational hazards at production sites. In 2025, a third-party institution completed an occupational hazard status assessment in Hangzhou and provided recommendations on improving key control points. During the Reporting Period, quarterly routine monitoring identified that noise levels from air guns used in the knitting stain removal area exceeded the occupational exposure limit. The Company subsequently replaced the equipment with large-calibre air guns, effectively reducing noise levels and mitigating related occupational health risks.

6.3.1.2. Production Safety

The Group adheres to the safety production principle of "**safety first, prevention-oriented**" ("安全第一、預防為主"), placing employees' life safety and occupational health at the core of production management. In Hangzhou, in accordance with the *Safety Production Target Management Policy* (《安全生產目標管理制度》) and the annual target allocation mechanism, the Company formulated and issued the *2025 Safety Production, Fire Safety and Occupational Health Targets and Indicators* (《2025年度安全生產、消防安全、職業健康目標指標》), specifying control requirements such as zero fatalities, zero serious injuries and zero occupational disease incidents. These targets were further cascaded to all departments and job positions, forming a closed-loop accountability management framework.



In 2025, High Fashion (China) conducted **207 safety production training sessions**, with a total of **more than 3,000 participants**. In addition, **34 emergency response drills** were organised, involving **more than 4,000 participants**, covering scenarios such as fire incidents, mechanical injuries and electric shock accidents, with a **100% implementation rate** of emergency plans. In June of the same year, the "Safety Production Month" campaign ("安全生產月"), strengthened safety awareness through activities including safety awareness posters and banners, interactive safety events, the "Ankang Cup" Safety Knowledge Competition ("安康杯"安全知識競賽) and KYT hazard prediction training.



Safety Training for Management: Training reinforced safety accountability, hazard identification and emergency preparedness.



Safety Training for Team Supervisors: Focused training strengthened frontline hazard awareness, risk control and emergency response.

6. SOCIAL RESPONSIBILITY

Comprehensive Safety Training for All Employees

The Group organised a "Comprehensive Safety Training for All Employees" programme ("全員安全培訓"), covering topics such as safety production responsibilities, operational procedures, occupational health, fire safety knowledge and emergency response measures. Through a combination of case-based learning and practical training, the programme enhanced frontline employees' safety awareness, operational capabilities and incident response skills. These initiatives further strengthened the foundation of safety production management and supported the creation of a more stable and sustainable working environment.



6.3.1.3. Fire Safety

The Company conducts fire safety management in strict accordance with the *Fire Safety Management Policy* (《消防安全管理制度》), ensuring that firefighting facilities are appropriately installed and effectively maintained. The safety management department performs monthly inspections of equipment such as fire extinguishers and fire hydrants and maintains inspection records to ensure that facility integrity meets management requirements.





In 2025, the Company continued to organise specialised fire drills and incorporated fire emergency exercises into its annual emergency response management framework. Through simulated fire scenarios, employees' capabilities in initial fire suppression and emergency evacuation were enhanced.

6.3.1.4. Incident Investigation and Procedures

In accordance with the *Production Safety Incident Management Policy* (《生產安全事故管理制度》) and the *Incident Investigation Policy and Procedures* (《事故調查政策和程序》), the Company has established standardised accident reporting and investigation procedures to prevent recurrence of similar incidents. Following an incident, injured employees are required to immediately report the situation to their supervisors. The responsible department then initiates emergency response procedures, while the safety management department organises investigations, statistical analysis and follow-up corrective actions.

The Group has also established a comprehensive incident reporting mechanism. Employees may report safety hazards to designated safety officers through multiple channels, including verbal communication, telephone, internal messaging platforms or email. Safety officers are responsible for handling reported issues and monitoring rectification progress, ensuring closed-loop management throughout the entire process of "identification–rectification–verification" ("發現–處理–驗證").

6. SOCIAL RESPONSIBILITY

6.3.2. Employee Health

The Company has established a comprehensive occupational health monitoring mechanism. Based on the list of positions exposed to occupational hazards, employees are arranged to undergo pre-employment, periodic and specialised occupational health examinations at designated hospitals.

Based on monitoring and evaluation results, the Company continuously conducts assessments of occupational hazard factors, provides personal protective equipment, and optimises equipment and facilities. Employees who are no longer suitable for specific job roles due to health considerations are reassigned accordingly. This forms a closed-loop management mechanism of "monitoring – rectification – reassessment" ("監測–整改–再評估") to safeguard employee health and workplace safety. Regular health seminars are also arranged to enhance the health knowledge of employees.

6.4. Community Investment

Since its establishment, the Group has incorporated community care into its corporate development philosophy and regards giving back to society as an essential foundation for long-term operations. Accordingly, the Group continues to invest in various community and public welfare initiatives to support social development. In addition to providing resource support, we also contribute to community development through educational assistance and capacity-building programmes, promoting broader social harmony.



Health Education Seminar: Empowering local community health through educational outreach and capacity building, reinforcing our commitment to social well-being.

6. SOCIAL RESPONSIBILITY

6.4.1. Youth Empowerment

At High Fashion, we consistently recognise that nurturing young talent is crucial to the long-term development of the textile and garment industry. The Group continues to deepen strategic partnerships with higher education institutions. Through collaborative school-enterprise initiatives, we enhance students' understanding of industry operations and professional skills, laying a solid foundation for their future career development.

6.4.1.1. High Fashion Womenswear Institute

To further strengthen industry-academia collaboration, the High Fashion Womenswear Institute ("達利女裝學院") serves as a professional training platform connecting academic learning with industry practice. The institute integrates theoretical instruction with real-world industry exposure. Through project-based learning, professional mentoring and enterprise-based practical training, students' overall capabilities in design concepts, technical craftsmanship and production management are enhanced.

6.4.1.2. "Little Migratory Birds" Education Programme

In 2025, the Group organised a public welfare educational initiative known as the "Little Migratory Birds" Summer Chip Science Programme ("小候鳥"教育計劃), targeting young students with introductory courses on semiconductor knowledge and technological literacy.



Through on-site explanations and visual demonstrations, the programme illustrated the application of chips in everyday life, enhancing children's awareness of technological development and stimulating their interest in science. By combining theoretical knowledge with practical demonstrations, the Group aims to strengthen young people's understanding of modern manufacturing and technological innovation and support the popularisation of science education.

6. SOCIAL RESPONSIBILITY

6.4.1.3. "River Patrol and Green Protection" Initiative

In 2025, the Group participated in the "Little Migratory Birds – River Patrol and Green Protection" Community Initiative ("小候鳥-巡河護綠"), in collaboration with the Qianjiang Community New Era Civilization Practice Station (錢江社區新時代文明實踐站) and the community youth league branch.

Through hands-on participation, children were guided to strengthen ecological awareness and develop a sense of responsibility for protecting public spaces. By leveraging community co-development as a linkage, the Group actively engaged in grassroots governance and civic initiatives, continuously supporting environmental improvement and youth development within local communities.





6.4.2. Public Welfare and Volunteer Activities

The Group actively promotes development guided by Party-building principles and integrates resources from the Party committee, administrative management, labour union and youth organizations to establish a coordinated volunteer service framework.

In 2025, various departments jointly formed the "High Fashion Volunteer Team" ("達利志願大隊"), creating a service model characterized by Party member leadership, labour union coordination and broad employee participation in Hangzhou.



