南旋控股有限公司
Nameson Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1982

2026
Environmental, Social and Governance Report



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MESSAGE TO ALL STAKEHOLDERS

During the financial year ended 31 March 2026, the Group is pleased to share our achievements in our Environmental, Social, and Governance ("ESG") initiatives. These milestones not only underline our commitment to sustainability but also highlight the importance of our stakeholders in driving progress.

A series of ESG strategies and related policies officially take effective. This strategic framework will guide our efforts in addressing environmental and social challenges while enhancing governance practices. The Group believes a robust ESG strategy is essential for our long-term success and resilience. In this financial year, we benchmarked ourselves against the apparel and apparel manufacturing sector and achieved a score of 34 in the "ESG Module of the S&P Corporate Sustainability Assessment", which is at the industry average.

Guided by the theme for this financial year of "Nurturing a Greener Future", the Group step up our efforts and commitments in both climate- and nature-related actions. In the environmental domain, the Group continued its low-carbon transition journey by increasing the use of renewable energy. During the reporting period, we installed two more solar power systems at our Vietnam factories to reduce reliance on fossil fuels.

To establish a logical and scientific greenhouse gas ("GHG") emissions management framework, our GHG reduction targets submitted in the previous financial year were validated by the Science Based Targets initiative ("SBTi") in this financial year. As a result, science-based targets have been set for both the Group and Hebei Nanguan Technology Co., Ltd. (the "Hebei Factory"), laying out a clear roadmap to drive our low-carbon transition.

We are also honoured to be among the few companies in Hong Kong to adopt the recommendations of the Taskforce on Nature-related Financial Disclosures ("TNFD"). This commitment reflects our determination to better understand and manage our impacts on nature, and to achieve a balanced approach to climate and nature across our operations.

In our pursuit of transparency, we have aligned with global reporting standards by adopting the Global Reporting Initiative ("GRI") and the latest Hong Kong Exchange and Clearing Limited ("HKEX") ESG Reporting Code. These frameworks provide us with the tools to communicate our ESG performance effectively and demonstrate our commitment to accountability. In the compliance front, our goal is to adopt a more forward-looking approach to managing environmental and social issues, enhancing our resilience and competitiveness, and positioning ourselves at the forefront of meeting evolving disclosure requirements and sustainability expectations.

Product safety and quality, customer satisfaction, and emergency response remain at the core of our priorities in the materiality assessment. In this financial year, stakeholders have shown increased attention to research and development, occupational safety and health, and employee relations and communication. The Group will continue to pursue product excellence and innovation, foster a supportive and inclusive workplace, and strengthen preparedness for emergency situations, while proactively addressing emerging issues raised by stakeholders.

A "business-as-usual" approach is no longer an option for the Group to manage our ESG risks and opportunities. Instead, we are committed to continuous improvement and innovation in our practices to strengthen our overall management capabilities. In this financial year, we had conducted an energy audit on Huizhou Nanxuan Knitting Factory Limited and Huizhou Nanguan Knitting Factory Limited (collectively, the "Huizhou Factories"), the management will rely on such results and evaluate the execution feasibility and cost-effectiveness to implement the recommendations.

In this financial year, the Group received a series of recognitions on our efforts. The Group was awarded by the Hong Kong ESG Reporting Awards ("HERA"), receiving the Best GRI Report Commendation and the Best Small Cap ESG Report Commendation. In the Asia ex-Japan and Australia and New Zealand Investor poll organised by Extel, the Group was also awarded the Best ESG Program — 3rd Place by the buy-side in Apparels, Luxury Goods & Speciality Retail sub-segment. These success were brought by the great contributions from our stakeholders and partners, who play a vital role in our ESG journey. We extend our heartfelt thanks for your ongoing support, particularly to our employees, whose active participation has been instrumental in driving our ESG initiatives forward.

In conclusion, our achievements in this financial year stand as a testament to our commitment to sustainability and stakeholder engagement. We look forward to continuing this journey together and appreciate your support as the Group strives to make a positive impact on our environment and society.

ABOUT THE REPORT

GRI 2-1, 2-2, 2-3, 2-26

Reporting Period and Scope

This Environmental, Social and Governance Report 2026 (the "Report") is the tenth ESG report published by Nameson Holdings Limited (the "Company") (together with its subsidiaries, "Nameson", the "Group" or "we"). It presents our ESG performance in the year from 1 April 2025 to 31 March 2026 (the "reporting period" or "financial year").

The Report covers fourteen subsidiaries under operational control of the Group, engaged in its core business activities across Mainland China ("PRC"), Hong Kong and Vietnam. These include **Huizhou Nanxuan Knitting Factory Limited** and **Huizhou Nanguan Knitting Factory Limited** (collectively, the "Huizhou Factories"), along with **Hebei Nanguan Technology Co., Ltd.** (the "Hebei Factory") — together referred to as the "PRC Factories." Additionally, the Report covers our Hong Kong-based offices: **Nameson Industrial Limited, Kingmax Industrial Limited, Winner Way Industrial Limited, First Team (HK) Limited, Sumtex Industrial Limited, Best Time Printing (HK) Limited** and **M.ORO International Limited** (collectively, the "Hong Kong Offices"). In Vietnam, our operations span **First Team (Vietnam) Garment Limited** ("First Team Factory"), **Able Joy (Dak Lak) Garment Limited** ("Able Joy Factory"), **S.Power (Vietnam) Textile Limited** ("S.Power Factory"), and **B.T.P (Vietnam) Limited** ("BTP Factory") (collectively, the "Vietnam Factories").

Reporting Standards

This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Code set out in Appendix C2 to the Rules Governing the Listing of Securities (the "Listing Rules") on the HKEX and with reference to the latest GRI Standards.

Contact Us

Stakeholders may obtain this Report from the website of the HKEX and the Group's website at http://www.namesonholdings.com. We welcome your feedback and suggestions on our ESG performance at esg@nameson.com.hk.

ABOUT THE GROUP

GRI 2-6

Established in 1990, the Group has grown into one of the leading knitwear manufacturers in the PRC and Vietnam, renowned for delivering comprehensive one-stop solutions to its clients. Its services span the entire value chain — from raw material development and sourcing, product design and sample creation, to high-quality production, stringent quality control, reliable and on-time delivery of knitwear.

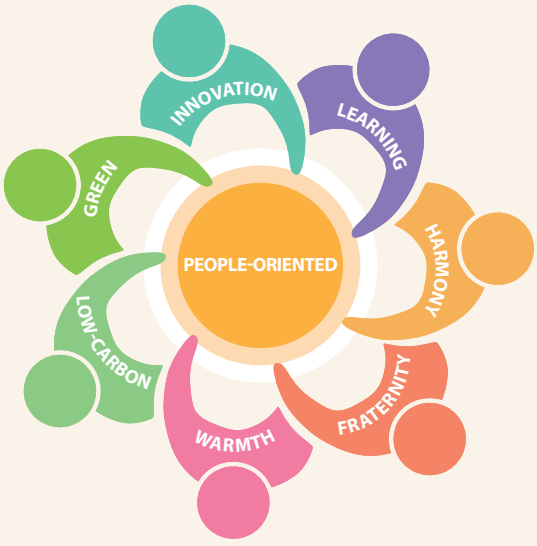
Headquartered in Hong Kong and Huizhou, the Group operates advanced production facilities in Huizhou and Xingtai of the PRC. It also has operations at Tay Ninh and Dak Lak Provinces of Vietnam. As a knitwear manufacturer, the Group sources cotton, wool and cashmere yarn from independent third parties or through its subsidiary, Hebei Factory. These materials are used in manufacture of sweaters, which are then sold to brand clients. Apart from sweaters and cashmere yarn manufacturing, the Group expanded its business to fabric manufacturing in Vietnam.

We continuously invest in cutting-edge and highly automated production technologies, and recruit top industry talent to drive excellence and innovation. Over the years, the Group has built a strong corporate reputation and maintained long-standing partnerships with internationally renowned brand clients.



Vision and Mission

As one of the top-notch knitwear manufacturers in the PRC and Vietnam, we always commit to our responsibilities of "maximising value for our employees, clients and shareholders, while contributing to and serving the society in good faith". We always adhere to the "people-oriented" management model, and constantly care about the needs of our employees, foster talents and help employees build up their self-worth. In regard to our corporate development, we strive to achieve sustainable development. Apart from maintaining the core advantages of our business even amidst the challenging operating environment, we also fulfill our corporate social responsibilities by regarding "learning, innovation, green, low-carbon, warmth, fraternity, harmony" as our operating philosophy to promote and support actions that are beneficial to the community on an ongoing basis.

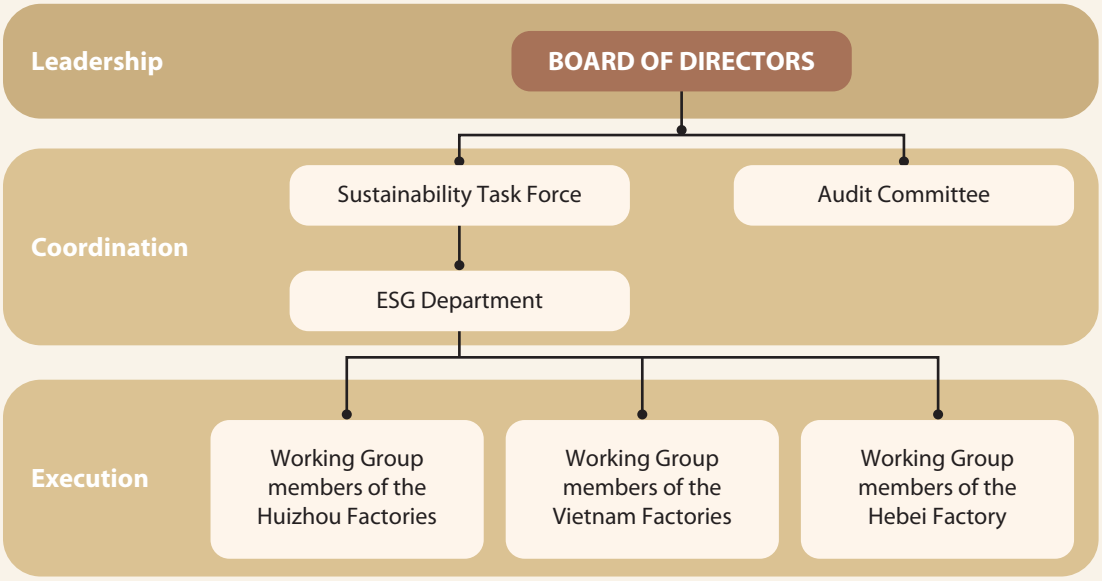


GOVERNANCE FRAMEWORK

GRI 2-9, 2-12, 2-13, 2-14, 2-16

Strong governance with clearly defined responsibilities forms the cornerstone of sustainable development. Not only it reinforces our strategic direction but also enhances the effectiveness of our sustainability management and oversight. To support this, the Group has established a robust sustainability governance structure as outlined below.

Sustainable Development Governance Structure



Board of Directors ("the Board")

The Board of Directors bears overall responsibility for the Group's ESG strategy and statutory reporting. Comprising four Executive Directors and four Independent Non-Executive Directors, the Board sets the strategic direction and management approach for ESG related issues, including evaluation, prioritisation and management of climate-related and nature-related risks and opportunities. The Board also reviews progress against ESG targets and approves relevant ESG policies and procedures regularly.

As of the end of the reporting period, the Board comprises two female and six male members. All Independent Non-Executive Directors are reputable and competent individuals who are well-recognised in society. With an equal representation of Executive Directors (50%) and Independent Non-Executive Directors (50%), the Board structure provides a well-balanced perspective, ensuring a healthy balance between interests of shareholders and views of other stakeholders.

For appropriate skills and competence of each board member, please refer to "Board Diversity" section in the Corporate Governance Report of the Company's annual report.

Sustainability Task Force (the "Task Force")

The Sustainability Task Force, comprising Executive Directors and representatives of ESG, Corporate Social Responsibility and Internal Audit department, is responsible for identifying, evaluating, and managing ESG-related issues. It formulates execution plans for the strategic direction approved by the Board. It drafts, reviews and updates ESG policies and procedures according to the regulatory and operational requirements. It plays a pivotal role in bridging communication between working groups and the Board, while supporting the Board in monitoring and assessing ESG performance. The Task Force reports to the Board on a regular basis and provides oversight to factory working groups in the implementation of ESG strategies.

Being the key execution entity of our ESG strategies, the Task Force includes the Group Chairman as a member. He is also the Chairman of a non-governmental organisation with special focus on providing rich educational resources and growth opportunities for young people, encouraging them to pay attention to carbon neutrality issues and actively respond to global climate change. Our colleagues in the ESG department are also members of locally and globally recognised ESG-related institutions. During the reporting period, they completed more than 15 hours of continuous education in ESG-related aspects.

Audit Committee

The Audit Committee is responsible for assisting the Board in formulating, assessing and reviewing the ESG risk management mechanism, as well as overseeing ESG-related risks. It ensures the Group has promoted suitable risk management processes and have an effective system in place.

Working Groups

Each factory has established its own working group comprising key functional departments. These groups are responsible for discussing and formulating detailed action plans based on the ESG strategies set, as well as overseeing their implementation. They also consolidate updates on progress and ESG performance, reporting to the Sustainability Task Force on a quarterly basis or as requested.

Sustainability-related Policies

GRI 2-23

Nameson is committed to integrating ESG principles into its operations, as reflected in the comprehensive set of policies covering a wide range of sustainability topics, including climate change, nature, occupational health and safety, supply chain management, business ethics, and corporate sustainable development. These policies are regularly reviewed and updated to ensure they remain responsive to evolving external factors and community expectations. Together, they articulate and define the Group's core principles and values.

NAMESON'S MATERIALITY

Stakeholder Engagement

GRI 2-12, 2-29, 3-1

Voices of our stakeholders play a vital role in shaping the course of our sustainable development and business operations. We actively engage with key stakeholders, as outlined on the right, through diverse, open, and transparent communication channels. These platforms facilitate meaningful dialogue, allowing us to address concerns, gather valuable insights, and continuously refine our strategies to drive sustainable growth.



Materiality Assessment

GRI 2-14, 2-16

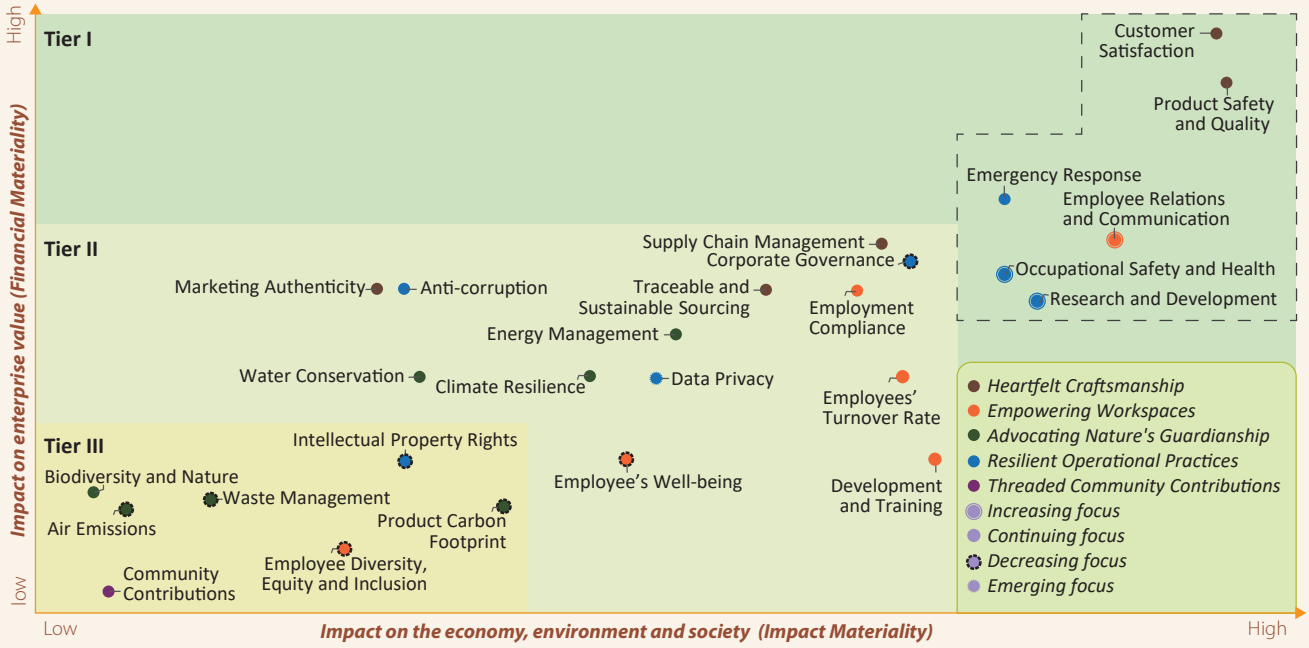
To ensure stakeholder perspectives are integrated into our sustainability strategy, we conduct an annual materiality assessment in collaboration with an external consultant, engaging diverse stakeholder groups. Our step-by-step assessment is illustrated in the flowchart on the right.



Same as in the previous financial year, we adopted the concept of double materiality, as supported by the GRI, assessing both the actual and potential impacts of sustainability issues on the economy, environment, and society, as well as their financial implications for the Group. This process enabled us to identify material topics, forming the foundation of our long-term sustainability strategy.

Materiality Matrix

GRI 3-2



Tier I

- Product Safety and Quality
- Customer Satisfaction
- Research and Development
- Emergency Response
- Occupational Safety and Health
- Employee Relations and Communication

Tier II

- Supply Chain Management
- Traceable and Sustainable Sourcing
- Marketing Authenticity
- Corporate Governance
- Data Privacy
- Anti-corruption
- Employment Compliance
- Employees' Turnover Rate
- Development and Training
- Employee's Well-being
- Energy Management
- Climate Resilience
- Water Conservation

Tier III

- Intellectual Property Rights
- Employee Diversity, Equity and Inclusion
- Product Carbon Footprint
- Waste Management
- Air Emissions
- Biodiversity and Nature
- Community Contributions

The double materiality assessment identified six Tier 1 material topics, namely **Product Safety and Quality, Customer Satisfaction, Research and Development, Emergency Response, Occupational Safety and Health,** and **Employee Relations and Communication.** These topics represent the most significant areas of stakeholder concern and are considered critical to the Group's long-term value creation, forming the core focus of its sustainability strategy and management priorities.

OUR SUSTAINABILITY PILLARS — HEART

GRI 2-22

Nameson's commitment to sustainable development is embodied in the HEART framework, a guiding philosophy that reflects its dedication to building resilient communities across the regions it serves. The HEART framework represents the five pillars of our sustainability journey:

H — HEARTFELT CRAFTSMANSHIP
A legacy of excellence, where our products reflect meticulous attention to detail, timeless quality, and seamless integration of modern techniques.

E — EMPOWERING WORKSPACES
Workspaces where every individual feels valued, heard, and motivated, leading to increased productivity, creativity, and overall well-being.

A — ADVOCATING NATURE'S GUARDIANSHIP
A planet where humans live in harmony with nature, preserving biodiversity, clean air, and water for future generations.

R — RESILIENT OPERATIONAL PRACTICES
A supply network that uplifts workers, respects human rights, and contributes positively to local communities.

T — THREADED COMMUNITY CONTRIBUTIONS
Interconnected communities where collaboration, empathy, and shared purpose lead to positive social change.

HEART Performance At-a-Glance

H	**Heartfelt Craftsmanship** 	• Our PRC Factories and the First Team Factory in Vietnam are certified to ISO 9001:2015 (Quality Management Systems) • Finished product inspection pass rate exceeds 98% for all business segments • Advanced in-house testing capabilities certified by our clients
E	**Empowering Workspaces** 	• The Board of Directors received a total of 3 hours of ESG-related training • Organised over 70 employee activities across our operational locations
A	**Advocating Nature's Guardianship** 	• GHG reduction targets have been formally validated by the SBTi • Our Hebei Factory is certified to ISO 14001:2015 (Environmental Management Systems), and its products are certified to ISO 14067: 2018 (Product Carbon Footprint) • Solar panels at our factories generated a total of 15,973 MWh of electricity, equivalent to avoiding 9,520 tCO_2e • Being a TNFD adopter and forum member
R	**Resilient Operational Practices** 	• Our Hebei Factory is certified to ISO 45001:2018 (Occupational Health and Safety Management System) • Regular anti-corruption training was provided to the Board and employees
T	**Threaded Community Contributions** 	• Continue our FY2025 Corporate Social Responsibility ("CSR") efforts under "Youth Cultivation" by donating 2 flat knitting machines to Hong Kong Polytechnic University • Donated HK$4.9 million to charities and communities in need • Volunteer service hours: 62

RISK MANAGEMENT

The Group's risk governance framework is guided by the "Three Lines of Defence" model, which ensures effective risk management through internal controls, operational oversight, dedicated risk management functions, internal audit, and a whistleblowing mechanism. The Board and Audit Committee, with support from management, are responsible for overseeing the identification, assessment, and management of risks. For more details, please refer to "Internal Controls and Risk Management" section in the Corporate Governance Report of the Company's annual report. ESG and climate-related risks have been integrated into the Group's overall risk management framework to ensure a holistic approach to sustainability and operational resilience.

The Group administers a risk assessment questionnaire to department heads on a biannual basis to support management in identifying and understanding emerging and evolving risks. The department heads share their perceptions of key risks within their areas of responsibility. Upon collection of the responses, management evaluates and rates the identified risks, enabling the Group to prioritise and rank the most significant risks. Targeted actions are then formulated to address these potential risks effectively. For further details on the Group's risk management procedures, please refer to the "Internal Controls and Risk Management" section of the Company's annual report.



Heartfelt Craftsmanship

Chapter Highlights

- Our PRC Factories and the First Team Factory in Vietnam are certified to ISO 9001:2015
- Finished products inspection pass rate exceeding 98%
- Advanced in-house testing capabilities certified by our clients

Our Commitments

We are committed to a legacy of excellence — where every product embodies exceptional craftsmanship, enduring quality, and the perfect fusion of tradition and innovation.

Challenges

Client expectations are more demanding on our product design, comfortability and durability.

Looking Ahead

We will continue to analyse client feedback to guide product enhancements and quality assurance strategies.

Contribution to UNSDGs



With stringent supply chain management and robust product quality control, we deliver ethical, high-quality, safe, and comfortable apparel to our clients.

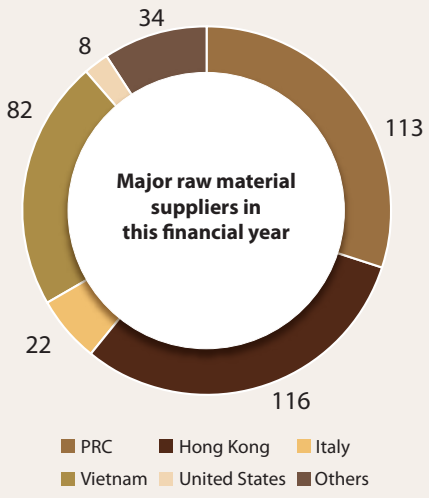
- Target 12.2 Stringent quality control and testing to ensure safe and quality products.
- Target 12.7 Emphasised sustainable material sourcing and efficient resource use throughout the procurement process.
- Target 12.8 Launched QR code system for our cashmere yarn business to enhance transparency and traceability across supply chain.