During the Reporting Period, High Fashion (China) organized **15 volunteer activities** focusing on community co-development, care for the "Little Migratory Birds" initiative and safety awareness campaigns. More than **300 participants** were involved, contributing over **300 hours of volunteer service**, thereby enhancing the Company's level of social engagement and community impact.

7. GOVERNANCE AND OPERATING PRACTICES

UN SDGs		Our Actions in 2025
	12. Responsible consumption and production	• Promoted responsible production practices by strengthening supply chain management and adopting internationally recognised sustainability standards, thereby enhancing production transparency and resource efficiency • Obtained certifications such as OEKO-TEX®, SEDEX, ICS and WRAP, reinforcing responsible supply chain management • Adopted international standards including Bluesign®, OEKO-TEX® and the Higg Index to further integrate responsible practices into supply chain management
	16.5 Substantially reduce corruption and bribery	• Maintained anti-bribery and whistleblowing management mechanisms to strengthen the identification and handling of misconduct • Promoted business ethics training for employees to enhance compliance awareness and integrity standards • Improved internal management processes to mitigate risks associated with corruption and improper conduct

2025 Highlights

- Percentage of directors receiving training in anti-corruption: 100%
- Number of New Patents:

  13 invention patents

  11 utility model patents

  16 design patents

  3 software copyrights

7.1. Business Ethics

The Group consistently adheres to the principle of integrity in business operations and strictly complies with applicable laws and regulations. Maintaining high standards of business ethics is regarded as a key governance priority, enabling the establishment of stable and trust-based relationships with relevant stakeholders including employees, customers, suppliers and shareholders.

7. GOVERNANCE AND OPERATING PRACTICES

7.1.1. Anti-corruption

To regulate the business conduct of employees and business partners, the Group has implemented the *Code of Conduct on Integrity*（《廉潔守則》）, which clearly prohibits any form of bribery, fraud or improper benefit arrangements. Relevant provisions cover areas such as the solicitation or provision of benefits, hospitality management, declaration of conflicts of interest and compliance responsibilities in overseas operations.

Employees are not permitted to accept benefits related to their job responsibilities. Where gifts or benefits exceeding the prescribed value are received under special circumstances, employees are required to declare their interest for approval and handling. In cases where a conflict of interest arises or may potentially arise, employees must make a written declaration for further review and resolution.

The Ethics Committee conducts periodic reviews of the relevant code and updates it in a timely manner based on operational needs and changes in the external regulatory environment.

In 2025, **no** violation of laws and regulations related to bribery, extortion, fraud and money laundering was noted nor concluded.

7.1.1.1. Anti-corruption Training

The Group places strong emphasis on education relating to anti-corruption and business ethics. Through orientation training and continuous training initiatives, employees' understanding of integrity and compliance requirements is strengthened, thereby enhancing compliance awareness and ethical standards at the individual level.

Regular training sessions on anti-bribery and anti-corruption are provided to management and relevant personnel, covering methods for identifying, preventing and avoiding improper benefit-related conduct. Participants are also reminded of the requirement to comply with applicable anti-corruption laws and internal policies in both domestic and overseas business activities.

In 2025, the Group organized training programmes focusing on anti-fraud practices, legal risk prevention and ESG compliance requirements and also arranged employees to participate in relevant online webinars. These initiatives enhanced participants' awareness of ESG compliance and anti-fraud responsibilities, strengthened overall compliance culture and laid a foundation for further improving the Group's anti-fraud and ESG compliance systems, thereby reinforcing corporate governance safeguards.





7. GOVERNANCE AND OPERATING PRACTICES

7.1.2. Whistleblowing

The Group has established an open and confidential whistleblowing mechanism, encouraging employees and relevant stakeholders to report any suspected misconduct, irregularities or negligence. All reported cases are reviewed and followed up by the Company's Ethics Committee in accordance with established procedures. Strict confidentiality is maintained with respect to the identity and information of whistleblowers in order to protect their legitimate rights and prevent undue influence.

7.2. Product Responsibility

We remain customer-oriented and are committed to enhancing customer satisfaction and market confidence by delivering safe, reliable and cost-effective products and services on schedule. The Company has established a systematic quality feedback and improvement mechanism. Through continuous monitoring of product performance, analysis of quality data, and strengthened communication and collaboration with customers and suppliers, we strive to drive ongoing enhancement in product and service quality.

ISO 9001 Quality Management System



Dongguan Dalisheng Fashion Co., Ltd.



High Fashion (China) Co., Ltd.

7.2.1. Product Quality Management

The Group has established a comprehensive product quality management system covering the entire production process to ensure that products meet defined standards in terms of consistency, durability and functionality. Our quality control measures are implemented across key stages, including raw material procurement, in-process inspection and final production. Standardized testing and verification procedures are adopted to mitigate quality risks and meet industry requirements as well as customer quality expectations.

7.2.1.1. Product Quality Assurance

Ensuring stable and reliable product quality remains a fundamental aspect of the Group's operational management. Leveraging the ISO 9001 Quality Management System, the Company has developed quality control mechanisms that span the full cycle from design and procurement to production and delivery, thereby continuously enhancing product consistency and stability.

7. GOVERNANCE AND OPERATING PRACTICES

In production management, incoming raw materials are subject to inspection upon receipt, while in-process sampling inspections and dual verification of functionality and safety prior to dispatch are conducted to ensure that products comply with established technical standards and customer requirements. For transportation and delivery, the Company has formulated unified management standards for packaging, labelling and logistics, and conducts necessary post-delivery checks to minimise potential logistics risks.

From a service assurance perspective, service personnel are provided with pre-employment technical and compliance training, and clear standards are set for response timelines and issue resolution procedures. One of our subsidiaries, Yihao has implemented milestone acceptance controls and a **72-hour follow-up mechanism** to strengthen feedback management. In support of the target to increase the product pass rate to **99.5% by 2026**, the Company continuously refines its control measures through weekly quality data analysis, monthly updates of operational standards and quarterly quality training programmes. Sampling inspections are conducted in accordance with customer-specified Acceptable Quality Level ("AQL") standards to ensure traceability of issues and closed-loop improvement.

7.2.1.2. Non-conforming Product Control

In accordance with the *Non-conforming Product Control Procedures*（《不合格品控制程序》） and other relevant management documents, the Group has established a comprehensive control mechanism covering non-conforming products at the stages of incoming materials, in-process production and finished goods.

Incoming Material Inspection

All incoming materials are subject to graded inspection and evaluation procedures. Raw materials that fail to meet specification requirements or customer-approved standards are immediately labelled and physically segregated. Relevant inspection records are documented, and the Procurement Department together with responsible units initiates a review process. Based on the review outcome, actions such as return, conditional acceptance or rectification may be implemented. Where non-conformance is attributable to suppliers, they are required to undertake replacement and bear related costs. All handling processes are recorded to ensure batch traceability and effective risk control.

In-process Inspection

During production, the Company implements multi-stage patrol inspections and sampling checks to monitor semi-finished products in terms of dimensions, appearance and key quality indicators. Where non-conforming items are identified, inspection personnel label the products and complete rework documentation before returning them to the responsible production unit for corrective action. Products that cannot be rectified are subject to quality review and may be downgraded or scrapped. Such cases are incorporated into quality data analysis. For abnormal batches, dedicated reviews are conducted and corrective and preventive measures are implemented to reduce recurrence, enhance process stability and improve resource efficiency.