The Group adheres to the philosophy of "Quality First, Customer Priority, and Continuous Improvement".

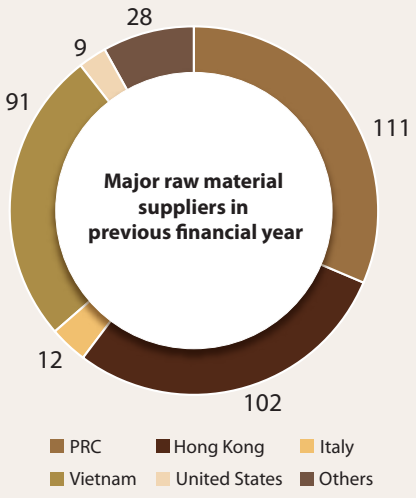
By implementing well-defined procurement practices and leveraging highly automated production technologies, we continuously enhance production efficiency and product quality to fulfil client needs. While staying attuned to market trends and driving product innovation, we have also invested substantial resources in obtaining various material and product certifications.

Supply Chain Management

Our major raw material is yarn, as well as other essential accessories such as buttons, zippers, and dyeing and processing materials. The distribution of our major raw material suppliers by geographical region is illustrated below:



The total number of major raw material suppliers in this financial year: 375



The total number of major raw material suppliers in previous financial year: 353

We adhere to the tenet of "Arm's Length Negotiation, Win-Win with Mutual Benefits". We cooperate and maintain long-term strategic partnership with suppliers who could deliver consistent and high-quality products and services. To ensure consistent quality and timely supply of raw materials, we have implemented a rigorous supplier selection framework guided by stringent evaluation criteria. Our Supplier Management Process, with details of key stages of supplier selection and evaluation, is outlined below.

1 Supplier Screening

1. We actively seek suppliers with strong reputations and proven capabilities.
2. Suppliers are selected based on pricing, services, scale, technical expertise, production capacity, and service quality, among other factors.
3. New suppliers are required to complete the Supplier Information Form as a basis for evaluation.

2 Supplier Admission

1. Suppliers are required to provide valid certifications to demonstrate their operational qualifications. For example, for self-made packaging plastic bags, we ensure that plastic pellets used in bags comply with the PRC law named "National Food Safety Standard Plastic Resin for Food Contact".
2. A small trial order is placed to assess product quality, followed by bulk procurement after satisfactory performance.
3. Suppliers who meet all requirements are formally approved and added to the Approved Supplier List ("ASL").

3 Supplier Monitoring

1. Regular performance evaluations are conducted to ensure supplier reliability and adherence to quality and service standards.
2. When necessary, some major suppliers must provide certificates or inspection reports on raw material quality, with close monitoring of raw material supply conditions.

Supplier Management Process

Supplier Environmental and Social Risk Management

GRI 308

Environmental Risk Management

- Sustainable material sourcing
- Energy & water efficiency enhancement
- Reduction in the use of hazardous material
- Recyclability & circular economy advocation
- Limiting the use of one-off materials

Social Risk Management

- Workplace safety
- Anti-discrimination
- Prohibition of child labour
- Prohibition of forced labour
- Compliance with national regulations

The Group fully integrates environmental and social risk management into its Supplier Management Process to ensure suppliers meet environmental and social management standards. To promote responsible procurement, we have established a Supplier Code of Conduct and Sustainable Sourcing Policy as key references for our procurement staff to evaluate and prioritise suppliers. However, under the original equipment manufacturer ("OEM") model, suppliers may be designated by our brand clients based on their own environmental and social standards instead of solely under the Group's discretion.

Our environmental risk management emphasises sustainable material sourcing and resource usage efficiency, ensuring procurement decisions align with our sustainability objectives. For chemicals such as dyes, washing materials and plastic pellets, we require suppliers to provide relevant safety instructions and test reports to confirm that their products are free from harmful substances. Chemicals are categorised based on different risk levels and are stored accordingly to prevent any negative impact on the environment or product safety. The Group incorporates environmental standards in supplier selection.

Social risk management ensures compliance with ethical standards, reinforcing workplace responsibilities and following fair labour practices. In addition, our risk management team conducts a semi-annual risk assessment at the Group level to evaluate the corporate risk exposure, which also includes the evaluation of supply chain, environmental and social risks. The findings are reported to management for oversight and decision-making to ensure continuous improvement in supplier sustainability practices.

Strategic cooperation with our key suppliers

In recent years, global logistic disruptions have increased uncertainty in the timeliness of raw material delivery. To mitigate such risks, the Group has encouraged key suppliers to co-locate closer to our manufacturing bases, particularly near our First Team Factory and Able Joy Factory. This approach helps reduce potential logistics disruptions, enhance supply chain resilience, and improve delivery reliability. In addition, shorter transportation distances contribute to the reduction of Scope 3 GHG emissions.

Production Quality and Responsibility

Our product range primarily consists of sweater, cashmere yarn, and fabric.

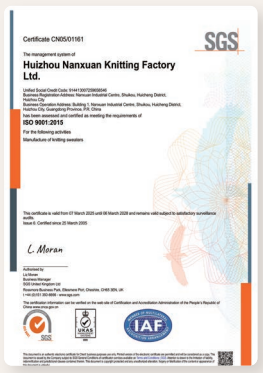


Product quality and safety are integral to operational excellence and remain our foremost priority. As a responsible manufacturer, we have established a comprehensive quality management system that encompasses the entire production lifecycle, ensuring stringent, multi-tiered controls to uphold the highest quality standards. Our PRC Factories and the First Team Factory in Vietnam are ISO 9001:2015 certified, demonstrating compliance with internationally recognised quality management standards for knitwear manufacturing.

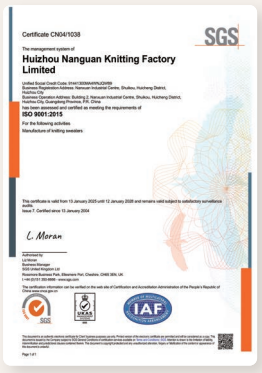
ISO 9001:2015 Quality Management System Certification



First Team Factory



Huizhou Factories



Huizhou Factories



Hebei Factory

Our quality assurance framework is meticulously designed to oversee every phase, from raw material procurement and product manufacturing to inspection and final product delivery. This structured approach ensures that our products consistently meet or exceed national and industry benchmarks, with a product inspection pass rate exceeding 98%, reinforcing our unwavering commitment to excellence.



The Group adopts different quality inspection and testing approaches across business segments based on product types and client requirements to consistently maintain a high level of product quality.

Business Segment	Inspection Standard	Testing/Quality Approach
Cashmere Yarn	Not applicable	Internal yarn and product quality standards
Sweater	AQL 1.5	In accordance with client requirements and internal standards
Fabric	4 Points Standard	AATCC[1], ASTM[2], ISO and GB standards

During the reporting period, the Group is not aware of any material breach or non-compliance with relevant local laws and regulations stated in the Products and Services Section in **Appendix II: Applicable Laws and Regulations**, which have a significant impact on the Group's business.

Quality Assurance Framework



Raw Material Sourcing Control



Production Process Quality Control



Testing Centres and Laboratory Certifications



Client Quality Requirements and Compliance

1 American Association of Textile Chemists and Colorists (AATCC)
2 American Society for Testing and Materials (ASTM)

Raw Material Sourcing Control

GRI 416-1

We actively participate in various certification audits and closely monitor market conditions to obtain international sustainability-related marks, ensuring that our products meet sustainable procurement standards, minimising environmental impact on one hand and upholding ethical labour practices on the other.



Our Globally Recognised Textile Certifications

Our Globally Recognised Textile Certifications

Sustainable Development

SFA Chain of Custody Standard v1.1

We meet the Sustainable Fibre Alliance's Chain of Custody Standard, ensuring ethical sourcing and full traceability of husbandry products. This certification underscores our commitment to accountability, transparency and sustainability across supply chains.

Meeting Textile and Clothing Recycling Claim Standards and Global Recycled Standards

We hold Recycled Claim Standard (RCS) v2.0 and Global Recycled Standard (GRS) v4.0 certifications issued by Control Union, aligning with Textile Exchange Certification Standard for sustainable textile production. These certifications validate our adherence to global environmental and social standards in material recycling. To ensure traceability and meet supply chain transparency, products containing ≥50% recycled materials carry GRS labels. During the reporting period, 268 products met GRS baseline criteria (≥20% recycled content), with 82 products achieving full GRS labelling (≥50% recycled content), reflecting our commitment to circular resource use and waste reduction.

Complying with the NATIVA™ Precious Fibre Standard

Our selected wool and cashmere fibres are certified under the NATIVA™ Precious Fibre standard, which ensures high benchmarks in animal welfare, sustainable land management, and full traceability from farm to finished product. This certification guarantees that all fibres are ethically sourced and fully traceable throughout the entire supply chain.

Supply Chain Management

The Good Cashmere Standard (GCS)

The GCS is an independent standard developed by the Aid by Trade Foundation (AbTF) to promote the sustainable production of cashmere. It ensures that cashmere is sourced from farms that care for the welfare of goats, protect the environment, and uphold the social and economic well-being of herders. We are a registered member of the GCS and is authorised to supply GCS yarns to and for licensed GCS brands and retail partners.

Complying with International Ethical Standards of Suppliers

As members of Supplier Ethical Data Exchange (Sedex) — the world's largest ethical supply chain platform spanning 150+ countries — we hold Sedex Member Ethical Trade Audit (SMETA) certification covering labour practices, workplace safety, environmental protection, and business ethics. This validates our adherence to rigorous ethical standards in global supply chain operations.

Ensuring Safe Supply Chain Management

Our Intertek-certified Global Security Verification (GSV) membership ensures full compliance with U.S. Customs and Border Protection (CBP) security standards across supply chain operations, with emphasis on security operation and anti-terrorism management in our supply chain, covering a variety of logistics procedures, from physical product logistics flow to information and documentation flow. This certification enables safer and faster cargo handling.

Certified Under regenagri Chain of Custody Criteria — Textiles v1.0

We comply with regenagri's Chain of Custody Criteria — Textiles v1.0, ensuring traceability of certified materials through segregated sourcing, verified supplier status, and documented procedures. Certification is supported by transaction records and science-based traceability solutions, if applicable.

Cotton Quality

Supporting Better Cotton Initiative

We joined the Better Cotton Initiative (BCI) in 2016 and follow its Code of Practice. We hold the Better Cotton Chain of Custody v1.0 certification and the BCI membership. Through our membership, we work to advance sustainable cotton practices across supply chains by applying best environmental, social, and economic standards. Together with BCI and other members, we aim to minimise negative environmental and social impacts while supporting these five core goals:

- To increase income and resilience of cotton farmers and workers
- To empower the women participation in the cotton farming
- To improve the health of cotton farming soil
- To reduce the use and risk of synthetic pesticides
- To reduce greenhouse gas emissions in cotton farming

We remain committed to collaborating with BCI to drive sustainable cotton production worldwide.

U.S. Cotton Trust Protocol

We participate in the U.S. Cotton Trust Protocol to advance sustainable cotton production. Our membership reflects efforts to minimise water and chemical use, and transparently report environmental impacts, reinforcing sustainable and ethical practices building trust with consumers and brands.

Animal Fibre Certification

SFA Cashmere Standard v1.1

Selected products meet the Sustainable Fibre Alliance (SFA)'s Cashmere Standard via third-party Intertek audits, achieving five sustainability goals:

- Ensuring goat's welfare
- Protecting biodiversity through sustainable land management
- Promoting fair labour practices
- Enhancing cashmere fiber quality
- Implementing traceable and effective production management systems

Complying with the International Standard for Wool Content

Our Woolmark-certified Pure New Wool status validates selected products containing 100% virgin wool that meet global quality benchmarks for durability and performance (wool content, colour fastness, dimensional stability and abrasion resistance). This certification strengthens consumer trust by guaranteeing compliance with international standards for fiber integrity and wear resistance.

Responsible Wool (RWS), Mohair (RMS) and Alpaca (RAS) Standard

Some of our suppliers are certified by Control Union under Textile Exchange's Responsible Animal Fibre standards (RWS v2.2, RMS v1.2, RAS v1.0), ensuring ≥5% of wool, mohair, and alpaca fibres derive from farms practicing humane animal treatment and sustainable land management. This certification validates ethical sourcing transparency, reinforcing client confidence in our fibre origins.

Organic Materials

Products Complying with Organic Content Standards

Our organic knitwear products are certified by Control Union under the Organic Content Standard (OCS) v3.0, a global textile standard established by Textile Exchange. This certification verifies that labelled organic material claims precisely match the actual organic inputs used in manufacturing.

Global Organic Textile Standards (GOTS) v7.0

Selected products are GOTS-certified through Control Union, verifying full compliance from ethical sourcing to responsible manufacturing. These textiles contain ≥95% certified organic and transitional materials, meeting strict guidelines for chemical use, wastewater treatment, and eco-management protocols. This enhances environmental stewardship across production cycles.

We prioritise transparency and accountability by working with compliant suppliers to ensure our products are safe, ethical and meet internationally recognised standards. The Group conducts rigorous assessments of suppliers and subcontractors, including site inspections, performance evaluations and rating assignments. We also require test reports or certifications for raw materials. Further details are provided in the **Supply Chain Management** section.

The Group carries out health and safety impact assessments for all our product categories to support compliance with stringent industry standards. As part of this commitment, part of the yarn we procure and the products we manufacture are certified under Oeko-Tex Standard 100 Class I and Oeko-Tex Organic Cotton, issued by the International Oeko-Tex Association. The Oeko-Tex Organic Cotton certification ensures that products, from farm to finished goods, are free from genetically modified cotton and produced without pesticides or other harmful substances. The Oeko-Tex Standard 100 Class I certification is one of the most stringent textile industry standards and assures the products' suitability for infants. The certification process includes laboratory testing on approximately 100 parameters, covering substances that are prohibited or regulated by law, such as formaldehyde, heavy metals, phenols, azo colourants, plasticisers, carcinogens, and allergenic dyes. To achieve these stringent requirements, the Group works alongside with our suppliers, especially chemical excipients suppliers, requiring them to provide safety technical instructions, test reports or certificates for their materials used in their production and procurement process. These documents supplement our in-house assessments confirming that our raw materials and finished products are free from hazardous substances, and comply with stringent safety and environmental standards, while maintaining a skin-friendly pH level along with high colour fastness. Chemical excipients are stored and handled according to different risk categories to avoid any negative impact on the environment or products. Some of our packaging materials, including plastic bags and carton boxes, are produced in-house. In PRC, we source plastic pellets from the suppliers that comply with National Food Safety Standard — Plastic Resin Used in Food Contact (GB 4806.7-2023).

OEKO-TEX® Certification



Huizhou Factories



Huizhou Factories



First Team Factory



First Team Factory



S.Power Factory



S.Power Factory

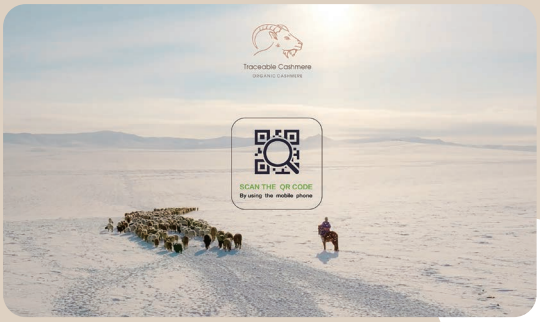


Able Joy Factory



Hebei Factory

Cashmere Traceability Enabled via QR Code



To enhance material traceability and information transparency, we have developed a QR code-based access point for our clients, providing visibility into the entire cashmere yarn product supply chain. The QR code offers multilingual access (in English and Chinese) to comprehensive details, from the procurement of raw cashmere by upstream suppliers, through dyeing and spinning processes, to subsequent manufacturing by downstream clients and retail activities by brand clients. For further details, please refer to the Cashmere Traceable Vertical Supply Chain chart below.

The traceability data is entered directly by upstream suppliers, ensuring accuracy at source. The system is also highly flexible and can be tailored to accommodate individual client and vendor preferences regarding the format and depth of information displayed.

Cashmere Traceable Vertical Supply Chain

Raw Material

POSTURES | COLLECTING STATION | WAREHOUSING FOR RAW CASHMERE | SORTING | WASHING | CARDING | TESTING | WAREHOUSING FOR DEHAIRED CASHMERE

Production Processes

DYEING | DRYING | BLENDING | COMBING | ROVING | WINDING | DOUBLING | TWISTING | REWINDING | QUALITY TESTING | WAREHOUSING FOR FINISHED YARN

Downstream Processing

GARMENT FACTORY | BRAND RETAIL

Production Process Quality Control

GRI 416-1

To ensure consistent and high product quality, we have established a robust quality control system that integrates automated technologies with manual inspections. Prior to procurement and production, the quality control department conducts sample testing on raw materials. Before bulk procurement, samples are tested for colour fastness to ensure that dye performance under various conditions — such as exposure to sunlight, rubbing, washing and ironing — meets internal standards.

Pre-production testing is further carried out to verify compliance with the Group's in-house requirements, applicable regulations in export destinations, and client specifications. For yarn used in sweater manufacturing, key tests include colour fastness to washing, water and perspiration. In cashmere yarn production, assessments focus on physical properties such as abrasion resistance, colour fastness to perspiration and water, and pilling performance.

For the fabric manufacturing business, suppliers are required to provide testing reports prior to and/or upon delivery of raw materials. These reports typically cover parameters such as yarn density, yarn twist, single thread strength, neps (impurities) and moisture content. Upon receipt, the production team conducts random sampling and performs trial weaving and dyeing processes to ensure that the raw materials meet the specifications outlined in the purchase orders.

Pre-production test



For yarn used in sweater manufacturing, tests focus on colour fastness to washing, water, and perspiration.



For cashmere yarn, tests assess abrasion resistance, colour fastness to perspiration and water, as well as pilling resistance.



For fabric manufacturing, supplier reports are reviewed and trial weaving and dyeing are conducted on sampled materials to ensure compliance with specifications.

Before new products or styles go into mass production, we hold internal meetings and training sessions to ensure the production team understands the quality standards. The first batch of finished products undergoes rigorous testing, and large-scale production begins only after it passes all quality checks.

Throughout the sweater manufacturing process, inspections are conducted after all major stages, including machine knitting, linking and stitching, washing, and ironing, as well as lighting inspections for all products. Random inspections are carried out on semi-finished and finished products based on the international AQL 1.5 standard. Our in-house inspection standards are generally stringent than client requirements to ensure satisfactory product quality. Every finished product undergoes final inspection and needle detection to eliminate defects such as broken needles or metallic foreign objects.



Worker conducting final inspection

In cashmere yarn production, machines and equipment are thoroughly cleaned throughout the drying, bagging, and combing process to prevent colour contamination. We also conduct physical tests, such as colour fastness, strength, yarn count, and pilling resistance, to ensure product quality before delivery to our clients.

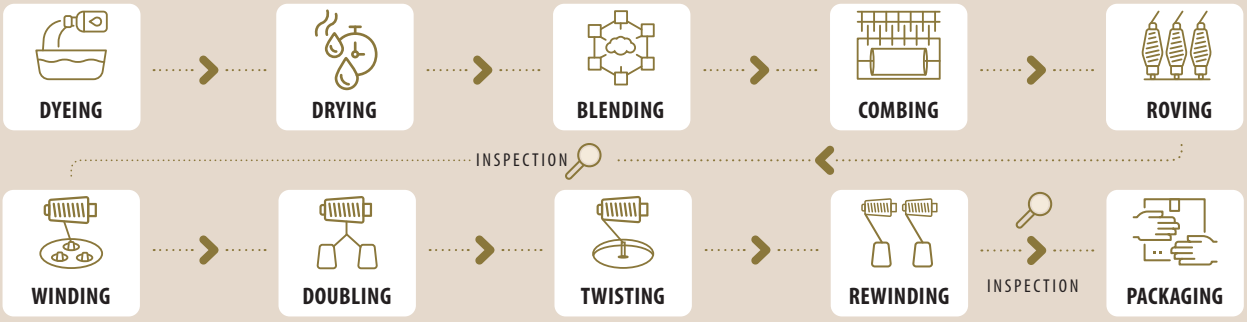
In fabric production, dyeing tanks and rollers of the stenter machines are thoroughly cleaned throughout the dyeing and setting procedures. Quality control is carried out across critical manufacturing procedures, especially after weaving, dyeing and stentering procedures. The quality control departmet conducts the following tests, including fabric width, colour consistency, shading and fastness, weight, piercing, shrinkage rate, holes or tears, stains or oil spots, yarn slubs or thick places, fabric edge finishing, and twist level to ensure quality and durability. To address some of the named defects, the Group is equipped with 4 AI fabric quality checking machines to assist our quality check personnel in detecting those defects.

Certain international brand clients require our quality control staff to complete their designated training and pass the corresponding examinations before conducting quality inspections on our manufactured products. The Non-Conforming Product Control Process is also in place to prevent non-conforming products from reaching the market. It includes detection, identification, isolation, corrective actions, tracking, documentation, and preventive measures.

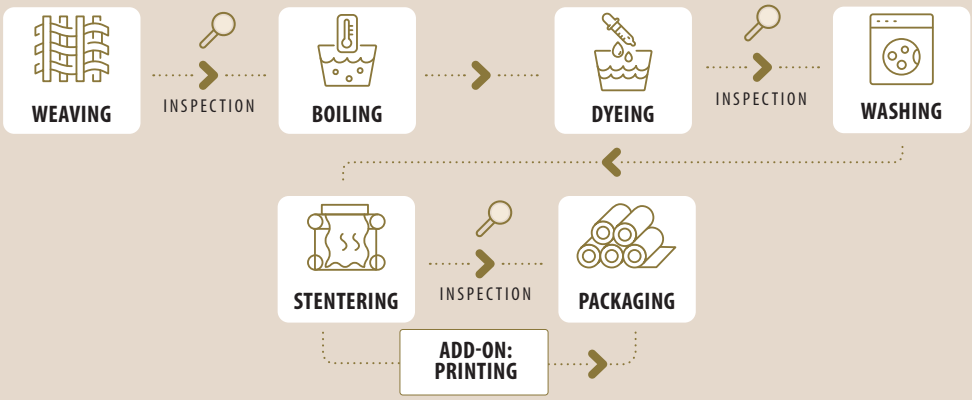
Major Production Processes



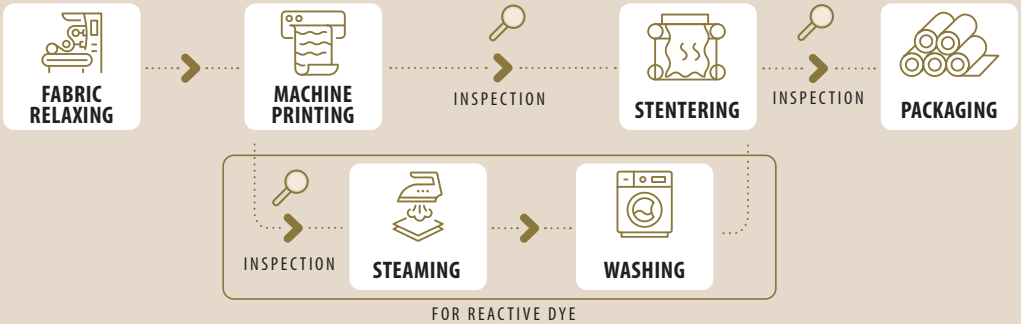
Sweaters Production Process at Huizhou Factories, First Team Factory and Able Joy Factory



Cashmere Yarn Production Process at Hebei Factory



Fabric Manufacturing Process at S.Power Factory



Printing Process at BTP Factory

Testing Centres and Laboratory Certifications

GRI 416-1

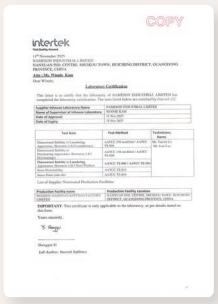
Our PRC and Vietnam factories operate dedicated testing centres, which have been certified under the SGS Field Solution Consultancy Services Certificate by various branches of SGS-CSTC Standards Technical Services Co., Ltd., an internationally recognised certification organisation. These certifications authorise our testing centres to conduct a wide range of quality tests on sweater, yarn and fabric products. In addition, our testing centres have obtained accreditation from Intertek and SGS, recognising the advanced testing methodologies and technical capabilities adopted in our laboratories. To meet evolving client requirements, our laboratories continuously enhance their capabilities by upgrading testing equipment and adopting new testing methods.

Business Segment	Chemical Tests	Physical Tests
Cashmere Yarn	12	8
Sweater	25	36
Fabric	22	17

Furthermore, certain key clients, including UNIQLO, ARITZIA, Abercrombie & Fitch and Lands' End, have conducted their own assessments and granted approval to our testing centres, enabling us to perform designated quality tests on their products.

Huizhou Factories



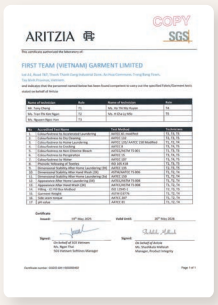


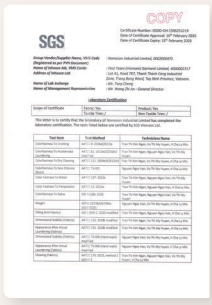




First Team Factory

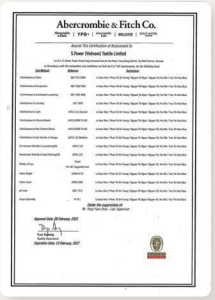






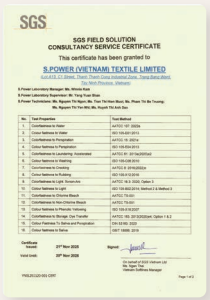


S.Power Factory









Hebei Factory



Client Quality Requirements and Compliance

GRI 416-2

Our products are supplied to international apparel brands, requiring compliance with client-specific codes of conduct and quality standards. Clients conduct periodic inspections covering regulatory compliance, product quality, environmental, and labour standards. To ensure transparency, we provide regular quality reports to clients. Additionally, sales orders outline product specifications, quality requirements, delivery methods, and acceptance criteria to maintain high product and service standards. During the reporting period, employees from the Huizhou Factories and First Team Factory participated in and completed quality testing assessments required by key clients. These assessments are designed to ensure that our testing personnel meet clients' specific technical and quality requirements. Through these examinations, employees are able to strengthen their practical knowledge and ensure consistency in testing standards, supporting the Group in maintaining product quality and meeting client expectations.

As an OEM manufacturer, we produce products according to client specifications. When end consumers are dissatisfied with the quality of our products, they typically return them to retailers (i.e. brand clients) and sometimes demand compensation. End consumers are usually unaware of the product's manufacturer. Therefore, the Group assesses the risk of assuming liability or compensation for personal injuries or property loss caused by the use of our products as relatively low. However, we still face some degree of potential compensation risk from our brand clients. To hedge against the potential risk exposure, the Group buys product liability insurance, ensuring financial protection against unforeseen claims and compensation costs. To further minimise the product liability claims, the Group has implemented a structured complaints handling process.

When a complaint is received from our brand client, the following steps are taken:

Complaints Handling Process



Internal Investigation

- We conduct an internal review to identify the root cause of the issue.

  (Most complaints involve minor defects and a small quantity of products.)



Third-Party Assessment & Verification

- To ensure the quality of other products in the same batch, we seek third-party verification to confirm that no defects exist in the remaining units.



Resolution & Acceptance

- Once the third-party verification is completed and the client accepts the batch, we ensure only compliant products reach the market.



Liability Management

- If the defect is determined to be caused by our manufacturing process, we provide Corrective Action Plan ("CAP") to our client and we take responsibility for repair, replacement, or return and bear the associated costs. After settlement, we will allocate responsibility to that particular department and require that department to provide internal CAP to our local production management team.
- If the defect is caused by raw material suppliers or subcontractors, we will seek reasonable compensation from them and re-evaluate the further cooperation possibility.

During the reporting period, the Group did not incur any major fines, warnings, violations, or product recalls related to product and service, health and safety. No major product liability claims or notable client complaints were recorded.

Responsible Marketing Practices

The Group is committed to upholding ethical marketing, advertising and sales practices. It strives to ensure that all communications are accurate, balanced and transparent, providing clear information on products and services, and avoiding exaggerated or misleading claims, including those related to environmental or social impacts. The Group also aims to respect the interests of all client groups. As an Original Equipment Manufacturer, the Group's product promotion and advertising activities have minimal impact on product responsibilities.

Empowering Workspaces

Chapter Highlights

- The Board received a total of 3 Hours ESG-related training
- Organised over 70 employee activities across our operational locations

Challenges

Keeping training programmes relevant, engaging, and adaptable to changing industry demands, while fostering continuous learning.

Our Commitments

To foster workspaces where every individual feels valued, heard, and inspired, driving higher productivity, creativity, and overall well-being.

Looking Ahead

Leverage data analytics for more efficient recruitment, personalised employee experiences, and targeted development programmes.

Contribution to UNSDGs



With over 60% of our workforce being women, we have implemented a series of policies and procedures to address the unique needs of our female employees. We also actively promote inclusive employment, fair wages, and safe working conditions to support a decent work and economic growth.

- Target 5.1: Provided supportive policies and a caring work environment for female employees.
- Target 8.5: Ensured equal pay for work of equal value, regardless of gender, age, and disability.
- Target 8.6: Supported employees' children in pursuing university education.

The Group echoes our people-oriented management model, recognising our employees as the most valuable assets and a key driver of long-term business value, enterprise competitiveness, and sustainable growth.

The Group is committed to fostering a harmonious, inclusive, and people-centric work environment. By embedding a people-first approach into our management policies and operational principles, we strive to create a supportive platform where employees can thrive and realise their full potential. Among our group-wide social-related policies, half focus on employees' occupational health and safety, wellness, welfare, and career and personal development, covering the key aspects that matter most to our employees.

During the reporting period, the Group is not aware of any material breach or non-compliance with relevant local laws and regulations stated in the Employment Section in **Appendix II: Applicable Laws and Regulations,** which have a significant impact on the Group's business.

Talent Acquisition and Retention

GRI 401-2

The Group adheres to the principles of "open recruitment, holistic assessment, and merit-based admission" to acquire top talent through the following strategies.

Talent Acquisition



Open Recruitment

Adopting external and internal means to promote job openings



Referral Channels

Employee and agency candidate referrals



Campus Recruitment

Recruiting at university career days



Diversity Focus

Fair and unbiased hiring practices

Talent Retention



Compensation

Competitive salaries & benefits



Environment

Comfortable workplace



Promotion

Performance-based process



Evaluation

Regular contribution assessments



Reward

Performance incentives & commendations



Retention Bonus

Retention incentives to recognise & retain talent



Recognition

Appreciation & job satisfaction

Long-Term Incentives

The Group offers share option scheme, as part of its employee welfare and retention framework. This programme is designed to reward and motivate eligible employees, including employees below senior management level, by aligning their interests with the long-term growth of the Group. With multi-year vesting arrangements, these incentives support employee retention, performance and sustainable development.

Demographics of our Workforce

GRI 401-1, 401-3

The composition of our workforce is outlined below[3].

Workforce profile	FY2026	FY2025
Total number of employees	**16,056**	**15,322**
Full-time employees	16,055	15,321
Part-time employees	1	1
By gender		
Male	5,822	5,440
Female	10,234	9,882
By region		
Hong Kong	356	181
PRC	4,806	4,764
Vietnam	10,894	10,377
By age group		
29 or below	5,964	5,759
30–49	7,795	7,435
50 or above	2,297	2,128
By functional category		
Senior management	28	25
Administrative employees	178	159
General employees	15,850	15,138

Turnover Rate	FY2026	FY2025
Total employee turnover rate (%)	**61.7%**	**70.2%**
By gender		
Male	81.4%	83.4%
Female	50.6%	63.0%
By region		
Hong Kong	13.8%	7.2%
PRC	28.0%	30.5%
Vietnam	78.2%	89.6%
By age group		
29 or below	101.0%	109.2%
30–49	43.7%	53.6%
50 or above	21.0%	22.8%

Internal Promotion Rate	FY2026	FY2025
Internal Promotion rate (%)	**2.6%**	**1.5%**
By region		
Hong Kong	2.2%	1.1%
PRC	1.6%	1.0%
Vietnam	2.6%	1.8%

[3] The FY2025 employee-related data have been restated to reflect an expanded reporting scope.

New Hire Rate	FY2026	FY2025
Total employee new hire rate (%)	**62.0%**	**66.8%**
By gender		
Male	78.9%	74.5%
Female	52.3%	62.5%
By region		
Hong Kong	53.4%	47.0%
PRC	31.4%	18.3%
Vietnam	75.8%	89.4%
By age group		
29 or below	103.1%	110.1%
30–49	41.3%	47.5%
50 or above	25.4%	16.8%

Parental leave	FY2026	FY2025
Total number of employees entitled to parental leave	**706**	**468**
By gender		
Male	76	110
Female	630	358
Total number of employees who took parental leave	**593**	**350**
By gender		
Male	72	110
Female	521	240
Total number of employees who returned to work after parental leave ended	**531**	**287**
By gender		
Male	72	109
Female	459	178
Return to work rate[4]	**89.5%**	**82.0%**
By gender		
Male	100.0%	99.1%
Female	88.1%	74.2%
Total number of employees who returned to work after parental leave ended and were still employed 12 months after their return to work	**370**	**240**
By gender		
Male	65	85
Female	305	155
Retention rate[5]	**69.7%**	**83.6%**
By gender		
Male	90.3%	78.0%
Female	66.4%	87.1%

Guided by our people-oriented management philosophy, the Group closely monitors employee turnover and recognises the importance of understanding the underlying reasons for employee departures. The Human Resources Department conducts exit interviews with departing employees to gather feedback on their concerns and reasons for leaving.

Insights and suggestions collected from these interviews are used to support the continuous optimisation of our talent management strategy, helping the Group maintain employee turnover at a reasonable and manageable level. The Group also recognises that further efforts are required to enhance employee retention and will continue to strengthen related initiatives.

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4 The return to work rate is calculated as (total number of employees that did return to work after parental leave ÷ total number of employees who took parental leave) × 100%

5 The retention rate is calculated as (total number of employees retained 12 months after returning to work following a period of parental leave ÷ total number of employees returning from parental leave in the prior reporting period(s)) × 100%

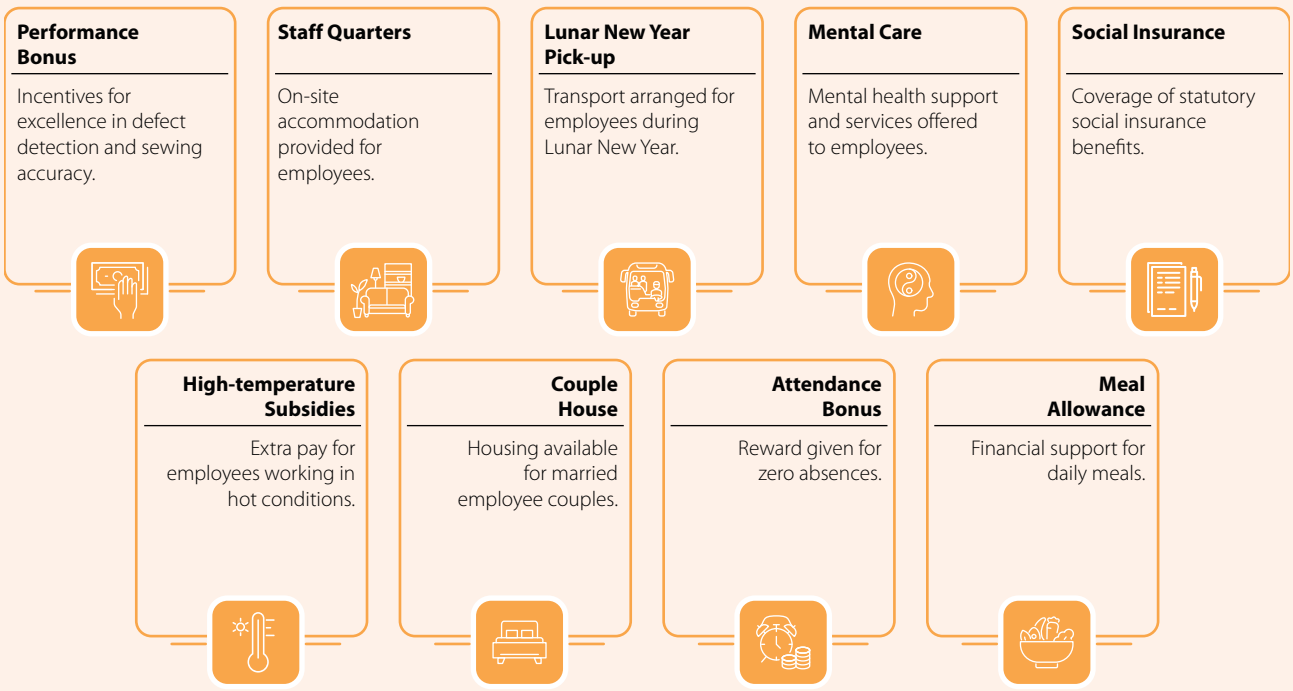
Employee Welfare

GRI-401-2

The Group provides all statutory holidays to all employees. A Group-level Employee Handbook outlining the Group's employment-related policies and practices is in place and accessible to all staff.



Leave Benefits for Full-Time Employees



Supports for Employees

Caring for Employees and Their Families

To foster a caring and supportive environment, the Group is committed to enhancing the well-being of factory employees through various initiatives. Members of the labour union and the human resources department regularly team up to visit employees residing in the staff quarters after work, taking the initiative to care for them and strengthen personal connections. In addition, a variety of amenities and recreational facilities are provided at the factory sites to help employees relax and maintain a healthy lifestyle. These include fitness equipment for physical training, a cinema for entertainment, and a library for reading and quiet leisure. Through these efforts, we aim to promote work-life balance, uplift employee morale, and cultivate a more harmonious and fulfilling workplace experience.



Celebrating Employees' Children Embarking on Their University Journey

Not only do we care about our employees, we also deeply care about their families. We provide thoughtful gifts to celebrate and encourage their children's milestone of entering university.

Family Friendly Factories

Huizhou Factories are one of the signatories of Family Friendly Factories proposed by China National Textile and Apparel Council ("CNTAC"). By participating in this initiative, the Group is committed to fostering a more inclusive, supportive and sustainable workplace. By promoting flexible working arrangements, better childcare and parental support and equal opportunities for all employees, employees could strike a better balance between work and family responsibilities. This initiative not only enhances staff well-being and reduces labour turnover, but also strengthens team cohesion, productivity and the Group's reputation as a caring and responsible employer, it echoes to the Caring Company recognition that the Group has achieved for more than 10 consecutive years in Hong Kong.



Family Friendly Factories Activity

Empowering Female Employees

Huizhou Factories joined the Reimagining Industry to Support Equality ("RISE") programme initiated by our key client, PVH Corp. The aim of the programme is to empower women to excel in their work while placing extra care on their physical health and financial literacy. Through a train-the-trainers approach, our internal CSR personnel are equipped to educate our female employees to achieve these goals. As of the end of this financial year, 2 of our employees have been accredited as RISE training specialists.



Better Work Program

Participating in the Better Work programme has been a cornerstone of our efforts to enhance working conditions and promote fair labour standards throughout our supply chain. During the reporting period, we have actively engaged in the programme's assessments, demonstrating our ongoing commitment to creating safe, decent, and equitable working environments for our employees.

Case Study: Leveraging Robotic Process Automation ("RPA") and Artificial Intelligence ("AI") for Productivity Enhancement

RPA had been used by various of our subsidiaries for years. In our Huizhou Factories, RPA had been adopted for more than 3 years which automated over 240 repetitive processes. For our Hebei Factory, RPA had been adopted for more than 5 years which automated over 15 repetitive processes.

The Group is strategically adopting AI to enhance our administrative functions while applying it more conservatively in manufacturing. In the short to medium term, we expect AI to improve working efficiency and output per employee, rather than leading to large-scale job redundancy.

We believe in the importance of re-educating and transforming our workforce's skills to adapt to the latest technological advancements and the ever-changing competitive landscape. By empowering our employees to embrace these innovations, we aim to create a more agile organisation that not only leverages AI for better productivity but also fosters professional growth and resilience among our employees.

Employee Activities

GRI-401-2

The Group's human resources and the ESG departments organises activities to promote interdepartmental communication and employee engagement, with the aim of enhancing team collaboration and fostering a stronger sense of belonging. For example, meal gatherings, annual conferences, festival celebrations or banquets, sports days, and skill contests. During the reporting period, we organised more than 70 employee-focused activities at the Hong Kong Offices and all of our factories, fostering connection, teamwork, to enhance workplace well-being.

Internal Activities

Festivals & Cultural Celebrations

The Group



35th Anniversary Gala Dinner (Hong Kong)

Hong Kong Offices



Lunar New Year Celebration Luncheon



Christmas Party

Huizhou Factories



35th Anniversary Gala Dinner (Huizhou)



Dragon Boat Festival Dumpling-Making Activity

Internal Activities

Festivals & Cultural Celebrations

Hebei Factory



Annual Dinner



Lunar New Year Lucky Red Packet Giveaway

Employee Engagement and Welfare

Hong Kong Offices



Solar Mosaic Night Lamp Workshop



Coffee Landscape Painting Workshop



Hong Kong Nordic Walkathon



Healthy Eating Workshop

Internal Activities

Employee Engagement and Welfare

Able Joy Factory



Gifts Presented to Outstanding Employees



Lunar New Year Gift Giving

Huizhou Factories



Mid-Autumn Festival Gift Giving



Labour Day Fun Fair

First Team Factory



Labour Day Gift Giving



Gifts Presented to Outstanding Employees

S.Power Factory



Lunar New Year Gift Giving



Birthday Gift Giving

External Activities

Sports and Competitions

Huizhou Factories



Foreign Enterprises Association
"Boen Cup" Table Tennis Tournament



Huizhou Foreign Enterprises Association
"Youth Committee Cup" Basketball Tournament

Diversity, Equity and Inclusion

The Group is committed to providing equal opportunities to all employees, regardless of gender, age, race, nationality, religion, disability, family status, marital status, sexual orientation, pregnancy, political stance or social status, in areas such as recruitment, promotion, transfer, compensation, and other benefits, as outlined in our Employee Handbook. In the event of any discrimination, harassment or deprivation, the Group has zero tolerance on those and employees are encouraged to report the matter to the human resources department. All complaints are handled confidentially and anonymously.



If fraudulent behaviour is confirmed, immediate remedial actions are taken, including assessing and improving internal controls in the affected departments. Employees found guilty of such misconduct face disciplinary actions, including administrative penalties. In cases involving legal violations, the Group seeks legal advice and refers the matter to the relevant authorities for further action.

During the reporting period, relevant labour union representatives visited our operations to conduct a dedicated research and exchange session on female employee development. The session provided a platform to better understand the needs, challenges and expectations of female employees.



Promoting Gender Inclusion through Employee Dialogue — Huizhou Factories

Case Study: Creating a Supportive Workplace for Working Mothers

With over 60% of the Group's workforce being female, we recognise the dual responsibility many women undertake — balancing work duties with household commitments. In response, we have implemented a series of family-friendly policies to offer additional support and care to our female employees, particularly during pregnancy, childbirth and lactation.



Mother's Relaxation Hut

In Hebei Factory, we have established a dedicated policy on Special Protection for Female Workers, ensuring their employment rights are respected and upheld. This policy provides enhanced protection during pregnancy, shielding them from potentially hazardous tasks and creating a safe and supportive working environment throughout their maternity journey.

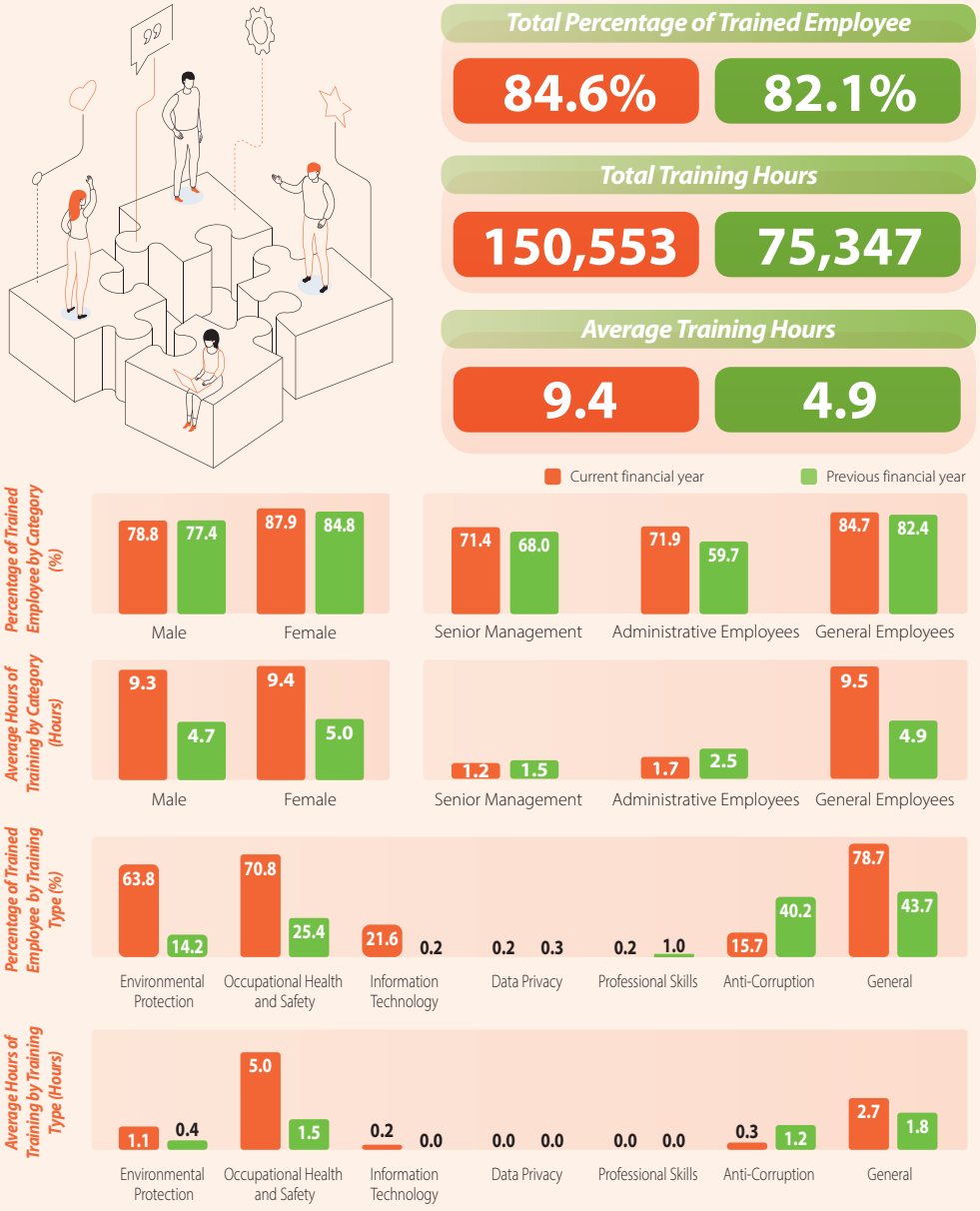
To support working mothers, we have established the "Mothers' Relaxation Hut" in our Huizhou Factories and Vietnam Factories, a private, comfortable, and hygienic space designed for breastfeeding. With soft lighting and calming music, the serene environment offers mothers a peaceful space to rest and care for their personal needs.