Final Product Inspection

Finished goods may only be warehoused or shipped after passing final quality inspection. Defective products identified during inspection are handled according to severity: items that can be rectified are reworked and re-inspected, while products presenting significant safety or functional risks are immediately isolated and shipment is suspended. Products subject to recall are incorporated into the non-conforming product management process to ensure effective information disclosure, customer communication and subsequent improvement under a closed-loop management approach. Relevant records include batch details, quantities, handling methods and responsible units, ensuring transparency and compliance throughout the process.

7. GOVERNANCE AND OPERATING PRACTICES

7.2.1.3. Product Safety

We consistently regard product safety and compliance management as core responsibilities. High Fashion strictly complies with applicable international and regional safety laws and regulations and conducts regular testing for hazardous substances as well as risk assessments to ensure that products meet safety control standards throughout their life cycle.

To strengthen compliance management, the Company requires suppliers and relevant internal business units to provide authoritative third-party testing reports and certification documents, which are reviewed and properly documented through systematic procedures. In response to evolving customer requirements and regulatory developments, we continuously update restricted substances lists and management standards to ensure that products remain compliant with the latest regulatory expectations while maintaining a high level of quality. In addition, independent professional institutions are periodically engaged to conduct audits and assessments of manufacturing processes, verifying that finished products meet established standards in terms of safety, quality and performance and fully comply with applicable legal and regulatory requirements.

High Fashion continues to apply Bluesign®-certified materials in designated product lines, further strengthening its commitment to sustainable and responsible production. By adhering to the Bluesign® standards, we ensure that textile production processes meet stringent requirements relating to environmental protection, health and safety management. All products are subject to mandatory national standard testing, and no safety incidents were recorded during the year.



Chemical Management

The Company continuously strengthens lifecycle risk management for chemicals and strictly follows the Zero Discharge of Hazardous Chemicals (ZDHC) Manufacturing Restricted Substances List (MRSL) requirements, ensuring the full prohibition of hazardous chemicals in production processes.

In 2025, new progress was achieved in the chemical management system. The Company conducted audits of chemical suppliers and required the provision of Safety Data Sheets (SDS) and third-party testing reports to ensure compliance with environmental and safety standards. Through optimization of washing process workflows, chemical usage was reduced by approximately 10%, thereby lowering environmental burdens while maintaining product quality.

In procurement and supply chain management, chemicals undergo compliance review and quality control through established supplier management procedures. Relevant compliance data are uploaded monthly to the third-party verification platform BVE3 to enhance supply chain transparency. For chemicals not registered within the ZDHC system, the Company regularly engages third-party institutions to conduct testing for restricted substances to ensure compliance with applicable regulations and industry practices.

Through continuous monitoring, third-party verification and institutionalized management controls, the Company effectively reduces chemical-related risks, safeguards employee occupational health and ecological safety, and promotes safer and more sustainable manufacturing practices.

7. GOVERNANCE AND OPERATING PRACTICES

Raw Material Safety

We adopt a responsible approach to raw material procurement management to ensure that products comply with international requirements in terms of safety and environmental sustainability. Priority is given to environmentally certified raw materials, and we ensure that procured materials do not contain chemical substances prohibited or restricted under the *Regulation concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH")*（《化學品註冊、評估、許可和限制法規》） or the Bluesign® standards.

A stringent screening and control mechanism is in place for raw material admission and usage, ensuring that final products are free from hazardous substances that may adversely affect human health or the ecological environment.

7.2.1.4. Product Recall Procedures

To enhance product life-cycle quality and safety management, the Company continued to optimize its product recall management mechanism in 2025. One of our subsidiaries, Dalisheng maintained the *Product Recall Procedures*《產品召回程序》to state the product recall procedures. Where delivered products are found to pose safety risks, exhibit quality defects or fail to comply with regulatory standards, recall procedures are initiated in accordance with applicable requirements following assessment and confirmation by the Quality Management Department. The Business Department and Quality Control Department coordinate the recall process, with relevant departments providing support to ensure that risks are promptly contained.

Once a recall is initiated, the Company first traces the affected batches and distribution channels to determine the scope of impact. Within half a working day after a recall decision is made, recall notices are issued through channels such as telephone, email and official website announcements, specifying the reasons for recall, scope of affected products and handling arrangements. Recalled products are clearly identified and isolated, and corrective actions such as rework, scrapping or destruction are implemented in accordance with the *Non-conforming Product Control Procedures*（《不合格品管理程序》）. Customers are offered refunds, replacements or reasonable compensation as appropriate.

One of our subsidiaries, Yihao completes recall summary and improvement reports within **15 days**, and reports results to regulatory authorities where necessary to further strengthen internal control procedures.

In 2025, the number of sold or delivered products subject to recall due to safety or health reasons was **0**.

7.2.2. Customer Management

In 2025, the Company continued to enhance its customer management system under the principle of "customer experience first", ensuring efficient response to customer needs and closed-loop issue management. We systematically collected KPI performance data provided by customers and conducted statistical analysis on key indicators, including response rate, resolution rate, return rate, customer satisfaction and Net Promoter Score. Improvement measures were formulated based on the analysis results.

7. GOVERNANCE AND OPERATING PRACTICES

The Company conducts an annual customer satisfaction survey covering areas such as product quality, delivery lead time and order follow-up services. Findings are compiled into an annual analytical report and submitted to management for review. For feedback relating to product quality or delivery schedules, business departments coordinate with production, quality control and other relevant teams through email communication, dedicated meetings and other channels to carry out root cause analysis, formulate improvement measures and monitor implementation, ensuring that identified issues are effectively addressed. At the same time, the Company has strengthened its routine communication mechanisms with customers. Designated personnel are responsible for liaising with key clients to obtain and convey customer information in a timely manner, thereby enabling accurate identification and response to customer needs.

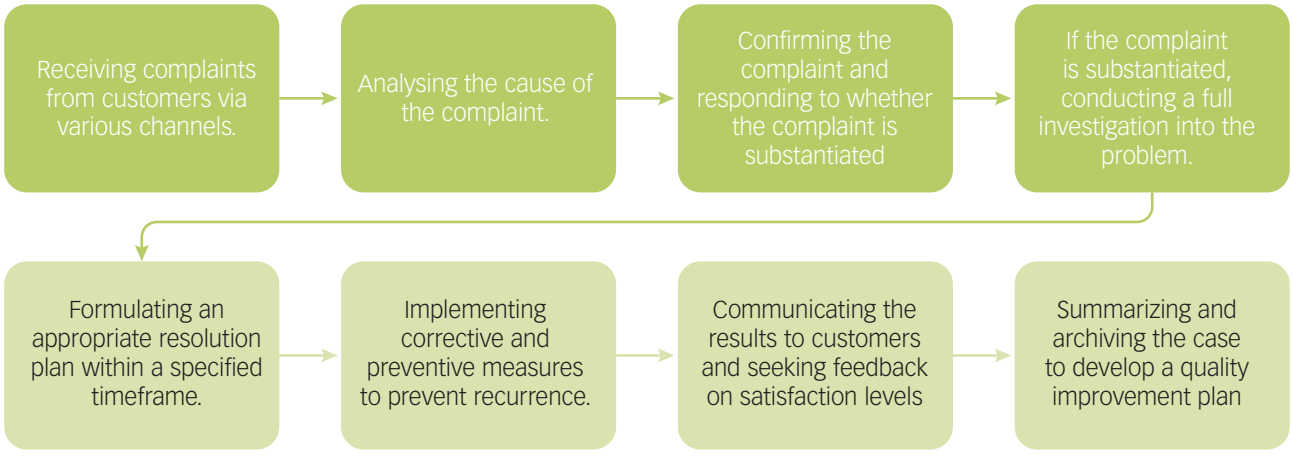
In terms of service management, the Company has established customer feedback and follow-up mechanisms. Combined with training on employees' quality awareness and service skills, these measures support continuous optimisation of service processes and enhancement of overall service quality and customer satisfaction. During the Reporting Period, key performance indicators recorded a **100% response rate and 100% issue resolution rate** in Hangzhou, with different types of customer requests responded to either immediately or within the same day.