Employee Training and Development

Employees are our most valuable asset. To support their personal and professional development, we implement an annual training plan in each factory, covering a wide range of topics. These include orientation training, occupational health and safety, job-specific professional skills, ESG, anti-corruption practices, cybersecurity awareness, and comprehensive training on the Group's policies and procedures. We believe that a systematic training mechanism can enable employees to improve their professional skills in a more effective way, while helping them to adapt to the ever-changing business environment through lifelong learning.

The Group's training framework also incorporates structured learning approaches such as on-the-job guidance and management-oriented training, supporting the development of employees at different levels. Certain training programmes, including IT and cybersecurity training, contribute to enhancing employees' digital awareness and capabilities, while training provided to management supports leadership development.

The Group's employee training figures for this financial year and previous financial year[6], which are categorised by gender and employee category, are as follows:





Employee Skills Enhancement Training — Huizhou Factories



IT Training — Hong Kong Offices

6 The FY2025 training performance data have been restated to reflect an expanded reporting scope.

The Group has established the Promotion and Resignation Management Procedures to foster a clear corporate talent ladder, setting clear standards and guidelines for employee promotions. Twice a year appraisal will be conducted based on employees' performance on work efficiency, effectiveness, knowledge, sense of responsibility and team work to determine their eligibility for promotion.

The Group provided diverse training (including but not limited to the following) to employees of different levels to enrich the professional knowledge of employees in their respective positions and cultivate the required professional attitudes to improve their work capabilities:

Employee Training and Development

Senior Management

Development and Information Update Training

- Latest changes to the Listing Rules and related laws and regulations
- National development trends
- Anti-corruption training

Administrative Employees

Professional Training

- Updates on accounting system, financial knowledge and PRC taxation
- Programmes in relation to safety and first aid
- National development trends
- Anti-corruption training

General Employees

Continuing Training

- Work safety and first-aid
- National development trends
- Anti-corruption training
- Factory regulation and discipline training
- Environmental protection seminars and training
- Psychological health and emotion management and workplace etiquette

Employee Communication

We value our employees' feedback and actively listen through transparent and open communication channels to better understand their needs. To support this, the Group has established a comprehensive complaint and suggestion mechanism.

Labour unions serve as vital communication bridges between employees and the Group. Regular employee representative meetings are held to collect feedback, resolve issues through dialogue, and maintain a harmonious work environment.

During the reporting period, the Group held employee representative meetings to facilitate open communication between management and employees. These sessions allowed employee representatives to share feedback and raise concerns on workplace issues. Management listened to the views raised and followed up on key suggestions where appropriate, helping to improve the working environment and strengthen mutual understanding.



Employee Representative Meetings — Huizhou Factories

Union representation across our major operations is summarised below:

Location	Union Representation
Huizhou Factories	100% of employees are union members
First Team Factory and Able Joy Factory	86% of employees are union members
Hebei Factory	Application submitted to the government to establish a formal labour union
S.Power Factory and BTP Factory	74% of employees are union members



Nameson Information

Employees can also express their concerns and feedback through multiple communication channels, including a 24-hour hotline, official social media accounts, direct contact with the Chairperson of the Labour Union, and the General Manager's mailbox.

In particular, the Huizhou Factories operate a WeChat Official Account to share daily updates, lifestyle tips, weather forecasts, and highlights of Group activities, enhancing regular communication and engagement with employees. In addition, the annual *Nameson Information* publication features New Year messages, employee stories, and key events, further strengthening internal communication and corporate culture.

The Group is committed to addressing employee feedback proactively. When complaints are substantiated, we take appropriate action in accordance with Group policies, including follow-up, corrective, and preventive measures to support continuous improvement.

Addressing the Needs of Employees

Since Vietnam's public transportation system is still under development, the main means of our Vietnamese employees commuting to and from work are through motorcycles. Echoing our "people-oriented" management approach, the Group takes care of our employees' demand, two-storey covered motorcycle parking lots were built in our Vietnam Factories. This allows our employees to park their motorcycles safely and orderly.

Two-storey covered motorcycle parking lot



Able Joy Factory



S.Power Factory



First Team Factory

Advocating Nature's Guardianship

Chapter Highlights

- Our GHG reduction targets have been validated by SBTi
- Our Hebei Factory holds ISO 14001:2015 certification, and its products are certified to ISO 14067:2018 certification
- Solar panels at our factories generated a total of 15,973 MWh of electricity in the previous financial year

Our Commitments

- To reduce absolute scope 1 and 2 GHG emissions by 52.48% by FY2031 from a FY2023 base year
- To reduce absolute scope 3 GHG emissions by 27.5% by FY2031 from a FY2023 base year
- To reduce energy consumption on or before FY2031 by 4.3%, using FY2021 as baseline

Challenges

As our business grows, we will require increased energy resources to support our operations and enhance manufacturing capacity to meet rising market demand.

Looking Ahead

We will continue exploring opportunities to reduce GHG emission on our major energy sources that depend on fossil fuel.

Contribution to UNSDGs



Since FY2021, we have been progressively replacing coal with wood pellets in our manufacturing operations as part of our commitment to reduce carbon emissions. The solar panel installation at our Huizhou Factories, First Team Factory, and Able Joy Factory have also been successfully completed in phases between FY2022 and FY2026.

- Target 7.2: Expanded solar panel installations at our First Team Factory and Able Joy Factory to increase renewable energy use.
- Target 7.3: Improved energy efficiency through facility retrofits.
- Target 13.2: Formally validated by SBTi for near-term GHG reduction targets. Report our environmental protection performance according to IFRS and TNFD framework.

The Group continues to advance environmental protection, carbon reduction, energy and water conservation, continuously optimising production equipment and processes to promote cleaner manufacturing.

Being a "Resource-Saving and Environmentally-Friendly" enterprise, we continuously improve our environmental management systems and processes, striving to minimise environmental impacts and potential risks, achieving sustainable development goals. We also actively educate employees on environmental protection to enhance their awareness of sustainable development and embed sustainability at every level of our operations.

Environmental Management

The Group actively adopts and explores advanced energy-saving and emission-reduction technologies to fulfill our environmental responsibilities. Apart from technology, our Environmental Management System allows us to systematically manage and address potential environmental impacts during production. Notably, our Hebei Factory has obtained ISO 14001:2015 Environmental Management System Certification.

Higg Index — Facility Environmental Module (Higg FEM)

The Higg Index is an industry-leading suite of tools developed to measure sustainability performance across the apparel and textile value chain, and is developed and managed by Cascale. Within this framework, the Higg FEM provides a standardised method to evaluate factories' environmental management practices, covering energy use, water management, waste reduction, and chemical handling. Our Huizhou, Hebei, and Vietnam Factories (excluding BTP Factory) have undergone independent audits under Higg FEM, ensuring that the results are credible and transparent. The audit outcomes highlight our commitment to continuous improvement and alignment with international standards. By participating in Higg FEM, we demonstrate accountability, identify efficiency opportunities, and reinforce our role in advancing sustainable manufacturing.


上海赛威认证有限公司

环境管理体系认证证书

兹证明

河北南冠科技有限公司

注册地：河北省邢台市清河县挥公大道南侧、贺兰路西侧

生产/经营地：河北省邢台市清河县挥公大道南侧、贺兰路西侧

环境管理体系符合标准：

GB/T24001-2016/ISO14001:2015

管理体系认证范围：

羊绒纱线、羊绒混纺纱线的生产和销售及相关管理活动

IAF CNAS MANAGEMENT SYSTEM CNAS C201-M

Hebei Factory ISO 14001:2015 Environmental Management System Certification

HUIZHOU FACTORIES 76%


Certificate of Completion 2025

Hereby certifies that

Huizhou Nanxuan Knitting Factory Ltd.

Has completed HIGG FEM VERIFICATION

Cascale Higg Index

Harsh Saini

Interim Chief Executive Officer

Cascale

HEBEI FACTORY 79%


Certificate of Completion 2025

Hereby certifies that

Hebei Nanguan Technology Company Limited

Has completed HIGG FEM VERIFICATION

Cascale Higg Index

Harsh Saini

Interim Chief Executive Officer

Cascale

FIRST TEAM FACTORY 76%


Certificate of Completion 2025

Hereby certifies that

First Team (Vietnam) Garment Ltd.

Has completed HIGG FEM VERIFICATION

Cascale Higg Index

Harsh Saini

Interim Chief Executive Officer

Cascale

ABLE JOY FACTORY 76%


Certificate
of Completion
2025

Hereby certifies that

Able Joy Dak Lak Garment Limited Company

Has completed HIGG FEM VERIFICATION

Cascale

Higg Index

Harsh Saini
Interim Chief Executive Officer
Cascale

S.POWER FACTORY 77%


Certificate
of Completion
2025

Hereby certifies that

S. Power (Vietnam) Textile Limited

Has completed HIGG FEM VERIFICATION

Cascale

Higg Index

Harsh Saini
Interim Chief Executive Officer
Cascale

Action for Climate and Nature

We are committed to proactively addressing climate change, exploring innovative ways to reduce our carbon footprint, and supporting the PRC national "Dual Carbon" strategy of achieving carbon peaking by 2030 and carbon neutrality by 2060. Since previous financial year, we disclosed our climate-related efforts in accordance with the HKEX ESG Reporting Code Part D, which is built upon the foundation of International Financial Reporting Standards ("IFRS") S2 Climate-related Disclosures, by following the structure of the four key pillars: Governance, Strategy, Risk Management and Metrics and Targets.

To further strengthen our sustainability-related disclosure approach, the Group has committed as a TNFD adopter and forum member, leveraging the TNFD framework to support the consideration of nature-related factors in our decision-making. Nature-related dependencies, impacts, risks, and opportunities will be disclosed following the climate-related disclosure.

Climate and Nature Governance

Climate change is one of the most pressing global challenges of the 21st century. The Group places great emphasis on climate-related issues, defining the responsibilities of each department in climate governance to ensure that all levels of management effectively address climate risks and drive the transition towards a greener and low-carbon future, in pursuit of sustainable development goals. Recognising the importance of nature-related challenges, they share the same governance structure as climate-related considerations.

The Board oversees the management of climate-related and nature-related risks, holding regular meetings to assess associated risks and opportunities, while reaching a consensus on response strategies and measures. The Board monitors progress toward climate-related targets by regularly reviewing GHG emissions and energy consumption during board meetings. In this financial year, no directors' remuneration were linked to the performance of climate-related performance. The management team is responsible for implementing these strategies, mitigating risks, and fostering cross-departmental collaboration to ensure successful achievement of our targets. Climate-related and nature-related issues are integrated into the Group's overall ESG governance mechanism. During the reporting period, the Board and management received ESG training from external consultants to stay ahead of the latest sustainability trends, such as ESG and climate change. For details on the sustainable development governance structure, please refer to the **GOVERNANCE FRAMEWORK** section of this report.

Climate Strategy

Climate change poses risks to our business and operations, including extreme weather events and shifts in rainfall patterns, which can impact our assets, employees, and production processes. At the same time, it also creates opportunities for us to innovate in production technologies and processes. Our goal is to pursue high-quality development, prioritise ecological sustainability, and achieve green growth.

To understand the impact of climate change on our businesses and our residences, we have engaged external consultants this financial year to help perform a qualitative scenario analysis at the Group level. The following selected scenarios in the analysis offer high-contrast comparisons and detailed hypotheses, enabling a comprehensive assessment of both physical and transition risks. Yet, the Group recognises that, having conducted only a qualitative scenario analysis, significant uncertainty remains regarding the quantitative impact of climate-related risks on its financial performance.

Applied Scenario		
Physical Risks	Intergovernmental Panel on Climate Change "Sixth Assessment Report" ("IPCC AR6") Shared Socioeconomic Pathways ("SSPs")	High Emission Scenario (>3°C): SSP5-8.5
Transition Risk	The International Energy Agency ("IEA") "World Energy Outlook 2025"	Net Zero Emissions by 2050 Scenario (<1.5°C)
Reasons	• Scenario selection referenced IPCC scenarios (for physical risks) and the IEA Net Zero Emissions by 2050 scenario (for transition risks). • The time horizons of the selected scenarios align with the Group's strategic planning horizon and the goals of the Paris Agreement. • The scenarios represent different climate pathways, supporting the assessment of potential climate-related impacts on the Group's operations and financial performance.	

Assessment Methodology
Corporate management team was invited to evaluate the earliest possible occurrence of climate-related risks under different climate scenarios and the impact of climate-related risks on the Group from the two dimensions: Impact level and Time horizon.

Time Horizon	
Short-term	2026
Medium-term	2027–2031
Long-term	Beyond 2031
Reasons	• As a listed company in Hong Kong, the Company has considered applicable regional climate policy trends in formulating its climate strategy. With reference to PRC's "3060" Dual Carbon goals and to maintain alignment with its established SBTi targets, the Group has identified 2031 as a key milestone.

Impact Level		
●	Low Impact	The issue is unlikely to occur within the relevant "time horizon" and is expected to have a limited impact on the Group's financial performance, including selling prices and sales volumes.
●	Medium Impact	The issue has a moderate likelihood of occurring within the relevant "time horizon" and is expected to have a moderate impact on the Group's financial performance, including selling prices and sales volumes.
●	High Impact	The issue is likely to occur within the relevant "time horizon" and is expected to have a significant impact on the Group's financial performance, including selling prices and sales volumes.

Relevance Assumptions		
Physical Risk	Acute Risk	The Group referenced IPCC SSP scenarios to assess physical climate risks to its manufacturing sites, suppliers and operations. The Group's scope of assessment expanded in FY2026 with the inclusion of S.Power Factory.
	Chronic Risk	
Transition Risk	Policies and Regulations Risk	We expect stricter climate disclosure requirements to increase compliance and reporting costs.
	Technology Risk	We expect low-carbon technologies and cleaner production to require additional investment and involve execution risks.
	Market Risk	We expect competitors to strengthen their low-carbon and sustainability capabilities, increasing market competition.
	Reputation Risk	We expect clients and consumers to place greater emphasis on environmental performance, affecting products demand and reputation.
Opportunity	Resource Efficiency	We expect the Group's low-carbon transition to create climate-related opportunities across its business.
	Energy Sources	
	Products and Services	
	Markets	
	Resilience	

The Group's management has identified and prioritised climate-related risks and opportunities, assessing their impact levels and time horizons based on the selected scenarios through a survey. The potential impacts of the identified climate-related risks and opportunities are assessed with reference to their possible impact on the value chain, business model and financial performance. This assessment is intended to provide an indicative view of how climate-related issues may affect the Group's operations and long-term development, and to support the formulation of appropriate response strategies and management measures. The differences among the results may stem from varying expertise and differing levels of knowledge on climate issues. To address this, the Group will continue to enhance climate awareness among management and staff. The table below summarises the results of the survey.

Risk Type		Potential Impact on Value Chain and Business Model	Potential Financial Impact	Impact Level	Time Horizon	Mitigation Measures
Physical Risk						
Acute	Occurrence of Extreme Weather Events	Extreme weather events, such as typhoons, rainstorms, and floods, can disrupt employee commuting, inbound material deliveries and outbound shipment schedules, affecting production continuity and weakening the Group's ability to meet client delivery commitments.	Lower revenue and profit due to production delays, reduced output, and possible order deferrals.	🟠	Long-term	With high impact level of frequent occurrence of extreme weather events, we have the following countermeasures to protect our staff, supply chain and properties: **Heatwaves:** Heat stroke plan in place to protect employee health by ensuring hydration, recognising symptoms, and implementing cooling measures. **Floods/Heavy Rain Storms/ Typhoons/Thunderstorms:** Clear protocols are in place to protect staff and asset safety, such as an evacuation plan. **Hazards brought by extreme warm and wet weather:** Mosquito control methods to prevent mosquito-borne diseases. **Risk transferred to insurer:** There has been sufficient insurance to cover the financial loss brought by extreme weather. **Co-location with our key suppliers:** Since COVID outbreak, the Group strives to reduce key supply chain uncertainties (i.e. logistics disruption) by co-locating with our key suppliers.
Chronic	Sea Level Rise	Rising sea levels could cause flooding in coastal areas where the Group, our suppliers and clients' operations and logistics will be disrupted, infrastructure might be damaged, and all of these could potentially impact operational stability and supply chain resilience.	Higher capital and operating costs for flood protection, repairs, relocation planning, and insurance.	🟢	Long-term	
	Persistent Drought	Extended droughts can cause water scarcity, significantly impacting the availability of water essential for our production processes and may disrupt supplier operations in water-stressed regions, constraining production capacity and requiring operational adjustments, and causing instability in the Group's raw material supplies.	Lower productivity and higher costs from water shortages, alternative sourcing, or water-saving investments.	🟠	Long-term	
	Rising Freshwater Salinity	Increased salinity in freshwater sources may compromise the quality of water used in production processes, leading to issues in textile quality and necessitating additional water treatment for both the Group and our suppliers.	Higher operating costs for water treatment, quality control, and potential losses from defects or rework.	🟢	Long-term	

Risk Type		Potential Impact on Value Chain and Business Model	Potential Financial Impact	Impact Level	Time Horizon	Mitigation Measures
Transition Risk						
Policies and Regulations	Increasing Pricing on Greenhouse Gas Emissions	Carbon pricing mechanisms, such as carbon taxes or cap-and-trade systems, become more prevalent, increasing costs across operations and the supply chain, raising exposure to carbon-related costs and accelerating the need for decarbonisation solutions.	Higher operating costs from carbon pricing.	🟡	Short-term	We have been implementing various measures to reduce carbon emission and associated carbon costs, such as installation of solar panels on factories' rooftops, establishment of the Use of Energy and Energy Efficiency Policy, phase-in of Electric vehicles (EVs). These transitions will be financed by our internal resources, e.g. operating cashflow, and external resources, e.g. green loan.
	Demand for More Emissions Reporting	Growing expectations for transparency and detailed emissions reporting require companies to enhance their reporting practices and invest in accurate data collection, verification and traceability systems across operations and the value chain.	Higher costs for reporting, assurance, and compliance.	🟢	Medium-term	We have developed our Scope 1, 2, and 3 GHG emissions inventory, set a near-term target validated by SBTi, and continue to enhance the quality of related disclosures in light of evolving reporting requirements. The ESG department also stays up to date with both local and international reporting standards to remain proactive. To ensure cost-effectiveness, we conduct careful tendering processes when selecting service providers for reporting, data verification, and compliance.
	More Stringent Policies and Regulations	The implementation of stricter environmental policies and regulations imposes additional compliance requirements on companies, including limits on emissions and mandates for sustainable practices, leading to necessitating adjustments to operational and compliance practices.	Higher compliance costs and potential fines or penalties.	🟢	Long-term	We conduct on-site audits at our factories to ensure compliance and drive continuous improvement in environmental performance. Staff training is also carried out across all locations to reinforce adherence to regulatory requirements.
Technology	Low Carbon Technology Transition	Transitioning to low carbon technologies involves significant upfront costs for new equipment, processes, and energy sources to reduce greenhouse gas emissions.	Higher capital and transition costs.	🟢	Medium-term	We have been gradually introducing high energy-efficiency knitting machines and solar panels for renewable energy with a capital expenditure of HK$61.4 million in this financial year upon a thorough cost-benefit analysis. We select a dedicated site as a pilot project to ensure that the risks associated with investing in new and innovative technologies are manageable.
	Uncertainty of Investment in New Technologies	Investing in emerging technologies carries uncertainty regarding their effectiveness, market adoption, and future costs, which can impact strategic planning and financial stability, while a failure or delay in adoption could lead to a loss of competitive edge.	Potential financial losses or lower returns on investment.	🟢	Long-term	

Risk Type		Potential Impact on Value Chain and Business Model	Potential Financial Impact	Impact Level	Time Horizon	Mitigation Measures
Market	Changes in Consumer Behaviour and Demand	Evolving consumer preferences for sustainable and eco-friendly products and materials, increasing pressure to offer more sustainable products.	Higher development and marketing costs, with possible revenue impact.	🟠	Long-term	We maintain an ongoing and meaningful dialogue with our clients to build closer relationships that allow us to capture and understand any subtle changes in product preferences in a timely manner. This interaction ensures that we are able to respond quickly to market dynamics and drive our innovations and improvements with a client-centric focus to stay ahead in a highly competitive market.
Reputation	Rising Client Awareness of ESG Issues	Growing client awareness of ESG issues increases scrutiny of the Group's practices in sourcing, production and disclosure, raising expectations for stronger ESG performance.	Potential loss of market share, revenue, and reputation.	🟡	Short-term	Enhance the engagement with stakeholders, especially suppliers and clients, in corporate sustainability so that we are aligned with our clients' or other stakeholders' ESG initiatives

Opportunity Type	Potential Impact on Value Chain and Business Model	Potential Financial Impact	Impact Level	Time Horizon	Seizing the Opportunity
Resource Efficiency	Use of more efficient production equipment and distribution processes to increase productivity and reduce resource consumption	Lower operating costs and higher revenue potential from increased capacity.	🟠	Short-term	We have begun replacing petrol and diesel vehicles with EVs and will continue increasing their share in our fleet. We will continue to upgrade production machinery and equipment to enhance energy efficiency and reduce carbon emissions. We explore opportunities for recycling production materials to maximise resource reuse.
Energy Sources	Reduces reliance on conventional energy through the adoption of low-carbon alternatives, supporting the transition to lower-carbon operations and improved access to green and sustainable financing.	Lower energy costs and improved access to green or sustainability-linked financing.	🟢	Short-term	We have installed solar power generation systems at our Huizhou Factories, First Team Factory, and Able Joy Factory. For more details, refer to the ***Energy and Climate Resilience*** section. The Group is also actively exploring additional green energy solutions.
Products and Services	Shift towards producing low-carbon and eco-friendly garments, such as using organic or recycled materials, and adopting water- and energy-saving manufacturing processes, to strengthening sustainable product offerings and market positioning.	Higher revenue potential from stronger demand and possible premium pricing.	🟠	Short-term	We have been using a product 3D simulation system for our clients to provide feedback without preparing multiple physical samples. We also obtained various certifications on material sustainability. Please refer to the **Raw Material Sourcing Control** section for more details.
Markets	Increase our exposure in markets with strong demand for sustainable and ethically produced garments, creating growth opportunities in markets with stronger sustainability demand. (e.g., Europe)	Higher market share and revenue from market expansion.	🟠	Short-term	We foster continuous and meaningful dialogue with our clients to strengthen relationships and stay attuned to evolving product preferences, enabling us to respond swiftly to subtle market changes.
Resilience	Improves energy stability using more renewable energy (i.e. solar power), and reduces exposure to energy supply disruptions and its price volatility (especially reduce dependence on oil and gas supplies with high volatility of its market prices), enhancing operational resilience through greater energy independence.	Lower energy cost volatility and potential additional income from excess energy or carbon credits.	🟢	Short-term	Solar power generation systems installed at Huizhou Factories, First Team Factory, and Able Joy Factory have been providing electricity for our operations, reducing exposure to energy price volatility. Excess solar power from Huizhou Factories is sold to the national grid.

The Group engages in a diversified range of business activities, encompassing sweater manufacturing, cashmere yarn production, and fabric manufacturing. Although sweater manufacturing contributes over 80% of the Group's total revenue, the Group is not solely reliant on this single business segment. In addition, the Group maintains manufacturing bases in both PRC and various regions of Vietnam. This geographic distribution of operations demonstrates that the Group's production facilities, and hence the associated climate risks and opportunities, are not concentrated in a single location, nor is the Group dependent exclusively on a particular type of asset or machinery.

Climate Risk Management

To strengthen the resilience to climate change, the Group has incorporated climate-related considerations into our risk management processes and continuously monitors emerging climate-related issues that may affect its business and operations. During the reporting period, we identified three physical and transition risks material to our business through climate scenario analysis. Through the identification, assessment, prioritisation and monitoring of climate-related risks, the Group seeks to enhance the understanding of potential exposures and support the development of appropriate response measures. The Task Force adopts this step-by-step approach to managing climate-related risks, as outlined below:



Nature Strategy and Risk Management

N for Nameson, also for Nature

The Group cares about Mother Nature, striving to align with the TNFD recommendations. Leveraging the similar pillars of the Taskforce on Climate-related Financial Disclosures ("TCFD"), we have established corresponding governance, strategy, risk management, as well as metrics and targets, detailed in this report. In this financial year, the Group initiated the following analysis on nature-related issues, aiming to better understand the relationship between our manufacturing sites and the natural environment.

LEAP Approach

LEAP, developed by the TNFD, stands for Locate the interfaces with nature, Evaluate dependencies and impacts on nature, Assess nature-related risks and opportunities, and Prepare to respond to nature-related issues. Guided by the LEAP approach, we identified and assessed our nature-related dependencies, impacts, risks, and opportunities.

LOCATE the interfaces with nature

Nameson, as a knitwear manufacturer, has operations primarily centered in our factories. Therefore, we focused on examining the interfaces between our factory locations and key natural features, including ecoregions, important biodiversity areas, and regions facing water stress. This assessment covered our Huizhou Factories, Hebei Factory, First Team Factory, S.Power Factory and BTP Factory (located in Tay Ninh, Vietnam), and Able Joy Factory (located in Dak Lak, Vietnam).

Nature Interface

Our factories in Huizhou, Hebei, Tay Ninh and Dak Lak interfaces four distinct ecoregions and three biomes, spanning two ecological realms: Indomalaya and Palearctic[7].

Factories	Ecoregion	Biome
Huizhou Factories	South China-Vietnam subtropical evergreen forests	Tropical & Subtropical Moist Broadleaf Forests
Hebei Factory	Huang He Plain mixed forests	Temperate Broadleaf & Mixed Forests
First Team Factory & S.Power Factory & BTP Factory	Southeast Indochina dry evergreen forests	Tropical & Subtropical Dry Broadleaf Forests
Able Joy Factory	Central Indochina dry forests	

Dynamics with ecologically sensitive locations

We also assessed our factories' interfaces with sensitive locations, including important biodiversity areas and areas of high physical water risk, using various tools.

To identify our factories' interface with important biodiversity areas, we used the Integrated Biodiversity Assessment Tool ("IBAT"). IBAT incorporated our factories' location data and applied a 50 km radius buffer to each factory. It then mapped the overlap between our factories' areas of influence and important biodiversity areas, including habitats of threatened species, protected areas and key biodiversity areas.

Threatened Species	Protected Areas	Key Biodiversity Areas ("KBA")
Species classified as at risk of extinction by the International Union for Conservation of Nature ("IUCN") Red List, based on population status, threats, and conservation needs.	Legally designated regions managed for conservation to safeguard biodiversity and ecosystems.	Sites identified as contributing significantly to the global persistence of biodiversity, based on internationally standardised criteria.
In this assessment, we considered Critically Endangered, Endangered, and Vulnerable species.	In this assessment, we covered national parks and national reserves.	In this assessment, we also considered areas like Important Bird and Biodiversity Areas and Alliance for Zero Extinction Sites.

The assessment results show that the Huizhou Factories intersect with the highest number of threatened species on the IUCN Red List, while the Able Joy Factory interfaces with the greatest number of protected areas and KBA. Notably, all nine protected areas near the Able Joy Factory are nationally designated, and five out of seven KBA are classified as Important Bird and Biodiversity Areas. Meanwhile, the Hebei Factory has the least interaction with important biodiversity areas and threatened species on the IUCN Red List compared to all other factories. Detailed results are as follows:

Factories	Number of threatened species (IUCN Red List) covered by the 50 km radius buffer of the factory			Number of protected areas intersected by the 50 km radius buffer of the factory	Number of protected KBA intersected by the 50 km radius buffer of the factory
	Critically endangered species	Endangered species	Vulnerable species		
Huizhou Factories	25	85	90	0	1
Hebei Factory	1	9	13	0	0
First Team Factory & S.Power Factory & BTP Factory	15	27	46	3	1
Able Joy Factory	18	32	49	9	7

[7] Resolve Ecoregions 2017 is used as a tool to identify the ecoregions, biomes, and ecological realms where our factories are located.

Regions facing high physical water risks are also considered sensitive locations. We used the World Wild Fund for Nature ("WWF") Water Risk Filter ("WRF") to assess the risk levels associated with factors including water availability, flooding and water quality, as outlined in the WWF Technical Guide for TNFD, at the locations of our factories. The assessment indicates that the First Team Factory, S.Power Factory and BTP Factory faces the highest overall physical water risk, while the Able Joy Factory experiences the lowest. Flooding emerges as the most significant challenge, whereas water availability is the least concerning factor. Therefore, the Group will continue to enhance flood-related precautions and strengthen the flood resilience of its facilities. Detailed results are as follows:

Factories	Water Availability	Flooding	Water Quality
Huizhou Factories			
Hebei Factory			
First Team Factory & S.Power Factory & BTP Factory			
Able Joy Factory			

Risk Level	Very Low	Low	Medium	High	Very High

EVALUATE dependencies and impacts on nature

The WWF Biodiversity Risk Filter ("BRF") was utilised to evaluate both dependencies on and impacts to nature of the Group's business activities. The BRF Overview was first used to identify direct dependencies and impacts specific to the industry (i.e., textiles, apparel, and luxury goods production). The level of dependencies and impacts of each factory was then evaluated via the BRF tool with geographical location incorporated, focusing on physical and environmental dependencies and impacts. Further adjustments were made, considering the nature of our business activities and the actual geographical landscape surrounding the factories. The following sections outlined these dependencies and impacts by factory in heat maps.

Dependencies of our factories on nature

From the heat map below, we can see that our factories and business operations have a high dependency on water availability, wildfires, human, livestock and wildlife health, and extreme heat. Since the risk levels for water availability, water quality and flooding above are derived from WRF, while the levels of direct dependency on water availability, water quality and flooding are assessed using BRF, variations in results may arise due to methodological differences between the tools.

Our business has the highest dependency on human, livestock and wildlife health, which is critical to our supply of raw material and our labour force. Disease may affect the health of humans, livestock, and wildlife, such as workers, sheep, and goats. Although the Group does not currently face major disease-related challenges, we are committed to creating a safe and healthy working environment for our employees, and ensuring the sustainability of raw material sourcing. For more information, please refer to the **Workplace Health and Safety** and **Raw Material Sourcing Control** sections.

We also highly depend on water availability, which is essential for manufacturing processes like washing and dyeing. Reduced water availability can disrupt production processes, leading to increased operational costs and intensified resource competition. Although the Group does not face any water sourcing challenges, we are committed to reducing water consumption as part of our responsibility to preserve natural resources. For more information, please refer to the ***Water Conservation*** section.

Dependency Aspects	Direct Dependency	Huizhou Factories	Hebei Factory	First Team Factory, S.Power Factory and BTP Factory	Able Joy Factory
Provisioning Services	Water Availability				
Regulating & Supporting Services — Enabling	Water Quality				
	Air Quality				
Regulating Services — Mitigating	Landslides				
	Wildfires				
	Human, Livestock and Wildlife Health				
	Extreme Heat				
	Tropical Cyclones				
	Flooding				

Level of Direct Dependency	Very Low	Low	Medium	High	Very High

Case Study: Hebei Factory — Dependencies on Nature (Raw Materials)

The Group relies heavily on wool and cashmere, which are natural animal-based fibers. Cotton is another natural fiber that serves as a raw material in our products.



- **Wool:** Each sheep produces around 4.5 kg of wool annually, sufficient for six sweaters. The Group depends on over 2.5 million sheep, representing 0.19% of the global sheep population[8].
- **Cashmere:** Each goat provides only 110 grams of cashmere per year[9]. Hebei Factory produces over 850 tons of cashmere yarn annually, requiring over 7.7 million goats or 0.77% of the global goat population.

Dependencies:

- **Regulating Services (Nature could regulate its balance):**
  Higher temperatures and drier conditions can shorten the wool growth cycle, reducing overall yield. Extreme weather may also stress sheep and goats, making it harder for them to adapt to temperature changes, potentially leading to increased mortality and lower availability of raw materials such as wool and cashmere. Therefore, the regulating services of nature, particularly in mitigating extreme heat, are crucial for ensuring a stable supply of raw materials.
- **Provisioning Services (Nature could generate materials, nutrients and energy):**
  Deforestation impacts cotton production by reducing fertile land and disrupting ecosystems necessary for crop growth. It also decreases the availability of forest products such as paper. As our business relies on cotton for raw materials and paper for packaging, the provisioning services provided by nature are essential to our operations.

8 Figures derived from International Wool Textile Organisation (IWTO).
9 Figure derived from The Cashmere Choice.

Impacts of our factories on nature

From the heat map below, pollutions emerges as the area where our business operations may potentially have the most significant impact on nature. For instance, if not properly managed, wastewater from dyeing and washing pollutes water bodies, harming ecosystems; untreated wastewater and fiber residues harm marine life; hazardous waste disposal degrades soil, impacting biodiversity; manufacturing emissions and packaging waste intensify air pollution, climate change, and landfills. Recognising these potential risks, the Group has proactively implemented measures to minimise and eliminate pollution-related impacts across its operations. For more detailed information on these efforts, please refer to **Leading with Environmental Responsibility**.

Impact Aspects	Direct Impacts	Huizhou Factories	Hebei Factory	First Team Factory, S.Power Factory and BTP Factory	Able Joy Factory
Pressures on Biodiversity	Land, Freshwater and Sea Use Change				
	Forest Canopy Loss				
	Pollution				
Environmental Factors	Protected/Conserved Areas				
	Key Biodiversity Areas				
	Wetlands of International Importance				
	Other Important Delineated Areas				
	Ecosystem Condition				
	Range Rarity				

Level of Direct Impact	Very Low	Low	Medium	High	Very High

ASSESS nature-related risks and opportunities

TNFD defines nature-related risks as potential threats to an organisation arising from its own and wider society's dependencies and impacts on nature. Accordingly, in the Assess phase, the Group identifies nature-related risks and opportunities that could affect its business, taking into account the nature interface, as well as the dependencies and impacts on nature outlined in the Locate and Evaluate phases.

Nature-Related Risk

The following table explores nature-related risks and their financial impacts, covering acute and chronic physical risks as well as transition risks across policy, market, reputation, technology, and liability areas. Understanding these risks enables the Group to build resilience and align with sustainability goals.

Risk Type		Nature-Related Risk	Potential Financial Impact
Physical Risk	Acute	Degradation of nature and loss of natural protection can intensify the severity of extreme weather events, such as flooding, typhoons, and storms, leading to asset damage (e.g., factories, equipment) and operational disruptions.	Impaired assets, increased disaster recovery costs, higher insurance premiums, and increased expenditure on flood and storm protection.
		Pests or diseases affecting fiber-producing animals and plants disrupt raw material quality and supply.	Reduced raw material availability and productivity, increased costs of alternative sourcing or mitigation strategies.
	Chronic	Water scarcity impacting dyeing, washing and finishing processes could constrain production.	Increased operational costs due to water treatment or alternative sourcing, disruption of production schedules leading to revenue losses.
		Species loss and degradation caused by pollution from dyeing processes can lead to a decline in ecosystem services, such as water purification, indirectly impacting water quality; and affect ecosystem provisioning services, such as the supply of raw materials like wool and cashmere.	Higher operational costs for alternative solutions and compliance measures related to water management; and increased costs due to raw material shortages.
Transition Risk	Policy	Emerging regulations on sustainable textile production may impose stricter limits on water usage, wastewater discharge, and chemical use.	Higher compliance costs for adapting operations to meet stricter regulations.
		More stringent nature-related reporting requirements.	Increased costs for personnel and monitoring activities required for detailed reporting.
	Market	Increased demand for eco-friendly textiles and materials with lower environmental impacts.	Increased production costs to meet sustainability standards, potential loss of market access for non-compliant products.
		Volatile wool and cashmere prices may arise from limited supply or higher demand for sustainably sourced materials.	Increased raw material costs and lower profit margins unless offset by higher product prices.
	Reputation	Poor environmental stewardship, such as pollution or unsustainable practices, may harm brand perception among eco-conscious consumers.	Decreased client loyalty, reduced demand, lower revenue, and loss of stakeholder trust.
	Technology	Investment in low-impact production technologies and monitoring tools to align with regulatory and market expectations.	Higher R&D expenditure and costs to integrate new systems and processes into existing operations.
	Liability	Legal claims arising from environmental damages or non-compliance with regulations.	Fines, penalties, legal fees, and revenue loss due to reputational damage.

Nature-Related Opportunity

The following table highlights nature-related opportunities and their financial benefits, focusing on resource efficiency, sustainable products, market expansion, and reputation building. By leveraging these opportunities, the Group may reduce costs, access new markets, enhance brand value, and strengthen resilience while aligning with sustainability goals.

Opportunity Type	Nature-Related Opportunity	Potential Financial Impact
Ecosystem restoration, protection and regeneration	Direct and indirect restoration and conservation of ecosystems, habitats and species.	Reduced cost of raw material due to sufficient supply, ensured by the improvement in ecosystem extent and condition, as well as species abundance and reduced extinction risk.
Resource Efficiency	Adoption of water-saving and water treatment technologies.	Reduced operational costs and increased resilience to water scarcity.
	Recycling wastewater to minimise environmental impact and reduce reliance on fresh water supplies.	Lower wastewater discharge expenses and compliance costs.
Products/Services	Development of eco-friendly sweater product lines using sustainable fibers.	Improved competitive position and access to new revenue streams.
Markets	Securing certifications (e.g., GOTS, RWS, GRS) to attract environmentally conscious consumers.	Increased revenue from emerging sustainability-focused markets.
Financial Incentives	Accessing sustainability linked loans for emerging environmental friendly technology adoption.	Increased capital access for eco-friendly projects.
Reputational capital	Promoting eco-conscious branding for our products.	Enhanced brand value, increased client stickiness, and long-term competitiveness.
Sustainable use of natural resources	Reuse and recycling of natural resources, including the incorporation of recycled fibers in our products, certified by the Recycled Claim Standard (RCS) v2.0 and the Global Recycled Standard (GRS) v4.0. For other certifications on raw material sustainability, please refer to the **Raw Material Sourcing Control** section.	Enhance raw material usage efficiency, reducing cost of inventory and waste disposal.

PREPARE to Respond

To address the nature-related issues identified in previous stages, the Group has implemented various actions. Following the recommendations of the TNFD, we are adopting the Science Based Targets Network's ("SBTN") Action Framework, AR3T. This framework, developed based on the mitigation hierarchy, categorises actions into Avoid, Reduce, Regenerate, Restore, and Transform.

Avoid	Prevent negative impacts on nature before they occur.
Reduce	Minimise negative impacts that cannot be entirely avoided.
Regenerate	Enhance the biophysical function and ecological productivity of ecosystems within their current uses.
Restore	Initiate or accelerate the full recovery of an ecosystem, focusing on permanent changes to its state.
Transform	Change the underlying systems in which companies are embedded to address the drivers of nature loss.

Referring to the Company Response Options Database developed by the SBTN, the following table highlights the Group's efforts in response to nature-related issues.

Avoid

Hazardous Waste Management:
Hazardous wastes and pollutants are treated in compliance with regulations to prevent harm to ecosystems.

More details, please refer to: ***Waste Management***

Restore & Regenerate

Afforestation Efforts:
Afforestation initiatives are conducted at each of our factories, with green coverage over 30% (excluding S.Power Factory and BTP Factory), contributing to forest landscape restoration.

More details, please refer to: ***Creating a Greener Community within the Production Base***

Reduce

Wastewater Treatment:
Minimise pollutant discharge and reduce environmental impacts.

More details, please refer to: ***Wastewater Treatment***

Water Reclamation:
Recycle wastewater back into the production process to reduce the reliance of fresh water supplies.

More details, please refer to: ***Water Conservation***

Chemical Management:
Participated in Supplier to Zero (Level 1) Programme initiated by Zero Discharge of Hazardous Chemicals Foundation (ZDHC) to reduce the risk related to chemical management.

More details, please refer to: ***Waste Management***

Transform

Policies for Positive Change:
Policies considering water and sewage as well as biodiversity and nature conservation are in place.

Support for Agricultural Certification:
Better Cotton Initiative (BCI), U.S. Cotton Trust Protocol, Global Organic Textile Standards (GOTS) and Organic Content Standard (OCS).

More details, please refer to: **Raw Material Sourcing Control**

Case Study: Bee Boxes Donation



Since Huizhou Factories intersect with the highest number of threatened species on the IUCN Red List, to conserve the natural ecosystem, the Group committed to installing 1,000 Bee Boxes in Shenshan Special Cooperation Zone for the next 10 years. During the reporting period, the Group donated 100 Bee Boxes to support this project.

As the majority of our raw materials, including wool, cashmere and cotton, are produced by natural environment, the sustainable supply of these materials is critically important to our operations.

Bees are important in pollen transportation for flowers which facilitate the growing of cotton. In addition, growing of flowers and plants could strengthen the food chain for goats and sheep. Being an adopter of TNFD, we are dedicated to restoring and recovering the natural environment.

✧ *Metrics and Targets*

To support the national "Dual Carbon" goals, the Group has established a clear roadmap and set specific GHG reduction and energy saving targets to drive the low-carbon transition and improve energy performance.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

During the reporting period, the Group's near-term GHG reduction targets were officially validated by SBTi, marking a transition from the previous target of reducing total GHG emissions by 10.5% to a more robust target framework covering Scope 1, Scope 2 and Scope 3 emissions.

GHG Reduction Targets

The Group[10]:
Commits to reduce absolute scope 1 and 2 GHG emissions
52.48%
by FY2031 from a FY2023 base year.

The Group:
Commits to reduce absolute scope 3 GHG emissions
27.5%
by FY2031 from a FY2023 base year.

Hebei Factory:
Commits to reduce absolute scope 1 and 2 GHG emissions
46.2%
by FY2031 from a FY2024 base year.

Hebei Factory:
Commits to reduce absolute scope 3 GHG emissions
27.5%
by FY2031 from a FY2024 base year.

Energy Saving Target

The Group:
Commits to reduce total energy consumption by
4.3%
by FY2031, against the baseline FY2021.

At the same time, the Group has established a GHG inventory covering Scope 1, Scope 2 and Scope 3 emissions in accordance with the GHG Protocol. To have a more refined climate risk management for our core business segment, GHG reduction targets have been set for the Hebei Factory, which have been validated by the SBTi and are aligned with the 1.5°C pathway. The Group will continue to pursue its carbon reduction commitments and contribute to a low-carbon transition.

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10 The Group's near-term targets have been validated by the SBTi and are aligned with the 1.5°C pathway. The targets cover the Group's operations, including the Hong Kong offices, PRC Factories, and Vietnam Factories.

✧ *GHG Emission*

GRI 305-1, 305-2, 305-3, 305-4, 305-5

During the reporting period, the Group's mitigation efforts resulted in total carbon emissions of 118,350 tCO_2e, reflecting a 18.2% year-on-year increase and 10.5% higher compared to financial year 2023. Carbon intensity was 1.72 kg of CO2e per production unit, representing a 2.5% year-on-year decrease and 21.6% lower compared to the financial year 2023.

The increasing GHG emissions in this financial year was mainly caused by 26.1% increase in total energy consumption. Majority of such contribution was due to a significant pick up in revenue and its business activities of the newly included S.Power Factory in this financial year. Emission from electricity consumption was still the predominant GHG emissions source in our portfolio, therefore the Group completed two rooftop solar projects in both First Team Factory and Able Joy Factory in this financial year.

Close to 55% of our Scope 1 and Scope 2 GHG emission relied on electricity which placed the Group in a better position as national grids is expected to be greener overtime due to more renewable energy to be integrated into the grid. Through increasing the usage of low emission energy source (wood pellets), GHG emissions from fossil fuel combustion reduced meaningfully in the past few years.

During the reporting period, PRC Factories, First Team Factory and Able Joy Factory completely abolished coal as a source of energy generation.

GHG Emissions[11]	FY2026	FY2025[14]
Scope 1 (tCO_2e)	53,836	42,558
Scope 2 (tCO_2e) (Location-based)	64,514	57,606
Scope 3 (tCO_2e)	222,768	219,639[15]
Total GHG emissions (Scope 1 and Scope 2) (tCO_2e)[12]	118,350	100,164
Total intensity of GHG emissions (Scope 1 and Scope 2) (kg of CO_2e/production unit)	1.72	1.77
Total net GHG emissions (Scope 1, Scope 2 and Scope 3) (tCO_2e)[13]	341,014	319,701
Total net intensity of GHG emissions (Scope 1, Scope 2 and Scope 3) (kg of CO_2e/production unit)	4.97	5.64
Total GHG emissions reduced by planting trees (tCO_2e)	104	102

The calculation of Scope 3 emissions is conducted with reference to the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. To ensure data comparability and consistency, the Scope 3 emissions for FY2025 and FY2026 are calculated using the same methodology and standards applied in the FY2023 baseline year.

Please refer to the **Appendix IV Carbon Accounting Methodology** for more details of the carbon accounting methodologies and the categories of Scope 3 emissions.