7.2.2.1. Customer Complaint Handling Procedures

The Company has established a multi-channel customer complaint handling mechanism, allowing customers to report issues relating to products or services through telephone, email and other communication channels. In accordance with the *Customer Complaint Handling Procedures*（《客户投訴處理流程》）, complaints received by the business department are classified and recorded, and the Quality Control Department verifies the authenticity and validity of the complaint information.

Following verification, relevant departments are organised to conduct issue analysis and determine accountability. Appropriate resolution plans and completion timelines are jointly formulated. Corrective measures may include inspection and rework, replacement, product return or compensation. Upon completion, the Company communicates the results to customers and seeks feedback on satisfaction levels.

Completed complaint cases are summarised and archived, and quality improvement plans are developed. Implementation of corrective measures is continuously monitored to prevent recurrence of similar issues.



Customer Complaint Handling Procedures

During the Reporting Period, the Company received 5 complaints relating to products and services, all of which were handled in accordance with established procedures and fully resolved through closed-loop management.

7. GOVERNANCE AND OPERATING PRACTICES

7.2.3. Data Security and Privacy

We place strong emphasis on the compliant protection of customer data and employee information. High Fashion strictly complies with applicable laws and regulations.

In data processing, we adhere to the principle of data minimisation and process relevant information only with explicit authorisation or when required for legitimate business purposes. Measures such as encrypted storage, data masking and access controls are adopted to mitigate the risk of data leakage. In accordance with internal policies including the *Information System Usage and Data Protection Management Policy*（《信息系統使用與數據信息保護管理制度》） and the *Information and Technology Security Procedures*（《信息和技術安全程序》）, we implement comprehensive controls covering the entire data lifecycle, including collection, storage, use, transmission and disposal. These measures safeguard data confidentiality, integrity and availability, and are supported by backup recovery arrangements as well as incident reporting and response mechanisms.

In line with internal network security management requirements, the Company implements graded account and access management, to prohibit unauthorised copying or external disclosure of customer information and confidential data. Regular training and assessments are conducted to enhance overall information security awareness among employees.

For cross-border business activities, we also pay close attention to data compliance requirements in relevant jurisdictions. Compliance assessments and necessary reporting procedures are carried out for data transfer and sharing activities to ensure that customer privacy protection meets regulatory expectations across different regions.

7.2.3.1. Intellectual Property

In accordance with national laws and regulations relating to intellectual property and in line with operational needs, the Company has issued the *Intellectual Property Protection Management Policy*（《知識產權保護管理制度》）. This policy sets out systematic requirements for the management, protection and appropriate utilisation of intellectual property, preventing the unauthorised disclosure or improper use of internally developed outputs and proprietary customer information.

Confidential data are subject to encrypted storage and controlled transmission. Employees, suppliers and external service providers are required to sign confidentiality agreements or confidentiality undertakings, limiting access to only the information necessary for project completion. Breaches of confidentiality obligations are subject to accountability measures.

In addition, the Company strengthens software compliance and the protection of technological assets. Licensed versions of production systems, design software and other applications are centrally procured and recorded. Installation of any new software is subject to registration, inspection and authorisation by the Information Technology Department. Regular checks are conducted to ensure software compliance at terminal devices, thereby mitigating legal and security risks associated with piracy or malicious software.

During the Reporting Period, the Company applied for **13 invention patents**, **11 utility model patents**, **16 design patents** and **3 software copyrights**, representing a total of **43 applications**. Institutionalised management measures support the accumulation and protection of innovation outputs.

Product advertising is not considered a material issue for our business. Where disclosure is required by customers or regulations, necessary labels are provided on apparel products to safeguard customers' and consumers' right to information. Details such as fabric composition and care instructions are clearly presented to ensure that product information remains accurate, transparent and traceable.

7. GOVERNANCE AND OPERATING PRACTICES

7.3. Supply Chain Management

Our supply chain system is a key foundation for fulfilling our commitments to sustainable development and business ethics. High Fashion integrates environmental and social responsibility principles throughout the entire supply chain management process and continuously enhances supplier collaboration and risk control mechanisms. We aim to build a partnership network characterised by compliance, transparency and resilience, thereby supporting stable business operations and long-term sustainable development.

7.3.1. Supplier Onboarding

Focusing on core categories such as fabrics, yarns and various textile accessories, the Group has established a systematic supplier admission mechanism. In accordance with the *Supplier Evaluation Policy*（《供應商評核制度》） and other relevant management documents, all potential suppliers are required to submit supporting information, including their business licence, the *Supplier Processing Factory Declaration Form*（《供應商加工廠申報表》） and environmental certification documents. Suppliers are admitted to the approved supplier list only after undergoing joint evaluation by relevant departments and obtaining approval from the General Manager.

During the onboarding assessment, the Group places particular emphasis on reviewing suppliers' credit standing, registered capital, quality management capability, supply capacity and environmental compliance status. Suppliers are also required to sign social responsibility and integrity commitment documents to ensure adherence to applicable labour, environmental and business ethics standards.

7.3.2. Supplier Performance Evaluation

The Group has established an ongoing supplier performance management mechanism. Through a structured evaluation process, the Group regularly analyses suppliers' performance in areas such as product quality, on-time delivery rate, compliance performance and service responsiveness. The annual evaluation is led by the Procurement Department, while the Sustainability Department conducts supervisory spot checks to ensure that assessment results remain objective and reliable.

Suppliers that fail to meet the required standards are subject to corrective actions within a specified timeframe, supplier grading adjustments or termination of cooperation in accordance with relevant policies. Suppliers demonstrating outstanding performance are prioritised for strategic partnership opportunities, thereby enhancing the overall capability of the supply chain and strengthening risk control.

7.3.3. Supplier Sustainability Evaluation

The Group has established a supplier management framework centred on environmental and social responsibility to ensure that business partners remain aligned with the Group's ESG goals and sustainability commitments. For example, Yihao has developed a graded assessment mechanism, under which environmental performance (such as emission reduction and low-carbon certifications), social compliance (including the absence of child labour and forced labour), quality fulfilment capability and service responsiveness are incorporated into the scoring system, with each dimension accounting for **25%**. Only suppliers with leading overall scores proceed to on-site inspections and final evaluation. All assessment procedures are properly documented to ensure that the selection process remains open, transparent and traceable.

7. GOVERNANCE AND OPERATING PRACTICES

During the Reporting Period, the Group has a total of 132 suppliers holding recognised environmental certifications. No material adverse environmental impacts, actual or potential, were identified. In 2025, **85%** of newly selected suppliers were screened through environmental and social standards, of which **70%** met environmental requirements and **90%** met social compliance requirements. New suppliers failing to meet the standards were not admitted, while existing partners were required to implement corrective actions within a specified timeframe. Cooperation was terminated where rectification was not completed on schedule.