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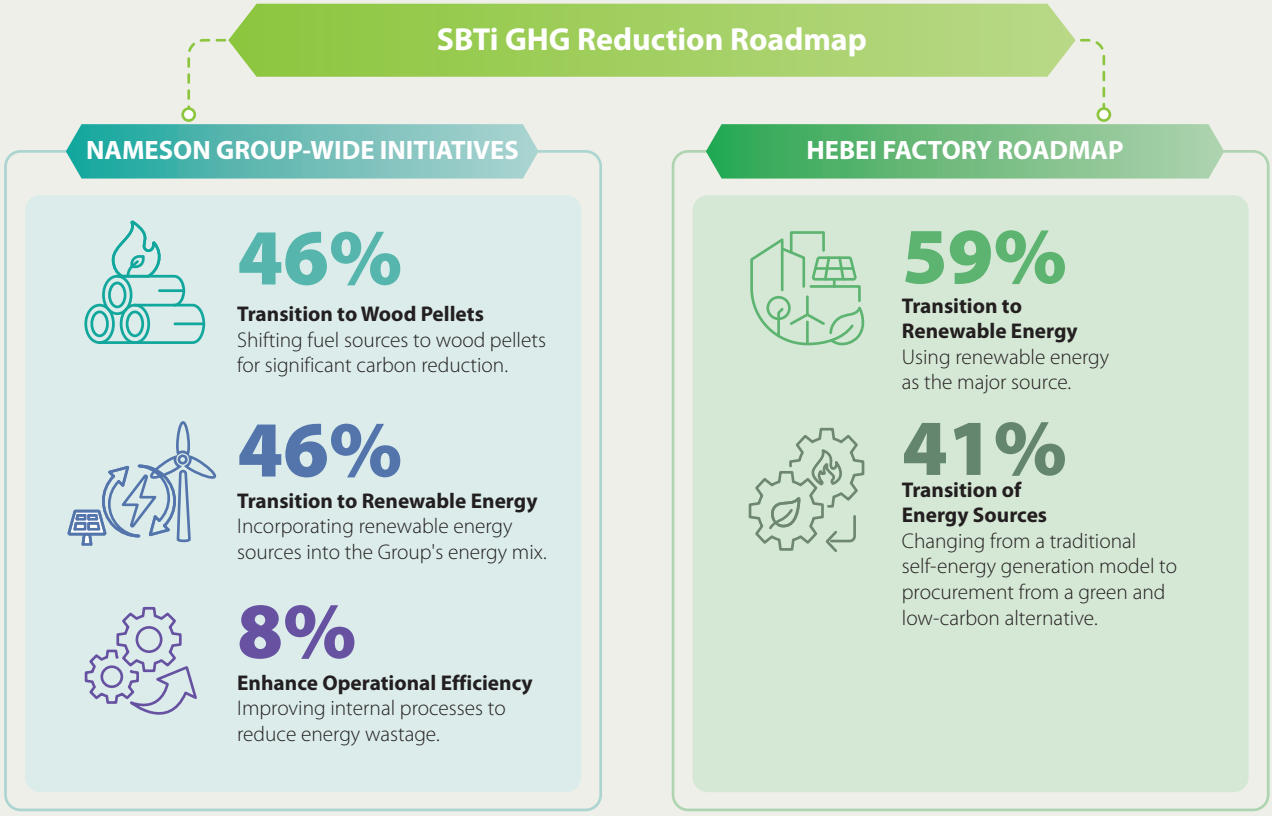
11 Calculation of GHG emissions covers all relevant gases emitted from our fuel sources, including CO_2, CH_4, and N_2O.

12 Total GHG emissions (Scope 1 and Scope 2) and their intensities do not include Scope 3 other indirect GHG emissions and total GHG emissions reduced by planting trees.

13 Total net GHG emissions (Scope 1, Scope 2 and Scope 3) and their intensities include Scope 3 other indirect GHG emissions and total GHG emissions reduced by planting trees.

14 The FY2025 GHG emissions have been restated to reflect an expanded reporting scope.

15 For Scope 3 emissions, the prior year figures only included Category 6 (business travel). The revised figures reflect the inclusion of all relevant Scope 3 categories applicable to the Group.



The Group committed to the GHG emission reduction path according to the SBTi suggestions. The Group strives to transit majority of our fossil fuel energy sources to wood pellets by the end of FY2031. In addition, the Group continue to explore the feasible sites for solar power installation. For our Hebei Factory, solar power installation and transition of the energy sources could help this subsidiary to meet its GHG emission reduction target.

The boiler at our Huizhou Factories were identified as one of the Group's key sources of carbon emissions. During the reporting period, the Group engaged independent third party to conduct energy audit to evaluate opportunities for optimising our energy mix.

Based on the consultant's recommendations, we are evaluating the cost-efficiency and execution feasibility to replace steam-driven air-conditioning systems with electricity-driven air-conditioning systems and adopt solar-powered equipment to substitute steam for heating water in staff dormitories. Together with additional administrative measures, these initiatives are expected to reduce carbon emissions by approximately 4,100 tons of CO_2e.

During the reporting period, our Hebei Factory engaged a third party to conduct carbon footprint assessments and verifications for cashmere yarn in compliance with ISO 14067:2018.



ISO 14067:2018 Product Carbon Footprint Verifications

✧ *Energy Consumption*

During the financial year, our energy consumption increased by 26.1% year-on-year or 79.2% higher than our base year in FY2021. More works need to be done to achieve our FY2031 target of reducing energy consumption by 4.3%. As further expanding our production base in Vietnam, the energy consumption increased. In terms of per unit energy consumption, it increased 4.1% year-on-year or increased 2.0% versus our base year in financial year 2021.

Energy Consumption	FY2026	FY2025[16]
Total energy consumption (MWh)	452,846	359,025
— Energy consumption intensity (kWh/production unit)	6.60	6.34
Total direct energy consumption (MWh)	329,815	259,404
— Coal consumption (MWh)	145,314	103,637
— Unleaded petrol consumption (MWh)	797	695
— Diesel consumption (MWh)	3,934	3,788
— Liquefied petroleum gas consumption (MWh)	1,119	850
— Natural gas consumption (MWh)	69,751	69,612
— Wood pellet consumption (MWh)	108,898	80,821
— Towngas consumption (MWh)	1.27	0.79
— Kerosene consumption (MWh)	0.38	0.19
Total indirect energy consumption (MWh)	108,691	91,800
— Purchased electricity consumption (MWh)	103,039	90,312
— Purchased steam consumption (MWh)	5,652	1,488
Solar power consumption (MWh)	14,340	7,821

16 The FY2025 energy consumption data have been restated to reflect an expanded reporting scope.

✧ *Water Consumption*

GRI 303-1, 303-5

During the reporting period, the Group's water consumption was mainly on account of factory operations and water was sourced from municipal bodies. Total water consumption reached 4,022,000 m^3, representing a 11.7% increased compared to the previous financial year. The water consumption intensity was 0.06 m^3 per production unit, representing a 7.8% year-on-year decrease.

The increase in total water consumption was mainly driven by a significant rise in production volume at our S.Power Factory, while the decrease in water consumption intensity was primarily due to improved water usage efficiency at the Huizhou Factories and First Team Factory.

Water Consumption	FY2026	FY2025[17]
Total water consumption ('000 m^3)	4,022	3,601
Water consumption intensity (m^3/production unit)	0.06	0.06

✧ *Air Emission*

GRI 305-7

The NO_X, SO_X, and particulate matter (PM) (including dust) generated by the Group primarily originate from operation of boilers, use of gas stoves in the canteen, and vehicle emissions. During the reporting period, the Group generated 3.07 tonnes of NO_X, 0.01 tonnes of SO_X, and 0.24 tonnes of PM.

Air Emissions	FY2026	FY2025
NO_X (tonnes)	3.07	2.76
SO_X (tonnes)	0.01	0.01
PM (tonnes)	0.24	0.22

[17] The FY2025 water consumption data have been restated to reflect an expanded reporting scope.

✧ *Waste Generation*

During the financial year, the Group generated 6.32 tonnes of hazardous waste and 11,712 tonnes of non-hazardous waste. A meaningful increase in waste generation was due to the significant ramp-up of our S.Power Factory.

Waste Generation	FY2026	FY2025[18]
Hazardous waste		
Total volume of hazardous waste (tonnes) generated	6.32	4.88
Intensity of generation of hazardous waste (g/production unit)	0.09	0.09
Non-hazardous waste		
Total volume of non-hazardous waste (tonnes) generated	11,712	6,656
Intensity of generation of non-hazardous waste (g/production unit)	170.6	117.5
Total volume of recycled and reused non-hazardous waste (tonnes)	1,717	1,344
Total volume of disposed non-hazardous waste (tonnes)	9,995	5,312

✧ *Packaging Materials*

During the financial year, the Group used 510 tonnes of plastic bags/wrap and 1,242 tonnes of cartons/cardboard cores. Compared to previous financial year, the total packaging materials used for finished products increased by 6.8%.

Packaging Materials Used for Finished Products	FY2026	FY2025[19]
Total packaging materials used for finished products (tonnes)	1,752	1,640
Packaging materials used for finished products per production unit (g/production unit)	25.5	29.0
Plastic bags/wrap (tonnes)	510	426
Cartons/cardboard cores (tonnes)	1,242	1,214

Leading with Environmental Responsibility

Energy and Climate Resilience

The Group understands that managing energy and resources is important for sustainable development. To enhance energy efficiency, we have put in place a clear management framework and implemented the Use of Energy and Energy Efficiency Policy. We monitor our energy performance on a quarterly basis and conduct regular reviews to guide improvement efforts across our operations, including better production planning and equipment management.

Our Huizhou Factories have a robust real-time Energy Measurement Management System to track and monitor energy consumption and savings. It also conducts a comprehensive annual self-assessment to evaluate performance against energy-saving objectives. The assessment covers two key areas: "Energy-Saving Targets" and "Energy-Saving Measures", including criteria such as reductions in annual energy intensity, total energy consumption control, energy management, and regulatory compliance. We also regularly review our energy-saving goals and progress to ensure continuous improvement. Meanwhile, the First Team Factory has established and updated its Environmental Protection Management Policy to guide ongoing efforts in energy conservation and minimising energy use.

In S.Power Factory, we comply with local government requirements to submit quarterly environmental evaluation reports. These reports provide regular updates on the factory's environmental performance, enhance transparency, and support continuous monitoring to ensure compliance with relevant regulations. In addition, First Team Factory conducted a greenhouse gas emissions inventory during the reporting period to identify and quantify its greenhouse gas emissions and support carbon management.

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18 The FY2025 waste generation data have been restated to reflect an expanded reporting scope.

19 The FY2025 packaging materials data have been restated to reflect an expanded reporting scope.

✧ *Green Energy Development*



Phase I of Huizhou solar power generation facilities

As part of our clean energy production management policy, we have installed monocrystalline silicon solar panels on the roof of the Huizhou Factories to reduce reliance on fossil fuels and increase the proportion of renewable energy usage. The electricity generated from the two phases of the photovoltaic power generation project is used within the Huizhou Factories, with any surplus sold to the national grid.

We use a cloud data platform provided by the inverter supplier to collect and monitor photovoltaic power generation and equipment status in real time. If any data anomalies or equipment issues are detected, inspections, cleaning, or repairs are promptly arranged. We also regularly analyse the platform data to further improve energy use efficiency.

During the reporting period, we extended the photovoltaic power generation project to almost all of our Vietnam Factories (excluding S.Power Factory and BTP Factory) to further increase the share of renewable energy used, aiming to optimise our low-emission energy mix.



Phase II of Huizhou solar power generation facilities

Solar panels in Phase I of First Team Factory





Solar panels in Phase I of Able Joy Factory

Solar panels in Phase II of First Team Factory





Solar panels in Phase II of Able Joy Factory

Category	Huizhou Factories (Phase I)	Huizhou Factories (Phase II)	First Team Factory (Phase I)	First Team Factory (Phase II)	Able Joy Factory (Phase I)	Able Joy Factory (Phase II)
Installation capacity (MW)	4.85	2.80	3.74	0.76	2.50	1.65
Area of photovoltaic module (Square meter)	23,036	13,500	14,967	3,344	9,988	7,306
Theoretical utilization hours per year (Hour)	1,100	1,100	1,250	1,250	1,250	1,250
Power generation in this financial year (MWh)	5,024	3,202	4,568	354	2,412	413
Reduction in GHG emissions in this financial year (tCO_2e)	2,696	1,718	3,011	233	1,590	272
Commercial operation date	June 2022	January 2023	December 2024	October 2025	March 2025	October 2025

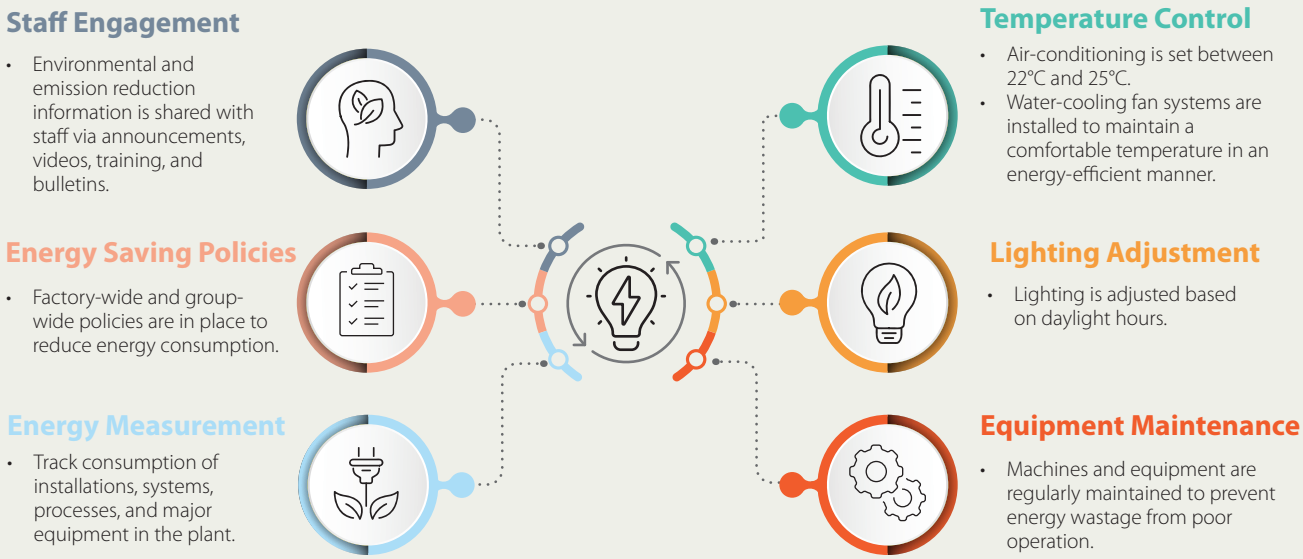
✧ ***Enhancing Equipment Efficiency***

To ensure energy and water efficiency, our Huizhou Factories have installed the "Chiller Water Intelligent Control System" (referred to as the "Intelligent Control System"). This system enables real-time monitoring and control of key parameters, including cooling tower inlet and outlet water temperatures, cooling water discharge and flow rate, energy consumption, and online water quality data, to ensure stable cooling water conditions. Through this system, we can minimise the environmental impact of cooling water discharge. In addition, we have upgraded the cooling and chilled water pump systems in the central air-conditioning station. These efforts altogether enhance the efficiency of water and electricity usage in the Intelligent Control System.



✧ *Energy Saving Measures*

Energy saving measures are in place across production sites and offices:



In this financial year, the Group's GHG reduction targets are validated by SBTi. Building on this foundation, we will develop more proactive energy-saving strategies and measures to support the Group's transition toward low-carbon and sustainable development. In the coming years, the Group will continue to collaborate closely with key clients and government authorities to ensure compliance with the latest ESG requirements and carbon reduction policies.

Water Conservation

GRI 303-1, 303-5

All our factories have established water reclamation stations as a key water conservation measure. We treat the effluent from production by using the biochemical treatment technology and softening system of the water reclamation system to further remove the organic pollutants from the effluent. The treated effluent is reused in the flushing system, washing of factory roads and plant irrigation. At the Hebei Factory, the water reclamation system purifies dyeing wastewater, enabling it to be recycled back to the production line. This process achieves a 30% water recycling rate which significantly reduces overall water consumption. The Group is committed to reducing water consumption and enhancing water efficiency throughout its operations.

✧ *Water Saving Measures*

- Reminders for energy and water saving are posted at conspicuous spots.
- A subsidised water and electricity system is in place to provide a fixed amount of free water and electricity in staff quarters to encourage staff to conserve resources.
- Regular maintenance checks are carried out on water pipes to avoid wastage of water due to wear and tear problems such as clogs and leaks.

The use of water mainly comes from the water plant of the places where we operate, we have not encountered any problem in sourcing water. During the reporting period, the Group is not aware of any material breach or non-compliance with relevant local laws and regulations stated in the Environmental Section in **Appendix II: Applicable Laws and Regulations**, which have a significant impact on the Group's business.

Exhaust Gas Treatment

GRI 305-7

The Group responsibly manages its air emissions and closely monitors the emission levels to ensure compliance with relevant regulations in all locations where it operates. Emissions primarily originate from boiler operations, the use of gas stoves in canteens, and vehicle travel. Key pollutants monitored include nitrogen oxides (NO_x), sulphur oxides (SO_x), and particulate matter (such as smoke and dust). To ensure compliance, we have established internal pollutant emission guidelines and rules, and environmental management procedures. Approved boilers and air pollution control systems are installed at our factories to ensure that emissions meet local standards. During the reporting period, Huizhou Factories monitored air emissions and obtained a pollutant discharge permit.

At our S.Power Factory, a detector is installed in the boiler chimney to ensure compliance with local air emission regulations. The data recorded by this detector is transmitted directly to our cloud platform and simultaneously sent to the local government's data management system at 5-minute intervals. The detector monitors and records emissions of NO, CO_2, CO, SO_2, NO_x and dust from the boiler.

We regularly engage independent third-party organisations accredited by national authorities to conduct compliance testing of boiler emissions in accordance with local regulations. During the reporting period, the Group is not aware of any material breach or non-compliance with relevant local laws and regulations stated in the Environmental Section in **Appendix II: Applicable Laws and Regulations**, which have a significant impact on the Group's business.

In alignment with PRC's carbon neutrality plan and environmental protection strategy, our PRC Factories have fully transitioned to more energy-efficient and environmentally friendly natural gas boilers. Compared to coal, natural gas has significantly lower nitrogen and sulphur content, resulting in reduced emissions of CO_2, SO_x, and NO_x during combustion. Additionally, due to its superior mixing with air, natural gas boilers achieve higher combustion efficiency and energy utilisation compared to coal-fired boilers. By installing energy-saving devices and condensers, natural gas boilers effectively control exhaust gas temperature, collect residual heat and further enhance boiler thermal efficiency.

Our boilers also incorporate advanced environmental technologies:

- A flexible corrugated furnace design and two-pass threaded pipes increases the heating surface and thermal conduction, enhancing heat transfer efficiency to promote complete combustion and reduces harmful emissions.

- High-quality burners and micro-positive pressure combustion technology ensure a stable dynamic condition and adequate combustion to avoid the gas shock phenomenon, thereby reducing smoke and noise.

Furthermore, our boiler maintenance personnel conduct regular performance tests to ensure optimal equipment operation, reducing energy wastage and improving overall efficiency.

Waste Management

To properly handle various types of waste and by-products generated during production, so as to minimise environmental impact, we have established the group-wide Waste Management Policy and waste disposal procedures. Our comprehensive waste management system ensures waste disposal compliance and minimises negative environmental impacts. The Group is committed to reducing the generation of hazardous and non-hazardous waste through improved operational efficiency and the implementation of more robust process controls. During the reporting period, the Group is not aware of any material breach or non-compliance with relevant local laws and regulations stated in the Environmental Section in **Appendix II: Applicable Laws and Regulations**, which have a significant impact on the Group's business.

✧ ***Non-Hazardous Waste Management***

Municipal Solid Waste & Paper Waste

- **Waste Sorting & Disposal:** Waste from staff quarters and office areas is collected daily and transported to designated storage areas for processing by qualified service providers. To promote proper waste separation, a classification system is implemented to sort domestic waste into three categories: "recyclable," "non-recyclable but degradable," and "non-recyclable and non-degradable", encouraging employees to dispose of waste accordingly.
- **Plastic Reduction Initiative:** Our factories have reduced the purchase of bottled drinking water to minimise plastic waste.
- **Paper Recycling & Reuse:** Employees are encouraged to adopt paper-saving practices. Used paper is collected, reused, and recycled. We also promote the use of digital management systems and paperless campaigns in our offices to further reduce our paper consumption in the long term.

Industrial Solid Waste

- **Waste Cardboard, Waste Yarn and Waste Yarn Bobbins:** These materials are sorted and sold to qualified recycling service providers. In collaboration with selected suppliers, we also facilitate the recycling and reuse of waste yarn bobbins to maximise the recycling rate of waste material. Wherever possible, surplus yarn is prioritised for reuse in production without compromising product quality. Particularly, at Hebei Factory, recycled yarn will be used in products upon client request. Some of Hebei Factory's sample and surplus yarns will be donated to various academic institutions for education purposes.
- **Boiler Slag:** Heavy metal content analysis is conducted to screen out slag with excessive metal content. Appropriate treatment will then be conducted by qualified recycling service providers.
- **Sludge Treatment:** Sludge generated from wastewater purification is stored in designated collection areas to prevent contamination before appropriate treatment by qualified recycling service providers.
- **Cinder Treatment:** Coal is still one of the energy sources for S. Power Factory and BTP Factory. Therefore, the cinder generated from burning coal is collected and is arranged appropriate disposal by the authorised agent in Vietnam.

Food Waste Treatment

- **Food waste:** It mainly comes from leftovers generated by the staff canteens. Kitchen garbage is removed every day to avoid the breeding of bacteria. To minimise food waste, the food and beverage department will purchase and prepare meals according to the number of visitors and employees. The cherish food campaign is widely promoted to encourage food conservation. Our Huizhou Factories cooperate with swine farms and our Hebei Factory cooperate with poultry farms to recycle our food waste. The farms are responsible for recycling our kitchen waste as feed for pigs and poultry after appropriate treatment.

Case Study: Promoting a Greener Workplace — Office Recycling Scheme

To foster a culture of environmental responsibility, our Hong Kong Offices launched an Office Recycling Scheme aimed at reducing day-to-day waste. Six clearly labelled recycling bins were placed in the pantry area to encourage easy and effective waste sorting by employees.

Collected recyclables are regularly delivered to the "Green@Community" recycling point for proper processing. To further motivate participation, reward points earned through recycling have been redeemed for small gifts as a token of appreciation for our colleagues' ongoing efforts.

This initiative not only supports waste reduction but also strengthens our commitment to community-based environmental action. By turning everyday habits into meaningful change, we are making sustainability part of our workplace culture.









During the reporting period, the Hong Kong Offices recycled (kg):

Paper	**314.7**
Metals	**17.0**
Plastic Bottles	**35.9**
Other Plastics	**28.2**
Beverage Cartons	**12.0**

✧ *Hazardous Waste Management*

The Group is committed to the responsible management of hazardous substances across its operations and supply chain. We adhere to internationally recognised standards and client requirements, and will continue to enhance our chemical management practices to minimise the use of hazardous substances and mitigate their potential impacts.

At First Team Factory, we have implemented a specialised management system for handling hazardous materials such as chemical containers, production waste, and substances containing heavy metals (e.g. fluorescent tubes) used in the production process. Similarly, at the Hebei Factory, we ensure proper handling of dye packaging bags, liquid waste, and waste reagents used in the cashmere yarn production process.

To ensure safe and compliant treatment of hazardous waste, all factories have established dedicated hazardous waste storage areas. All hazardous waste is collected and stored with proper hazardous waste labels, and managed according to the hazardous waste classification codes. Qualified recycling service providers have also been entrusted to properly handle such waste.

Additionally, the Hebei Factory has formulated waste disposal and recycling procedures. They regulate the collection, storage, transfer, utilisation, and disposal of hazardous waste in compliance with relevant requirements and regulations. Designated departments are responsible for supervising and managing hazardous waste.

In our sweater manufacturing business, the use of chemicals in washing procedures is unavoidable. To ensure minimal disruption towards the environment, our Huizhou Factories, First Team Factory and Able Joy Factory participate in the Supplier to Zero (Level 1) programme proposed by ZDHC.

During the reporting period, the Group is not aware of any material breach or non-compliance with relevant local laws and regulations stated in the Environmental Section in **Appendix II: Applicable Laws and Regulations**, which have a significant impact on the Group's business.

Packaging Materials

The packaging materials used by the Group are mainly plastic bags and carton boxes, the sizes of which are determined according to the requirements of different clients and size of the products. As packaging is an integral part of product manufacturing, we strive to enhance the use of materials and resources. We reuse the old cartons which are in good condition internally. Besides, the leftover clear plastic bags after packaging are recycled into plastic pellets and then remade into plastic bags of different sizes.

Wastewater Treatment

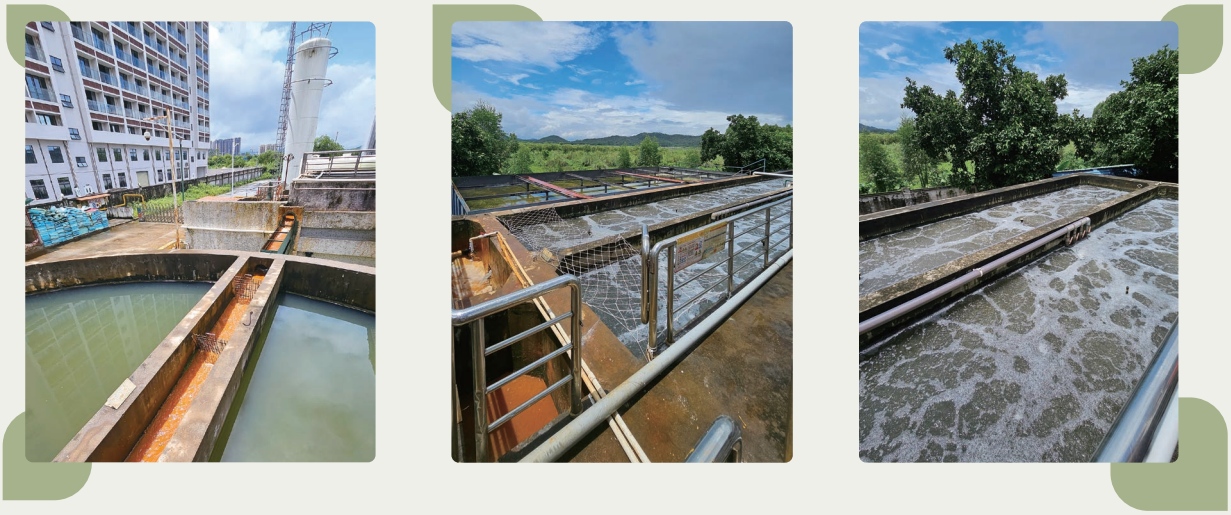
GRI 303-2

Our sewage is primarily generated from water for daily life and washing materials used in the manufacturing process of knitwear products, such as degreasers, rust removers and reserving agents. For the fabric manufacturing business, sewage is primarily generated from dyeing and washing processes. Therefore, wastewater treatment is a critical component of our environmental management efforts.

We have established standardised procedures for wastewater discharge and treatment, and have installed independent wastewater treatment systems in all our factories. These systems use dedicated pipelines to collect both production and domestic wastewater, which is then disinfected and purified to ensure that pollutant levels meet local regulatory requirements before being discharged to local wastewater treatment centres.

Production Site	Daily Treatment Capacity (m^3/day)
Huizhou Factories	2,000
First Team Factory	2,800
S.Power Factory & BTP Factory	6,000
Able Joy Factory	1,500
Hebei Factory	1,000

Wastewater Discharged	FY2026	FY2025
Total wastewater discharged ('000 m^3)	3,375	2,879



Wastewater Treatment Facilities in Huizhou Factories

The increase in wastewater discharge is aligned with the trend observed in the ***Water Consumption*** section. Water consumed for both production and domestic purposes is required to be treated in our wastewater treatment facilities. The increase in business activities at our S.Power Factory explains the corresponding increase in wastewater discharge during the reporting period.

In addition, the wastewater treatment systems at our PRC Factories are equipped with an environmental monitoring station. An anion detection device installed in the clear water basin enables remote monitoring to ensure that the discharge quality complies with the relevant standards. At our S.Power Factory, a sewage detection device is installed in the sewage treatment tank, enabling both the government and the Group to monitor the sewage discharge content (including but not limited to Total Suspended Solids ("TSS"), Chemical Oxygen Demand ("COD"), Ammonium) at 5-minute intervals. This monitoring system ensures compliance with local government and industrial park A-grade sewage discharge standards. Should the wastewater treatment system experience a fault, wastewater is temporarily stored in a reservoir until the system is repaired and the water can be processed and filtered, thereby preventing untreated wastewater from being discharged and impacting the environment.

We regularly engage independent third-party professional agencies, accredited by national authorities, to conduct comprehensive monitoring and testing of our wastewater discharge. The tests include key indicators such as Five-day Biochemical Oxygen Demand ("BOD5"), Total Nitrogen, Total Phosphorus, and Total Suspended Solids.

The Group continues to optimise our wastewater treatment technologies and enhance water resource management efficiency to ensure regulatory compliance and minimise environmental impact. The wastewater treatment capacity of S.Power Factory is being expanded in line with business demand. During the reporting period, the Group is not aware of any material breach or non-compliance with relevant local laws and regulations stated in the Environmental Section in **Appendix II: Applicable Laws and Regulations**, which have a significant impact on the Group's business.

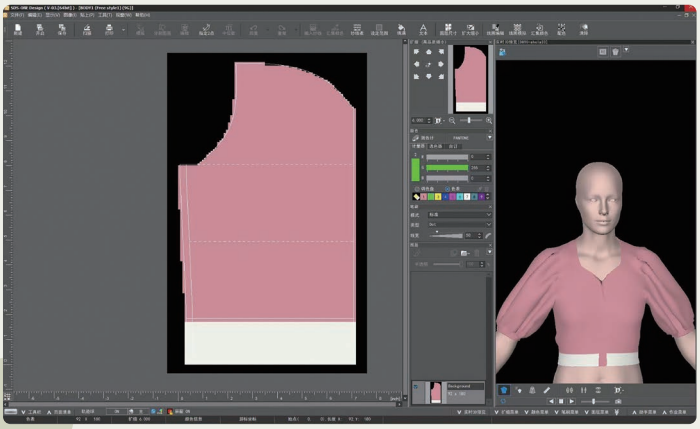
Nature and Conservation

The Group is continuously assessing and managing business operations to preserve biodiversity and maintain the health and stability of ecosystems. We are committed to ensuring that our operations do not cause significant impacts on the surrounding environment. Meanwhile, we actively promote green manufacturing and are dedicated to establishing eco-friendly factories to further our sustainability efforts.

The Group is committed to advancing circular fashion across the product lifecycle, promoting green manufacturing by improving material efficiency, reducing waste, and exploring recycling and reuse. Products incorporating recycled materials certified under the GRS close the loop, re-integrating recycled inputs into production and reinforcing sustainable practices across our value chain. In enhancing material efficiency, the Group strives to optimise product development processes using green manufacturing techniques as shown below.

Green Manufacturing

The Group leverages an advanced flat knitting simulation system to create high-definition 3D samples. These design samples are regularly uploaded to the Group's dedicated website, enabling clients to preview product outcomes and request modifications without repeated physical prototyping. Once clients select their preferred designs, the sampling team produces physical samples in accordance with the agreed specifications. This innovation significantly shortens development cycles, improves communication efficiency, reduces costs, and minimises material waste.



Creating a Greener Community within the Production Base

The Group actively promotes greening initiatives across all its factories, where each factory has a greenery ratio of at least 30% (excluding S.Power Factory and BTP Factory). This leverages the photosynthesis of trees to increase carbon dioxide absorption and offset carbon emissions, while creating natural habitats for wild animals and fostering a healthy and comfortable workplace for our employees. Additionally, the Huizhou Factories feature an organic farming area where seasonal vegetables and fruits are grown and provided to the staff canteen, ensuring supply of natural, organic food and further improving employees' quality of life. The Group will continue to create a greener community within the production base, bringing positive impact to the environment.

Resilient Operational Practices

Chapter Highlights

- Hebei Factory is certified to ISO 45001:2018
- Regular anti-corruption trainings were provided to the Board and employees

Our Commitments

The Group is committed to maintaining the highest standards of workplace health and safety, ethical conduct, and data privacy, ensuring a secure, transparent, and sustainable environment for all stakeholders.

Challenges

Ensuring consistent compliance with health and safety standards across all facilities, especially in different geographical locations with varying regulations.

Looking Ahead

Implementing a unified safety management system, organising regular training to ensure all employees adhere to the same high standards, regardless of location.

Contribution to UNSDGs



Establish a more resilient operating model by implementing robust health and safety measures, ensuring ethical behaviour, and promoting sustainable business practices throughout our operations, such as minimising environmental risks, safeguarding worker well-being, and adhering to transparent data management and intellectual property protection.

- Target 3.4: Conducted various measures to uphold employee's occupational safety and well-being.
- Target 8.7: Taken effective measures to prohibit forced and child labour.
- Target 16.5: Substantially reduce corruption and bribery in all their forms through trainings.

The Group adheres to "Safety First, Prevention as Priority" to maintain our safety awareness and employees' well-being.

Workplace Health and Safety

We adhere to the principle of "Safety First, Prevention as Priority" and are committed to creating a safe, healthy, and comfortable working environment that safeguards the physical and mental well-being of our employees. We strongly believe that the health and safety of our workforce are fundamental to sustainable development of the Group. Therefore, we actively pursue comprehensive measures to ensure occupational health and safety standards and safeguard worker entitlements, while advancing labour well-being, upholding fundamental human rights principles, and generating measurable socio-economic benefits for host communities.


上海赛威认证有限公司

职业健康安全管理体系认证证书

兹证明

河北南冠科技有限公司

注册地：河北省邢台市清河县挥公大道南侧、贺兰路西侧

生产/经营地：河北省邢台市清河县挥公大道南侧、贺兰路西侧

职业健康安全管理体系符合标准：

GB/T45001-2020/ISO45001:2018

管理体系认证范围：

羊绒纱线、羊绒混纺纱线的生产和销售及相关管理活动

IAF CNAS MANAGEMENT SYSTEM CNAS C201-M

Hebei Factory ISO 45001:2018 Occupational Health and Safety Management System Certification

Safety Management

GRI 403-1, 403-2, 403-9, 403-10

To enhance emergency response capabilities, detailed procedures have been developed at both the PRC Factories and Vietnam Factories. These cover incidents such as hazardous material spills, fire, earthquake, and food poisoning, ensuring appropriate and timely responses. In addition, our Hebei Factory has obtained ISO 45001:2018 Occupational Health and Safety Management System certification, further affirming our commitment to maintaining occupational health and safety standards. It also reinforced its environmental and safety emergency response system by implementing the "Emergency Response Plan for Environmental Incidents", "Special Emergency Plan for Production Safety Accidents", and "On-Site Emergency Disposal Plan for Production Safety Accidents". These measures aim to minimise potential harm caused by unexpected environmental or production safety incidents.

Year	Number of working days lost due to work injury	Serious work injuries or death in the past three financial years (including the Reporting Period)
FY2026*	225	0
FY2025	455	0
FY2024	139	0

* Of which 149 working days lost due to work injury attributable to S.Power Factory and BTP Factory.

Safety management measures

GRI 403-3, 403-4, 403-6, 403-7

A comprehensive range of safety management measures has been implemented across all our factories, offices, and dormitories to minimise risks and prevent accidents. We have established an Occupational Health and Safety Committee and an Emergency Management Committee to oversee and drive initiatives related to occupational health, production safety, and fire prevention in our facilities. Regular meetings are convened to review safety production strategies and training programmes, with the aim of further enhancing employees' safety awareness and reducing the risk of workplace injuries. In addition, we have developed detailed safety guidelines, rules, and procedures covering fire safety, factory safety, injury prevention, and emergency evacuation procedures. The key measures include:

Smoke-Free Policy
Strict enforcement reduces hazards in workplaces.

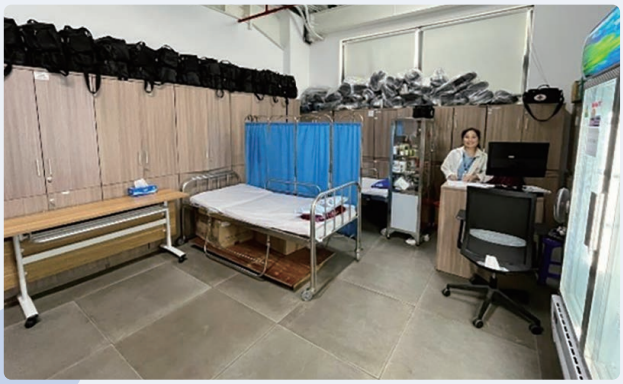
Environmental Monitoring
Third-party audits on dust, toxic chemicals and noise.

Personal Protective Equipment (PPE) Provision
Protective gear is supplied at all sites.

Fire Safety
Fire Safety Systems installed, regularly inspected and directly connected to fire station.

Equipment Maintenance
Regular checks minimise risks of accidents.

First-Aid Preparedness
Supplies and trained staff are available onsite.



Medical Room



Mosquito Controls

On-site Medical Support for Employees

At the operational level, the Group continuously enhances safety infrastructure and emergency response mechanisms across its factories. At the Vietnam Factories, non-chemical, smoke-free, odourless and pollution-free mosquito control measures have been adopted to reduce health risks such as dengue fever. To support the health and well-being of employees, all of our factories have established on-site medical rooms. These facilities provide basic medical services and immediate care for minor injuries or health concerns, ensuring timely assistance and enhancing workplace safety. In addition, the Huizhou Factories have implemented a heat stroke prevention plan. First Team Factory and Able Joy Factory have conducted third-party safety inspections and certifications for key production and utility equipment to reinforce safe and compliant operations.



Safety Training

GRI 403-5

The Group places significant emphasis on occupational health and safety training. During the reporting period, various training sessions and drills were organised across our factories to improve employees' emergency response capabilities. In addition, Able Joy Factory established a site-level fire brigade, with some members certified in fire safety and rescue training.

FIRE DRILLS

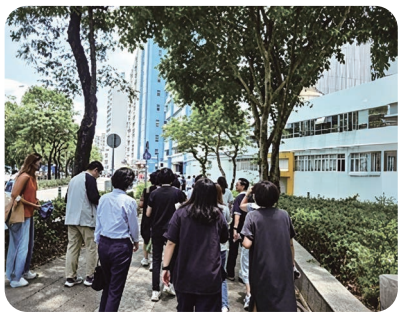
Able Joy Factory



Hebei Factory



Hong Kong Offices



Huizhou Factories



First Team Factory



S.Power Factory



FIRE SAFETY MONTH



Huizhou Factories

During Fire Safety Month, training sessions and practical demonstrations were held at the Huizhou Factory to enhance the understanding of designated production safety personnel regarding fire safety procedures and the proper use of fire-fighting equipment.





During the reporting period, the Group is not aware of any material breach or non-compliance with relevant local laws and regulations stated in the Health and Safety Section in **Appendix II: Applicable Laws and Regulations**, which have a significant impact on the Group's business.

Ethical Labour Practices

Higg Index — Facility Social & Labour Module (Higg FSLM)

The Higg FSLM provides a standardised method to evaluate factories' social and labour practices, including working conditions, health and safety, wages, and employee well-being. Our PRC Factories and Vietnam Factories (excluding First Team Factory and BTP Factory) have undergone independent audits under Higg FSLM, ensuring that the results are credible and transparent. The audit outcomes highlight our commitment to fair labour standards, continuous improvement, and alignment with international expectations. By participating in Higg FSLM, we demonstrate accountability, strengthen worker protections, and reinforce our role in advancing responsible and sustainable manufacturing.

HUIZHOU FACTORIES

Step 1: 97.5%
Step 2: 98.8%
Step 3: 99.0%


Certificate of Completion
2025
Hereby certifies that
Huizhou Nanxuan Knitting Factory Ltd.
Has completed HIGG FSLM VERIFICATION
Worldly ID: 19704
Cascale
Higg Index
Cascale certifies that the facility named above utilizes the Higg Index to measure and grow its sustainability practice.
Assessment Scope: As identified in Higg FSLM Verification Protocol.
Verifying Body: Leadership & Sustainability
Colin Browne
Chief Executive Officer
Cascale

HEBEI FACTORY

Step 1: 97.6%
Step 2: 98.8%
Step 3: 97.9%


Certificate of Completion
2025
Hereby certifies that
Hebei Nanguan Technology Company Limited
Has completed HIGG FSLM VERIFICATION
Worldly ID: 135654
Cascale
Higg Index
Cascale certifies that the facility named above utilizes the Higg Index to measure and grow its sustainability practice.
Assessment Scope: As identified in Higg FSLM Verification Protocol.
Verifying Body: Leadership & Sustainability
Colin Browne
Chief Executive Officer
Cascale

ABLE JOY FACTORY

Step 1: 99.4%
Step 2: 95.3%
Step 3: 98.1%


Certificate of Completion
2025
Hereby certifies that
Able Joy Dak Lak Garment Limited Company
Has completed HIGG FSLM VERIFICATION
Worldly ID: 183362
Cascale
Higg Index
Cascale certifies that the facility named above utilizes the Higg Index to measure and grow its sustainability practice.
Assessment Scope: As identified in Higg FSLM Verification Protocol.
Verifying Body: Leadership & Sustainability
Colin Browne
Chief Executive Officer
Cascale

S.POWER FACTORY

Step 1: 98.5%
Step 2: 95.4%


Certificate of Completion
2025
Hereby certifies that
S. Power (Vietnam) Textile Limited
Has completed HIGG FSLM VERIFICATION
Worldly ID: 155738
Cascale
Higg Index
Cascale certifies that the facility named above utilizes the Higg Index to measure and grow its sustainability practice.
Assessment Scope: As identified in Higg FSLM Verification Protocol.
Verifying Body: Overview Service Limited
Colin Browne
Chief Executive Officer
Cascale

Child Labour

The Group has formulated a group wide and localised human right policy according to both the global and local statutory requirements. The Group ensures that all employees are legally employable and have reached the minimum working age of 16 years, in compliance with the relevant laws and regulations at locations where we operate. To ensure legal working age, candidates' identity cards and household registration documents are carefully verified during recruitment. The Group embeds anti-child labour provisions in recruitment clauses, factory regulations, supplier codes of conduct, and labour contracts, with policies publicly displayed in factories. Training and special meetings are held to raise awareness among recruiters, department heads and management. Reporting channels stated in the **Employee Communication** section as well as the whistle-blowing mechanism are available for employees to report suspected cases. If violations are confirmed, the Group takes disciplinary action and refers cases to relevant authorities as needed. No incidents of child labour were identified during the reporting period.

Forced Labour

The Group commits to signing labour contracts based on voluntary equality, aiming to eliminate forced labour. It prohibits any form of coercion, punishment, or deception to compel work. Recruitment clauses, factory regulations, supplier code of conduct and labour contracts include provisions against such practices. Special training sessions for recruiters, department heads and management are conducted to ensure understanding of these policies. Employees are encouraged to report non-compliance through various channels as stated in the **Employee Communication** section and also governed by the whistle-blowing mechanism. Employee seminars in this regard and free legal advice are provided in our Huizhou Factories. The human resources department investigates any complaints regarding forced labour and takes appropriate actions, including notifying relevant authorities as needed.

Reasonable Working Hours

The Group adheres to the principle of "effort-based remuneration" and never deduct wages unlawfully or coerce our employees into working overtime. Reasonable working hours are scheduled based on the local applicable laws and regulations. Employees in our PRC and Vietnam Factories typically work 8 hours a day in the sweaters manufacturing business and have at least 4 days off per month, so as to ensure reasonable treatment and adequate rest for our employees.

Human Rights Due Diligence Process

The Group has integrated elements of human rights due diligence into its existing human resources and employee management practices. This approach supports the identification, assessment and management of potential human rights risks in its operations, with a focus on child labour, forced labour and discrimination. Relevant controls are implemented through established policies, procedures, communication channels and whistle-blowing mechanisms.

The Group pays attention to potentially affected groups, and continues to strengthen its human rights risk monitoring practices. Where potential risks or instances of non-compliance are identified, the Group follows factory policies to conduct investigations, stipulate appropriate measures for rehabilitation and compensation and, where necessary, escalation. The Group also takes steps to protect affected individuals, prevent recurrence and enhance relevant policies and controls. During the reporting period, the Group actively conducted a due diligence exercise to reconfirm the absence of child labour and forced labour through an internal survey covering 120 respondents. In addition, the Group is not aware of any material breach or non-compliance with relevant local laws and regulations stated in the Employment Section in **Appendix II: Applicable Laws and Regulations**, which have a significant impact on the Group's business.

Anti-corruption

Integrity forms the cornerstone of the Group's sustainable development and is central to our corporate culture. We are firmly committed to upholding the highest ethical standards and business conduct, fully embracing our core values of integrity, honesty, fairness, and impartiality, while maintaining zero tolerance towards corruption.

Anti-corruption Governance

We strongly oppose all forms of corrupt practices, including bribery, extortion, fraud, and money laundering, and we continually strengthen our internal monitoring mechanisms to ensure integrity and transparency in our operations. During the reporting period, there was no confirmed case of violation of the Group's "Conflict of Interest Policy" and there were no concluded legal cases regarding corruption charges brought against the Group or its employees.

The Group actively promotes a culture of integrity and ethical conduct. Our "Employees' Handbook" clearly outlines the ethical standards required of employees. Also, the Group's "Conflict of Interest Policy" sets out detailed procedures for handling potential conflicts of interest, thereby ensuring fairness and compliance in decision-making processes. Our risk management and internal control systems include regular identification and assessment of fraud risks.

Anti-fraud training and ethical education are provided to directors and employees on a regular basis to enhance individual awareness. During the reporting period, anti-corruption training was delivered to 2,524 employees enabling them to identify potential risks in daily operations and adopt appropriate mitigation measures.