The Group has formulated environmental and social supply chain guidelines covering areas such as pollution discharge management, low-carbon transition, labour rights protection, occupational health and anti-corruption. Monitoring measures include annual certification reviews, quarterly compliance document checks and periodic on-site inspections, supported by established whistleblowing channels. Suppliers classified as high risk are subject to more frequent verification. Depending on the severity of non-compliance, measures such as order reduction, suspension or termination of cooperation may be applied.

7.3.4. Green Materials Procurement

Green procurement is an important driver for the Group in advancing the development of a low-carbon supply chain. We give priority to products and services that have obtained recognized environmental certifications (such as the China Environmental Labelling Certification and the Global Recycled Standard ("GRS")). We also encourage suppliers to adopt a life-cycle approach by using low-carbon and recyclable raw materials as well as cleaner production processes, and require them to provide carbon footprint or other environmental performance information.

In 2025, Yihao achieved a 60% share of procurement spending on environmentally-friendly products and services in 2025, covering categories such as low-carbon packaging and energy-efficient equipment, and planned to increase this proportion to **75%** in 2026, with a focus on expanding suppliers of recycled materials and green logistics services. Green performance indicators have been incorporated into the procurement assessment system with a weighting of 30%, and implementation progress is monitored through quarterly statistics and annual compliance audits. Projects that fail to meet the required standards must provide explanations and implement corrective actions, thereby promoting continuous improvement in procurement practices.

7.3.5. Supply Chain Risk Management

Managing supply chain risks forms an important part of the Group's ESG governance framework. We adopt a structured approach to risk identification, graded control and ongoing communication and collaboration, strengthening our monitoring and response to risks related to quality, compliance, environmental performance and social responsibility. These measures help reduce the potential impact of supply disruption and unstable partnerships on business operations.

7.3.5.1. Risk Identification

To address risks associated with newly developed suppliers during the sourcing and procurement process, the Group has established risk identification procedures and corresponding control measures. When qualified suppliers are unable to meet customer requirements and new suppliers need to be developed, a special procurement approval process and pilot order verification are required. This approach helps mitigate risks relating to delivery schedules, product quality, financial security and cooperation capability.



7. GOVERNANCE AND OPERATING PRACTICES

At the same time, the Group designates responsible personnel and, where necessary, engages third parties to conduct regular assessments of suppliers in key areas such as product quality and safety, working conditions, environmental impact and social responsibility. Compliance is verified through a combination of on-site visits and document reviews to ensure alignment with local regulatory requirements and the Group's standards.

7.3.5.2. Mitigation Initiatives

All approved suppliers are required to sign multiple commitment documents, including a *Social Responsibility Commitment Letter* (《社會責任承諾書》), confirming compliance with applicable labour regulations and relevant social responsibility standards in their operating locations. Suppliers are also required to sign a *Procurement Agreement Intellectual Property Declaration* (《採購協議知識產權聲明》) and an *Environmental Commitment Letter* (《環保承諾書》), to safeguard customers' intellectual property rights and ensure that products meet fundamental requirements under national textile standards, STANDARD 100 by OEKO-TEX®, STeP by OEKO-TEX®, and the EU REACH Regulation. These anti-corruption and sustainability commitments are also contractually embedded within our procurement agreements, ensuring that every commercial engagement is legally bound to our principles of environmental and social responsibility. Furthermore, to strictly enforce our ethical standards, suppliers must also formally sign an acknowledgement of the Group's *Code of Conduct on Integrity* (《廉潔守則》).

8. APPENDIX

8.1. Highlighted Sustainability Awards, Recognition Obtained or Valid and Membership in 2025

Awards and Honors	Issuing Authority	Award-winning images
High Fashion (China) Co., Ltd.		
• 2025 Hangzhou Intellectual Property Leading Enterprise 2025年度杭州市知識產權強企	• Hangzhou Municipal Administration for Market Regulation (Hangzhou Intellectual Property Office) 杭州市市場監督管理局(杭州市知識產權局)	
• 2025 Zhejiang Province Enterprise Management Modernisation Innovation Achievement (First Prize) 2025年度浙江省企業管理現代化創新成果(一等獎)	• Zhejiang Enterprise Confederation 浙江省企業聯合會 • Zhejiang Entrepreneurs Association 浙江省企業家協會	
Eminent Garment (Cambodia) Limited		
• Higg Facility Environmental Module (FEM) Self-Assessment	• Cascale	
• ILO Better Factories Cambodia Project	• International Labour Organization (ILO) and International Finance Corporation (IFC)	

8. APPENDIX

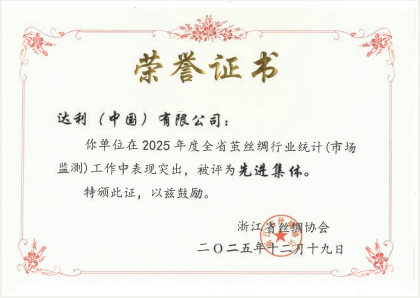
Awards and Honors	Issuing Authority	Award-winning images
• Membership Certificate of Textile, Apparel, Footwear & Travel Goods Association in Cambodia	• Textile, Apparel, Footwear & Travel Goods Association in Cambodia (TAFTAC)	
• Worldwide Responsible Accredited Production (WRAP) Certificate of Compliance	• Worldwide Responsible Accredited Production (WRAP)	
High Fashion International Limited		
• Gold Award for Active Participation in the Sustainability-linked Financial Disclosure Pioneer Programme	• Hong Kong Quality Assurance Agency (HKQAA)	
• Gold Award of Sustainability-linked Financial Disclosure Pioneer Programme	• Hong Kong Quality Assurance Agency (HKQAA)	

8. APPENDIX

8.2. Other Awards and Honors

Awards and Honors	Issuing Authority	Award-winning images
High Fashion (China) Co., Ltd.		
• 2024 Outstanding Industrial Enterprise 2024年度強工業企業	• Working Committee of the CPC Xiaoshan Economic and Technological Development Zone 中共蕭山經濟技術開發區工作委員會 • Administrative Committee of the Xiaoshan Economic and Technological Development Zone 蕭山經濟技術開發區管理委員會	
• 2024 Enterprise with Outstanding Contribution 2024年度突出貢獻企業	• CPC Hangzhou Xiaoshan District Committee 中共杭州市蕭山區委 • Hangzhou Xiaoshan District People's Government 杭州市蕭山區人民政府	
• 2024 Enterprise with Outstanding Contribution 2024年度突出貢獻企業	• Working Committee of the CPC Xiaoshan Economic and Technological Development Zone 中共蕭山經濟技術開發區工作委員會 • Administrative Committee of the Xiaoshan Economic and Technological Development Zone 蕭山經濟技術開發區管理委員會	
• 2024 Advanced Primary-level Party Organization 2024年度先進基層黨組織	• Working Committee of the CPC Xiaoshan Economic and Technological Development Zone 中共蕭山經濟技術開發區工作委員會	

8. APPENDIX

Awards and Honors	Issuing Authority	Award-winning images
• 2024 Top 100 Enterprises in Xiaoshan District 2024年度蕭山區百強企業	• CPC Hangzhou Xiaoshan District Committee 中共杭州市蕭山區委 • Hangzhou Xiaoshan District People's Government 杭州市蕭山區人民政府	
• 2024 Outstanding Foreign Trade Enterprise in Xiaoshan District 2024年度蕭山區突出貢獻外貿企業	• Hangzhou Xiaoshan Bureau of Commerce 杭州市蕭山區商務局	
• Advanced Collective in Statistical (Market Monitoring) Work of the Provincial Silk Industry 全省絲綢行業統計(市場監測)工作先進集體	• Zhejiang Silk Association 浙江省絲綢協會	

8. APPENDIX

Awards and Honors	Issuing Authority	Award-winning images
• Top Ten Scientific and Technological Achievements in the Silk Industry 2024年度絲綢領域十大科技成果	• National Silk Information Centre 全國絲綢信息中心 • Jinxiu Conference Organising Committee 錦繡大會組委會 • Zhejiang Silk Culture Research Association 浙江省絲綢文化研究會	
• Third Prize for Enterprise Management Modernisation Innovation Achievements in Hangzhou 杭州市企業管理現代化創新成果三等獎	• Zhejiang Enterprise Confederation 浙江省企業聯合會 • Zhejiang Entrepreneurs Association 浙江省企業家協會	
• Gold-medal Community Partner of Qianjiang Community 錢江社區金牌社區合夥人	• CPC General Branch of Qianjiang Community, Ningwei Sub-district 寧圍街道錢江社區黨總支	

8. APPENDIX

Awards and Honors	Issuing Authority	Award-winning images
• Outstanding Industrial Product of Zhejiang Province 浙江省優秀工業產品	• Organising Committee for the Selection of Outstanding Industrial Products of Zhejiang Province 浙江省優秀工業產品評選委員會	

8. APPENDIX

8.3. Laws and Regulations

Aspects	Applicable Laws, Regulations, and Standards	Compliance Statement
Environmental	China: • *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 the Prevention and Control of Noise Pollution*《中華人民共和國噪聲污染防治法》 • *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 the Administration of Pollutant Discharge Permits*《排污許可管理辦法》 • *Discharge Standard of Water Pollutants for Dyeing and Finishing of Textile Industry (GB 4287-2012)*《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》 Cambodia: • *Law on Environmental Protection and Natural Resource Management*	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 the management of hazardous and non-hazardous waste.

8. APPENDIX

Aspects	Applicable Laws, Regulations, and Standards	Compliance Statement
Employment & Labour Standards	China: • *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》 • *Employment Promotion Law of the People's Republic of China*《中華人民共和國就業促進法》 • *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》 • *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》 Cambodia: • *Labour Law* Hong Kong: • *Employment Ordinance*《僱傭條例》 • *Sex Discrimination Ordinance*《性別歧視條例》 • *Disability Discrimination Ordinance*《殘疾歧視條例》	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 compensation and dismissal, recruitment and promotion, working hours, rest arrangements, equal opportunities, anti-discrimination, employee welfare, and the prevention of child labour and forced labour.
Health and Safety	China: • *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》 • *Regulations on Emergency Response to Production Safety Accidents*《生產安全事故應急條例》 Hong Kong: • *Occupational Safety and Health Ordinance*《職業安全及健康條例》	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 the provision of a safe working environment and the protection of employees from occupational hazards.

8. APPENDIX

Aspects	Applicable Laws, Regulations, and Standards	Compliance Statement
Product Responsibility	China: • *Product Quality Law of the People's Republic of China*《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》 • *Patent Law of the People's Republic of China*《中華人民共和國專利法》 • *Trademark Law of the People's Republic of China*《中華人民共和國商標法》 • *Personal Information Protection Law of the People's Republic of China*《中華人民共和國個人信息保護法》 • *Data Security Law of the People's Republic of China*《中華人民共和國數據安全法》 • *Cybersecurity Law of the People's Republic of China*《中華人民共和國網絡安全法》 • *Regulation on Network Data Security Management*《網絡數據安全管理條例》 Cambodia: • *Law on Consumer Protection* • *Law on the Management of Quality and Safety of Products and Services* Hong Kong: • *Personal Data (Privacy) Ordinance*《個人資料(私隱)條例》	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 product quality and safety, advertising and labelling management, customer privacy protection and related redress mechanisms.
Anti-corruption	China: • *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》 • *Anti-Money Laundering Law of the People's Republic of China*《中華人民共和國反洗錢法》 Cambodia: • *Law on Anti-Corruption* Hong Kong: • *Prevention of Bribery Ordinance*《防止賄賂條例》	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 or money laundering.

8. APPENDIX

8.4. Performance Data Summary

Environmental

Environmental Aspect	Unit	2025	2024
Air Pollutant Emissions			
Nitrogen oxides	Kg	829.11	691
Sulphur oxides	Kg	166.40	2
Particulate matter	Kg	263.33	662
Greenhouse Gas Emissions			
Direct greenhouse gas emissions (Scope 1)	Tonnes of CO_2e	3,984.27	5,067
– Stationary Fuel	Tonnes of CO_2e	3,675.52	4,333
– Mobile Fuel (Vehicles)	Tonnes of CO_2e	250.14	263
– Refrigerants	Tonnes of CO_2e	58.60	471
Energy indirect greenhouse gas emissions (Scope 2)	Tonnes of CO_2e	24,243.30	29,022
– Electricity	Tonnes of CO_2e	8,610.25	9,329
– Steam	Tonnes of CO_2e	15,633.05	19,693
Other indirect greenhouse gas emissions (Scope 3)	Tonnes of CO_2e	236.38	299
– Water	Tonnes of CO_2e	134.11	162
– Industrial Wastewater	Tonnes of CO_2e	83.96	117
– Domestic Wastewater	Tonnes of CO_2e	18.31	20
Biogenic carbon dioxide emissions	Tonnes of CO_2e	2,138.92	1,348
Total greenhouse gas emissions	Tonnes of CO_2e	30,602.87	35,736
Greenhouse gas emission intensity (by output unit)	Tonnes of CO_2e/ '000 output unit	1.22	1.40
Greenhouse gas emission intensity (by output weight)[4]	Tonnes of CO_2e/ tonne of output	5.05	–
Energy Consumption			
Direct Energy			
Diesel	Litres	31,327.53	37,179
Diesel consumption intensity (by output unit)	Litres/'000 output unit	1.25	1.45
Diesel consumption intensity (by output weight)	Litres/tonne of output	5.17	–
Petrol	Litres	66,533.86	66,802
Petrol consumption intensity (by output unit)	Litres/'000 output unit	2.66	2.61
Petrol consumption intensity (by output weight)	Litres/tonne of output	10.97	–
Natural gas	GJ	54,016.79	63,992
Natural gas consumption intensity (by output unit)	GJ/'000 output unit	2.16	2.50
Natural gas consumption intensity (by output weight)	GJ/tonne of output	8.91	–
LPG	Kg	1,470	1,020
LPG consumption intensity (by output unit)	Kg/'000 output unit	0.06	0.04
LPG consumption intensity (by output weight)	Kg/tonne of output	0.24	–

[4] To better reflect the Group's ESG performance, starting from the Reporting Year, the Group has gradually adopted production weight as the basis for measuring certain intensity indicators. Relevant disclosures will be progressively updated on this basis and will gradually replace the previous measurement basis in future reporting years.

8. APPENDIX

Environmental Aspect	Unit	2025	2024
Indirect Energy			
Purchased electricity	MWh	16,247.02	17,441
Purchased electricity consumption intensity (by output unit)	MWh/'000 output unit	0.65	0.68
Purchased electricity consumption intensity (by output weight)	MWh/tonne of output	2.68	–
Steam	Tonnes	52,959	66,713
Steam consumption intensity (by output unit)	Tonnes/'000 output unit	2.11	2.61
Steam consumption intensity (by output weight)	Tonnes/tonne of output	8.73	–
Total energy consumption	MWh	71,652.62	85,925
Energy consumption intensity (by output unit)	MWh/'000 output unit	2.86	3.36
Energy consumption intensity (by output weight)	MWh/tonne of output	11.82	–
Waste			
Total generated hazardous waste	Tonnes	2.72	3.35
Hazardous waste intensity (by output unit)	Tonnes/'000 output unit	0.000109	0.000131
Hazardous waste intensity (by output weight)	Tonnes/tonne of output	0.000449	–
Total generated non-hazardous waste	Tonnes	1,121.10	1,755
Non-hazardous waste intensity (by output unit)	Tonnes/'000 output unit	0.04	0.069
Non-hazardous waste intensity (by output weight)	Tonnes/tonne of output	0.18	–
Wastewater			
Industrial Wastewater	Tonnes	452,124	625,412
Domestic Wastewater	Tonnes	98,573.40	105,949
Packaging Material			
Total packaging material used for finished products	Tonnes	680.96	626
Packaging material consumption intensity (by output unit)	Tonnes/'000 output unit	0.03	0.02
Packaging material consumption intensity (by output weight)	Tonnes/tonne of output	0.11	–
Water Consumption			
Fresh water consumption	m^3	629,611	760,297
Fresh water consumption intensity (by output unit)	m^3/'000 output unit	25.14	29.75
Fresh water consumption intensity (by output weight)	m^3/tonne of output	103.84	–
Reused water volume	m^3	397,655	350,000



8. APPENDIX

Social

Social Aspect	Unit	2025	2024
Number of Employees			
Total number of employees	person	4,103	4,156
Number of Employees (by Gender)			
Female	person	2,692	2,754
Male	person	1,411	1,402
Number of Employees (by Employee Category)			
Part-time or short-term contract employee	person	4	10
Production personnel	person	2,778	2,821
Administrative staff	person	224	209
Management	person	1,097	1,116
Number of Employees (by Age Group)			
Aged below 30	person	674	676
Aged 30–50	person	2,260	2,383
Aged over 50	person	1,169	1,097
Number of Employees (by Geographical Region)			
Mainland China	person	3,058	3,239
Hong Kong	person	79	81
Other regions	person	966	836
Employee Turnover Rate[5]			
Total turnover rate	%	26.30	24.35
Employee Turnover Rate (by Gender)[5]			
Female	%	28.19	25.31
Male	%	22.68	22.47
Employee Turnover Rate (by Age Group)[5]			
Aged below 30	%	44.66	38.02
Aged 30–50	%	20.93	21.91
Aged over 50	%	26.09	21.24
Employee Turnover Rate (by Geographical Region)			
Mainland China	%	26.19	24.24
Hong Kong	%	17.72	39.51
Other regions	%	27.33	23.33

5 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%.

8. APPENDIX

Social Aspect	Unit	2025	2024
Development and Training			
Percentage of Employees Trained by Gender[6]			
Female	%	65.60	67.31
Male	%	34.40	32.69
Percentage of Employees Trained by Employee Category[6]			
Part-time or short-term contract employee	%	0.03	0
Production personnel	%	66.73	66.12
Administrative staff	%	5.49	5.15
Management	%	27.76	28.73
Average Training Hours of Employees by Gender[7]			
Female	hour/person	27.71	25.25
Male	hour/person	26.17	20.92
Average Training Hours of Employees by Employee Category[7]			
Part-time or short-term contract employee	hour/person	4.75	0
Production personnel	hour/person	30.84	28.45
Administrative staff	hour/person	44.52	39.87
Management	hour/person	14.45	9.22
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[8]	day	306	261
Number of Suppliers			
Mainland China	–	1,622	1,632
Hong Kong, Macau and Taiwan	–	265	257
Other regions	–	154	285
Rate of suppliers with annual review conducted	%	44.24	76.59
Resources Contributed to the Community			
Amount of donation	HKD	134,206	455,000
Time contribution	Hour	300	200

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

7 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.

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

8. APPENDIX

8.5. HKEX ESG Reporting Code Content Index

KPIs	Disclosure Requirements	Sections
Part C: "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.	Emissions and Resources, Laws and Regulations
KPI A1.1	The types of emissions and respective emissions data.	Emissions and Resources, Performance Data Summary
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management, Performance Data Summary
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management, Performance Data Summary
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	2025-2030 6-Year Sustainability Goals, Emissions and Resources
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.	2025-2030 6-Year Sustainability Goals, Waste Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Emissions and Resources, Waste Management
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).	Performance Data Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Management, Performance Data Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	2025-2030 6-Year Sustainability Goals, Energy and Carbon Emission Management, Sustainable Value Chain
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.	2025-2030 6-Year Sustainability Goals, Water Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Waste Management, Performance Data Summary

8. APPENDIX

KPIs	Disclosure Requirements	Sections
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental Stewardship
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Stewardship
B. Social		
Employment and Labour Practices		
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.	Employee Management, Laws and Regulations
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employee Management, Performance Data Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Data Summary
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.	Advocating Health and Safety, Laws and Regulations
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Advocating Health and Safety
KPI B2.2	Lost days due to work injury.	Advocating Health and Safety, Performance Data Summary
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	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.	Nurturing Talents
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Nurturing Talents, Performance Data Summary

8. APPENDIX

KPIs	Disclosure Requirements	Sections
KPI B3.2	The average training hours completed per employee by gender and employee category.	Nurturing Talents, Performance Data Summary
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.	Employee Management, Laws and Regulations
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Practices
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Practices
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management, Supply Chain Risk Management
KPI B5.1	Number of suppliers by geographical region.	Performance Data Summary
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.	Supplier Onboarding, Supplier Sustainability Evaluation
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Risk Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Green Materials Procurement, Supplier Sustainability Evaluation
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.	Product Responsibility, Laws and Regulations
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Recall Procedures
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Customer Management, Customer Complaint Handling Procedures

8. APPENDIX

KPIs	Disclosure Requirements	Sections
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property
KPI B6.4	Description of quality assurance process and recall procedures.	Product Quality Assurance, Non-conforming Product Control, Product Recall Procedures
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	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.	Business Ethics, Laws and Regulations
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.	Business Ethics
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Whistleblowing
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption Training
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment, Performance Data Summary

8. APPENDIX

KPIs	Disclosure Requirements	Sections
Part D: Climate-related Disclosures		
Governance		
19	An issuer shall disclose information about:	Sustainability Governance, Addressing Climate Change-Governance, Addressing Climate Change-Metrics and Targets
19(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:	
19(a)(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;	
19(a)(ii)	how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities	
19(a)(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;	
19(a)(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 paragraph 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and	
19(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:	
19(b)(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	
19(b)(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.	

8. APPENDIX

KPIs	Disclosure Requirements	Sections
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:	
20(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;	Addressing Climate Change-Strategy
20(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;	
20(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	By adopting Capabilities Relief, the Group is currently unable to specify the short, medium and long-term time horizons for climate-related risks and opportunities. However, the Group is actively planning to include such disclosures in future reports.
20(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:	Addressing Climate Change-Strategy, Addressing Climate Change-Risk and Opportunity Management
21(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	
21(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).	

8. APPENDIX

KPIs	Disclosure Requirements	Sections
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:	
22(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:	Environment Stewardship
22(a)(i)	current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	Addressing Climate Change-Strategy
22(a)(ii)	current and anticipated adaptation and mitigation efforts (whether direct or indirect);	Addressing Climate Change-Risk and Opportunity Management
22(a)(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	The Group does not currently have a climate-related transition plan in place. However, active consideration is being given to the development and subsequent disclosure of such a plan.
22(a)(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	Environmental Stewardship, Addressing Climate Change-Metrics and Targets
22(b)	information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	Addressing Climate Change-Strategy, Addressing Climate Change-Risk and Opportunity Management
23	An issuer shall disclose information about the progress of plans disclosed in previous Reporting Periods in accordance with paragraph 22(a).	Addressing Climate Change-Metrics and Targets

8. APPENDIX

KPIs	Disclosure Requirements	Sections
Financial position, financial performance and cash flows: Current financial effect		
24	An issuer shall disclose qualitative and quantitative information about:	Qualitative disclosure: Addressing Climate Change-Strategy Quantitative disclosure: By adopting Capabilities Relief, the Group is currently unable to model or quantify the quantitative financial impact and numerical impact of climate-related risks and opportunities.
24(a)	how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the Reporting Period; and	
24(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.	
Financial position, financial performance and cash flows: Anticipated financial effect		
25	The issuer shall provide qualitative and quantitative disclosures about:	Qualitative disclosure: Addressing Climate Change-Strategy Quantitative disclosure: By adopting Capabilities Relief, the Group is currently unable to model or quantify the numerical impact of climate-related risks.
25(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:	
25(a)(i)	its investment and disposal plans; and	
25(a)(ii)	its planned sources of funding to implement its strategy; and	
25(b)	how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	
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:	Qualitative disclosure: Addressing Climate Change-Strategy By adopting Capabilities Relief, the Group is currently unable to conduct climate-related scenario analysis. Developing robust scenario analysis requires further enhancement of data quality, key assumptions, and modeling capability. The Group will consider to progressively develop scenario analysis capabilities in line with regulatory expectations and industry practice.
26(a)	the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	
26(a)(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;	

8. APPENDIX

KPIs	Disclosure Requirements	Sections
26(a)(ii)	the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	
26(a)(iii)	the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	
26(b)	how and when the climate-related scenario analysis was carried out, including:	
26(b)(i)	information about the inputs used, including:	
26(b)(i)(1)	which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;	
26(b)(i)(2)	whether the analysis included a diverse range of climate-related scenarios;	
26(b)(i)(3)	whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	
26(b)(i)(4)	whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	
26(b)(i)(5)	why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	
26(b)(i)(6)	time horizons the issuer used in the analysis; and	
26(b)(i)(7)	what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	
26(b)(ii)	the key assumptions the issuer made in the analysis; and	
26(b)(iii)	the Reporting Period in which the climate-related scenario analysis was carried out.	

8. APPENDIX

KPIs	Disclosure Requirements	Sections
Risk Management		
27	An issuer shall disclose information about:	Addressing Climate Change-Risk and Opportunity Management
27(a)	the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	
27(a)(i)	the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	
27(a)(ii)	whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	By adopting Capabilities Relief, the Group is currently unable to conduct climate-related scenario analysis.
27(a)(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);	
27(a)(iv)	whether and how the issuer prioritises climate-related risks relative to other types of risks;	
27(a)(v)	how the issuer monitors climate-related risks; and	Addressing Climate Change-Risk and Opportunity Management, Addressing Climate Change-Metrics and Targets
27(a)(vi)	whether and how the issuer has changed the processes it uses compared with the previous Reporting Period;	Addressing Climate Change-Risk and Opportunity Management
27(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	By adopting Capabilities Relief, the Group is currently unable to conduct climate-related scenario analysis.
27(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.	Sustainability Governance



8. APPENDIX

KPIs	Disclosure Requirements	Sections
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:	Energy and Carbon Emission Management, Performance Data Summary Scope 3 greenhouse gas emissions is currently under partial disclosure, owing to the application of Capability Relief. However, the Group is actively collecting relevant data to prepare for such disclosures in future reports.
28(a)	Scope 1 greenhouse gas emissions;	
28(b)	Scope 2 greenhouse gas emissions; and	
28(c)	Scope 3 greenhouse gas emissions.	
29	An issuer shall:	Energy and Carbon Emission Management
29(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;	
29(b)	disclose the approach it uses to measure its greenhouse gas emissions including:	
29(b)(i)	the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	
29(b)(ii)	the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	
29(b)(iii)	any changes the issuer made to the measurement approach, inputs and assumptions during the Reporting Period and the reasons for those changes;	
29(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	
29(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).	

8. APPENDIX

KPIs	Disclosure Requirements	Sections
Climate-related transition risks		
30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	By adopting the Reasonable Information Relief, the Group was unable to obtain such information without incurring undue cost or effort.
Climate-related physical risks		
31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	By adopting the Reasonable Information Relief, the Group was unable to obtain such information without incurring undue cost or effort.
Climate-related opportunities		
32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	By adopting the Reasonable Information Relief, the Group was unable to obtain such information without incurring undue cost or effort.
Capital deployment		
33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Currently, climate-related factors are integrated into our operational decision-making rather than being tracked as standalone financial line items. To further implement our climate strategy, the Group will evaluate its internal capital allocation mechanisms to enhance the transparency of climate-related investments and continuously optimize disclosures.
Internal carbon prices		
34	An issuer shall disclose:	
34(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	The Group does not currently apply internal carbon pricing. The Group will continue to monitor regulatory developments and market trends in relation to internal carbon pricing, implementing such mechanisms as appropriate.
34(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.	

8. APPENDIX

KPIs	Disclosure Requirements	Sections
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).	The Group does not currently factor climate-related considerations into its remuneration policy. The Group will evaluate the inclusion of such considerations and incorporate them into its remuneration policy where appropriate 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 characterize 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.	By adopting Reasonable Information Relief, the Group is unable to access peer information.

8. APPENDIX

KPIs	Disclosure Requirements	Sections
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:	2025-2030 6-Year Sustainability Goals, Addressing Climate Change-Metrics and Targets
37(a)	the metric used to set the target;	
37(b)	the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	
37(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);	
37(d)	the period over which the target applies;	
37(e)	the base period from which progress is measured;	
37(f)	milestones or interim targets (if any);	
37(g)	if the target is quantitative, whether the target is an absolute target or an intensity target; and	
37(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:	2025-2030 6-Year Sustainability Goals, Addressing Climate Change-Metrics and Targets
38(a)	whether the target and the methodology for setting the target has been validated by a third party;	
38(b)	the issuer's processes for reviewing the target;	
38(c)	the metrics used to monitor progress towards reaching the target; and	
38(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.	2025-2030 6-Year Sustainability Goals, Addressing Climate Change-Metrics and Targets, Energy and Carbon Emission Management

8. APPENDIX

KPIs	Disclosure Requirements	Sections
40	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	2025-2030 6-Year Sustainability Goals, Energy and Carbon Emission Management, Performance Data Summary
40(a)	which greenhouse gases are covered by the target;	
40(b)	whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	
40(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;	
40(d)	whether the target was derived using a sectoral decarbonisation approach; and	Our targets were not derived using a sectoral decarbonisation approach.
40(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:	The Group does not rely on the use of carbon credits to achieve its greenhouse gas emissions targets. No carbon credits have been purchased or planned for use during the Reporting Period. As such, the related disclosure under paragraphs 40(e)(i) to 40(e)(iv) is not applicable.
40(e)(i)	the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	
40(e)(ii)	which third-party scheme(s) will verify or certify the carbon credits;	
40(e)(iii)	the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	
40(e)(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).	

2025 ESG Report

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