Anti-corruption training at Hong Kong Offices, Hebei Factory, Huizhou Factories and First Team Factory

Grievance mechanism

To strengthen internal oversight, we have implemented the "Anti-corruption Policy" and "Whistle-blowing Policy and Procedures." These policies outline confidentiality requirements, report handling procedures, investigation protocols, and follow-up actions. Employees have secure channels to report suspected corruption, including anonymous submissions via email or post to the independent Internal Audit Department and the Audit Committee. These policies ensure strict confidentiality to protect both the whistleblower's identity and the content of the reports.

Upon receiving a report within its scope, the Internal Audit Department conducts a preliminary analysis and documents the case. If fraudulent behaviour is confirmed, immediate remedial actions are taken, including assessing and improving internal controls in the affected departments. Employees found guilty of misconduct face disciplinary actions, including administrative penalties and financial compensation. In cases involving legal violations, the Group seeks legal advice and refers the matter to the relevant authorities for further action. During the reporting period, the Group is not aware of any material breach or non-compliance with relevant local laws and regulations stated in the Anti-corruption Section in **Appendix II: Applicable Laws and Regulations**, which have a significant impact on the Group's business.

Data Privacy

GRI 418-1

The Group has established a comprehensive Data Privacy and Data Protection Policy that applies across all operations. This framework is embedded within our broader risk and compliance management systems, supported by internal audits to ensure adherence. In addition, we conduct ongoing cybersecurity training to raise employee awareness and reduce potential risks, thereby strengthening the effective implementation of our privacy commitments.

The Group is committed to maintaining high standards of responsibility in handling client data. Our "Employees' Handbook" outlines the strict confidentiality obligations toward client data and prohibits unauthorised photography in sample development units, showrooms, and factory workshops to protect confidential information from leakage. Signage is displayed in key areas to reinforce confidentiality requirements. In the technical centre, there are dedicated confidentiality measures for computers storing sensitive technical data. Those data have been stored online and only dedicated clients, sales and merchandising staff are permitted to access to those data and design. Additionally, prior approval is required before downloading or using confidential information to prevent copyright infringement.

Targeted training on cybersecurity and counterfeit document identification was provided at the Huizhou Factories during the financial year, enhancing employees' ability to mitigate information security risks and strengthening the Group's data management security and compliance. During the reporting period, no incidents of non-compliance or complaints regarding client privacy were reported. During the reporting period, the Group is not aware of any material breach or non-compliance with relevant local laws and regulations stated in the Intellectual Property Rights and Data Privacy Section in **Appendix II: Applicable Laws and Regulations**, which have a significant impact on the Group's business.

Intellectual Property Rights

We are committed to protecting our intellectual property and respecting those of third parties. Use of third-party intellectual properties, including suppliers, clients and partners brand logos, is authorised in advance through written consent, ensuring compliance with business and regulatory requirements. Unused brand labels are destroyed at the end of each year under client supervision to prevent misuse, in full compliance with client contracts. During the reporting period, we adhered to all contract terms regarding handling of client brand labels. The Group has an innovation patent registered in PRC, Japan, the US and Vietnam. The Group also registered 16 domain names and 4 trademarks in PRC, as well as 7 domain names and 3 trademarks in Hong Kong, all significant to our business operations.

To further strengthen employees' understanding of and compliance with international trade security, the Group conducted Customs-Trade Partnership Against Terrorism (C-TPAT) security policy training at the Huizhou Factories and Vietnam Factories (excluding S.Power Factory and BTP Factory), reinforcing staff awareness of international trade security requirements. Going forward, we will continue to enhance internal reviews and employee training to ensure high standards of execution in data protection, intellectual property management, and security risk prevention. During the reporting period, we were not involved in any significant legal proceedings. Furthermore, to the best of our knowledge, there were no intellectual property infringement claims where we were either the claimant or the defendant.

Threaded Community Contributions

Chapter Highlights

- Supported youth educatioal projects with donations.
- Sponsored initiatives to nurture the next generation of textile talent.
- Donation: HK$4.9 million
- Volunteer service Hours: 62 Hours

Our Commitments

To foster interconnected communities where collaboration, empathy, and a shared sense of purpose drive positive social change and contribute to the well-being and sustainable development of society.

Challenges

Ensuring consistent employee engagement and participation in community initiatives across different regions.

Looking Ahead

Strengthen internal communication and offer incentives to encourage broader involvement in social responsibility programmes.

Contribution to UNSDGs



We have spent HK$4.9 million on sponsorships and donations to various charitable organisations and educational institutions. The Group continually seeks opportunities to give back to the communities in which we operate.

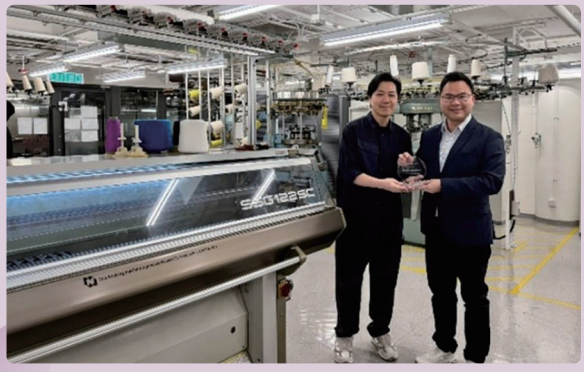
- Target 8.1: Sustain per capita economic growth in accordance with national circumstances.
- Target 8.3: Promote development-oriented policies that support productive activities, decent job creation, creativity and innovation.
- Target 12.7: Promote public procurement practices that are sustainable, in accordance with national policies and priorities.
- Target 12.8: Ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.
- Target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters.
- Target 13.2: Integrate climate change measures into policies, strategies and planning.

The Group adheres the "Taken from the community, giving back to society" philosophy to promote social inclusions and caring to the minority.

At Nameson, we uphold the principle of "Taken from the community, giving back to society," and actively contribute to community development through various public welfare and charitable activities that foster social sustainability. During the reporting period, we supported several non-profit and charitable organisations as well as educational institutions through sponsorships and donations, with total contributions of HK$4.9 million (previous financial year: HK$2.4 million), and participated in volunteer activities for a total of approximately 62 hours (previous financial year: 80 hours).

Youth Cultivation

In this financial year, the Group continued to support youth development and education through a range of initiatives focused on career exposure, creativity and academic engagement. These included participation in the "All-rounded Career Planning and Management Work Experience Scheme 2025" to support young people's career development, involvement in the "Young Knitwear Designers' Contest" to nurture emerging design talent and encourage innovation in the knitwear industry, and donation activities for The Hong Kong Polytechnic University (PolyU) to contribute to teaching, learning and talent development. The Group has also become a PolyU Life Member, further demonstrating its commitment to education and talent development.



Flat Knitting Machine Donation to PolyU



Young Knitwear Designers Contest

Supporting Local Economic Development

In terms of promoting economic development of communities, our Group presently employs close to 11,000 employees in Vietnam. Operating in a developing country, the Group committed to offer competitive job opportunities to the local population. The Group is going to establish more production bases in Vietnam according to the business needs. The Group aims to create a stable income source for the local workforce, enhancing economic security of the community and strengthening sustainability of the regional employment market.

Disaster Relief Efforts

In response to the severe No. 5 alarm fire at Tai Po's Wang Fuk Court, our Group expressed the deepest condolences to the victims and their families and promptly mobilised relief support. A total of HK$3 million in cash assistance and emergency supplies was pledged, including financial aid for affected families, support for frontline rescue and follow-up relief efforts, and the provision of winter clothing and essential items to help residents cope with the immediate aftermath of the incident. The Group also arranged leave, emergency assistance and necessary supplies for any employee affected, demonstrating its commitment to supporting both the community and its people in times of crisis.

Promoting Social Inclusion and Welfare

Our Group participated in The Community Chest of Hong Kong's Agency Visit 2025 to gain a better understanding of the needs of vulnerable groups in the community. During the visits, we learned more about organisations supporting drug rehabilitees, ex-prisoners, persons with intellectual disabilities, and secondary students facing emotional and adjustment challenges. This engagement strengthened the Group's awareness of community needs in areas such as rehabilitation, social inclusion, youth development and mental wellness, and reaffirmed our commitment to fostering a more inclusive and caring society. In recognition of our continuous support for community initiatives, the Group was honoured with The Community Chest's Award of Excellence 2024/2025.



Visit to Lok Chi Association



Visit to The Church of United Brethren in Christ Social Service



Visit to Wu Oi Christian Centre



The Community Chest Award of Excellence 2024/2025

At our Hong Kong offices, we continued to support community initiatives by participating in a range of charitable and environmental programmes. During the financial year, our management team and employees took part in "Dress Casual Day" organised by The Community Chest of Hong Kong to raise funds for local social welfare organisations. We also joined "Green Low Carbon Day" to support environmental projects and promote low-carbon living, as well as the "The Community Chest New Territories Walk for Millions 2026 — Fanling Bypass (Eastern Section)" and "ACCA Community Day" to encourage volunteerism and community engagement. Through these efforts, the Group remained committed to creating positive social impact and supporting sustainable community development.







The Community Chest New Territories Walk for Millions 2026 — Fanling Bypass (Eastern Section)



ACCA Community Day



Dress Casual Day



Green Low Carbon Day

The Group places great emphasis on well-being of vulnerable groups and is committed to fostering social inclusion and cohesion. The Hebei Factory organised visits to elderly homes during the Mid-Autumn Festival and Lunar New Year, where employees distributed rice, oil, fruit gift boxes, and mooncakes, demonstrating our dedication to giving back to the community. Additionally, during the Double Ninth Festival, Huizhou Factories donated the Group's knitwear products to the Shui Kou Dong Xing Community Elderly Service Centre, providing warmth and care to the elderly.



Elderly Visit



Giveaways during Double Ninth Festival

Ecological Initiatives and Green Actions

Our Group supported a cross-border youth ecological education initiative by donating smart beeboxes to a conservation programme in Shenshan Special Cooperation Zone ethnic village (which is 55km away from our Huizhou Factories), helping promote biodiversity protection, environmental awareness and youth engagement in sustainable development.





Bee Boxes Donation

In terms of environmental protection, the Group continues to implement green actions. We are actively involved in tree planting activities to reduce carbon emissions, prevent soil erosion, and improve resilience and biodiversity of regional ecosystems.



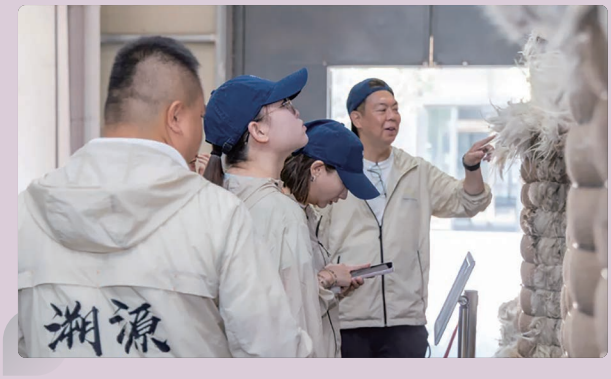


Hebei Factory: Tracing the Roots of Sustainable Cashmere — A Journey to Inner Mongolia

In August 2025, Hebei Factory organised annual "Cashmere Traceability Journey" in Chifeng, Inner Mongolia. The event invited clients and industry peers to explore the origins of ethically sourced and traceable cashmere.



The journey brought together herders, cashmere raw material suppliers, cashmere yarn manufacturers, cashmere garment manufacturers and garment brand clients to understand and continue to cultivate a sustainable and traceable vertical supply chain for cashmere.





At the same time, it allows participants to have an in depth understanding of the natural features of the pastoral area, the ethics of raising goats and the international standards they abide by, as well as experience the cashmere harvesting process in person.

During the event, we also donated food and other daily necessities to local herders to support community development. The initiative aims to encourage responsible and standardised goat farming practices while helping to improve the livelihoods of pastoral communities.



Hebei Factory: Sharing Sustainable Cashmere Practices at Natural Fibre Connect 2025

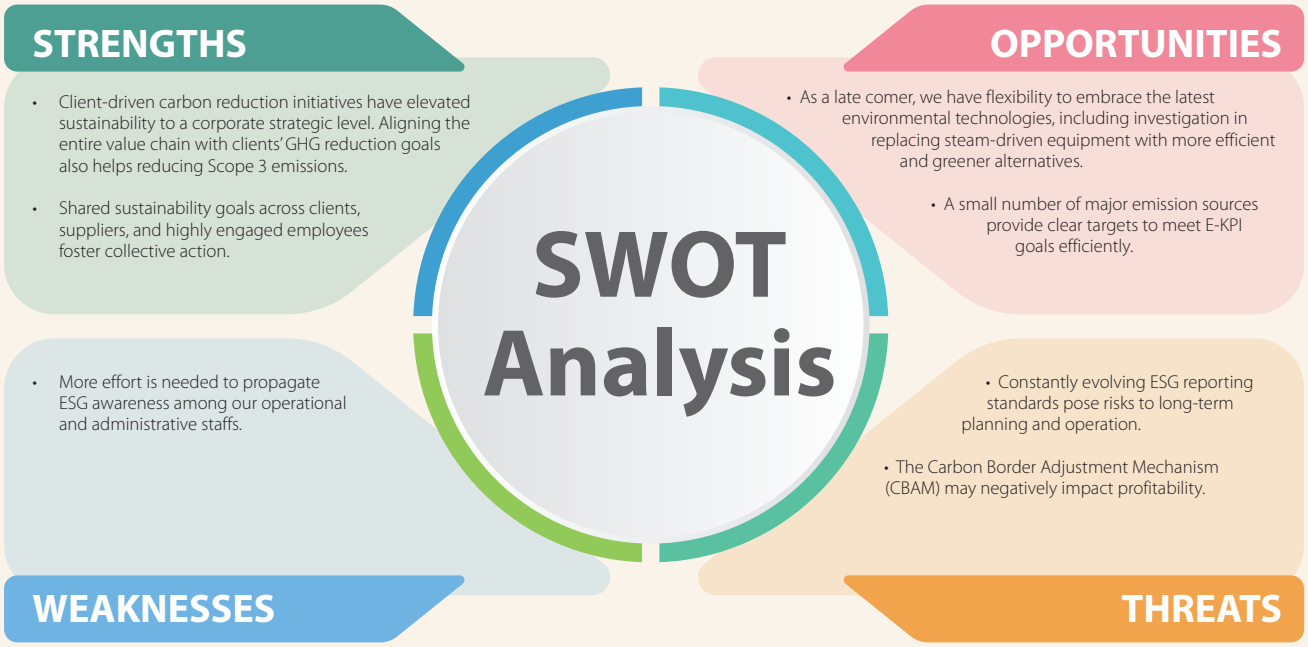
During the reporting period, representatives from Hebei Factory participated in the 2025 Natural Fibre Connect Conference in Edinburgh, engaging with global industry stakeholders on sustainable development in the natural fibre sector. As part of the event, the Group shared its vision and practical experience in promoting responsible and sustainable cashmere production.

Through presentations and on-site exchanges, the Group highlighted its efforts in organic pasture cultivation, ecological conservation, scientific grazing practices, animal welfare, supply chain traceability, support for herders and greener production. By taking part in this international industry platform, the Group helped foster dialogue, raise sustainability awareness and promote responsible practices across the natural fibre value chain.





SWOT Analysis



As our clients increasingly prioritise sustainability as a key element, client-driven initiatives enhance GHG emission reduction across the entire supply chain. This fosters collective actions by suppliers and all other stakeholders working towards the shared sustainability goals, this could alleviate our burden in managing Scope 3 GHG emissions.

Despite the encouraged dedication of our clients, we still face weaknesses that hinder our ability to effectively address our ESG challenges. More financial and human resources are required to address comprehensive sustainability initiatives. While our continuous education efforts have begun to show results, further work is needed to deepen ESG understandings among our operational and administrative staff. Addressing these weaknesses is crucial for us to enhance our ESG performance and align with our sustainability targets.

The Group has significant opportunities to enhance our sustainability efforts as a latecomer in the ESG universe. This position grants us the flexibility to adopt the latest environmental technologies, enabling us to evaluate the possibility of replacing outdated steam-driven equipment with more efficient and greener alternatives. Additionally, the presence of a small number of major emission sources within our operations provides us with clear targets to effectively meet our emissions reduction goals. By focusing our efforts on these key areas, we can implement impactful changes that not only improve our environmental performance but also align us with contemporary sustainability practices.

The Group faces challenges in navigating the increasingly complex landscape of ESG reporting standards. The Taskforce on Inequality and Social-related Financial Disclosures ("TISFD") and the International Sustainability Standard Board ("ISSB") have established, or are in the process of establishing, comprehensive frameworks that demand greater compliance and transparency. Additionally, the HKEX ESG Reporting Code is set to be fully implemented in this financial year, adding another layer of regulatory scrutiny. Furthermore, the introduction of the Carbon Border Adjustment Mechanism ("CBAM") may impose carbon taxes on products imported by our clients in the European Union, potentially increasing costs and affecting competitiveness. Beginning in 2027, the Digital Product Passport ("DPP") under the Ecodesign for Sustainable Products Regulation ("ESPR") promulgated by the European Union will require more granular disclosure of carbon emissions, production, and supply chain data. Compliance with this regulation will necessitate more advanced IT infrastructure and could lead to meaningful alterations to our operational practices. Collectively, these developments underscore the need for a proactive approach to ESG compliance and adaptation to maintain our market competitiveness.

Looking Ahead

Looking ahead, the Group remains committed to advancing sustainability and corporate social responsibility in all of its operations. We will continue to focus on integrating ESG considerations into our business strategies, facilitating us to catch up with global sustainability trends and contribute positively to the communities where we operate. Our ongoing efforts to reduce carbon emissions, promote circular economy practices, and engage with local communities will be key priorities as we aim to make a long-term positive impact.

In the coming years, we will also deepen our collaborations with stakeholders, particularly in areas of continuous GHG emission reduction, enhancing our occupational health and safety, and sustainable sourcing. Based on the key findings and suggestions from the energy audit, the Group will tender for the implementation of these suggestions, prioritising them according to emergency and execution feasibility. During the geopolitical and economic turbulence, the Group remains focused on maintaining a balance between business growth and its responsibility to the environment and the society, working towards a more sustainable and equitable future.

APPENDIX I: SUSTAINABILITY RECOGNITIONS AND PROFESSIONAL MEMBERSHIPS

Key Awards

Honouring our commitment to excellence in ESG performance, transparency and sustainable value creation.



EXTEL INSIGHTS
Best ESG Program — 3rd Place (Buy Side)

Extel 2026 Asia (ex-Japan/ANZ) Executive Team Ranking



HONG KONG ESG REPORTING AWARDS

Best GRI Report Commendation 2025



HONG KONG ESG REPORTING AWARDS

Best Small Cap ESG Report Commendation 2025

More recognitions across Environmental, Social and Governance, Operational Excellence, Quality and Wellbeing are presented by category on the following pages.

Recognitions by Category

Performance and Disclosure Excellence



HONG KONG AWARDS FOR ENVIRONMENTAL EXCELLENCE

Participation in the 2024 Hong Kong Awards for Environmental Excellence



TVB ESG AWARDS 2025

ESG Special Recognition Award



HONG KONG QUALITY ASSURANCE AGENCY

Gold Seals for the Pilot Program on Sustainability-related Financial Information Disclosure



HONG KONG QUALITY ASSURANCE AGENCY

Gold Seals for Active Participation in the Pilot Program on Sustainability-related Financial Information Disclosure

Recognitions by Category

People and Community



HKCSS CARING COMPANY 2025

Above-average Performance



DEPARTMENT OF HEALTH, LABOUR DEPARTMENT, OCCUPATIONAL SAFETY AND HEALTH COUNCIL

Harmony@Workplace Organisation 2025-26



FEDERATION OF HONG KONG INDUSTRIES

CSR Recognition Scheme Industry Cares 2025
— 8+ Year Award (Enterprise Group)



ULANGGERILE GACHA COMMITTEE, CHAGANHADA SUMU, BALIN LEFT BANNER

Certification of Appreciation
for Public Welfare Support

Recognitions by Category

Product Quality and Integrity



CHINA ANIMAL-PRODUCTS MARKETING ASSOCIATION

Outstanding Contribution Enterprise for High-Quality Cashmere Development 2024



CHINA ANIMAL-PRODUCTS MARKETING ASSOCIATION

Most Market-Valuable Product in the Cashmere Industry 2024



CHINA ASSOCIATION FOR QUALITY INSPECTION

National Enterprise for Product and Service Quality Integrity Commitment



CHINA ASSOCIATION FOR QUALITY INSPECTION

Stably Qualified Product in National Quality Inspection

Charters and ESG Membership



DEPARTMENT OF HEALTH, LABOUR DEPARTMENT, OCCUPATIONAL SAFETY AND HEALTH COUNCIL

Joyful@Healthy Workplace Charter



ENVIRONMENT AND ECOLOGY BUREAU, ELECTRICAL AND MECHANICAL SERVICES DEPARTMENT

Energy Saving Charter 2025



DEPARTMENT OF HEALTH, LABOUR DEPARTMENT, OCCUPATIONAL SAFETY AND HEALTH COUNCIL

Mental Health Workplace Charter

HONG KONG PRODUCTIVITY COUNCIL

ESG One Green Membership

TASKFORCE ON NATURE RELATED FINANCIAL DISCLOSURES (TNFD)

Adopter and Forum Member

TASKFORCE ON INEQUALITY AND SOCIAL-RELATED FINANCIAL DISCLOSURES

Member of TISFD Alliance

Professional Membership

Organiser (in alphabetical order)
Federation of Hong Kong Industries
Hong Kong Textiles Chamber
Hong Kong Woollen & Synthetic Knitting Manufacturers' Association
Textile Council of Hong Kong
The Chinese Manufacturers' Association of Hong Kong
The Federation of Hong Kong Garment Manufacturers

APPENDIX II: APPLICABLE LAWS AND REGULATIONS

GRI 2-27

Aspect	Applicable Laws and Regulations	Compliance Status
Employment	Employment and Employees' Compensation: — PRC • Labour Law of the PRC • Labour Contract Law of the PRC • Trade Union Law of the PRC • Regulation on the Implementation of the Labour Contract Law of the PRC • Regulations on the Paid Annual Leave of Employees • Regulations on Work-Related Injury Insurance • Regulation on Labour Security Supervision • Regulations on Management of Housing Provident Fund • Regulations on Employees' Leave and Death Compensation Benefits in Guangdong Province • Special Rules on the Labour Protection of Female Employees • Implementation Measures of the Special Rules on the Labour Protection of Female Employees in Guangdong Province • Special Rules on the Labour Protection of Female Employees in Hebei Province • Regulation on Labour and Social Security Supervision in Hebei Province • Regulation on Labour Security Supervision in Guangdong Province • Implementation Measures for the Trade Union Law of the PRC in Guangdong Province • Guiding Opinions of Guangdong Province on Administrative Disputes in Human Resources and Social Security • Regulations of Guangdong Province on Work-related Injury Insurance Force Labour: — PRC • No. 244 of Criminal Law of the PRC: Crime of Forced Labour • Regulation of Prohibition of Child Labour • Law of the PRC on the Protection of Minors • Labour Law of the PRC Hong Kong: • Employment Ordinance (Cap. 57 of the Laws of Hong Kong) Vietnam: • Labour Code (No.45/2019/QH14) • Law on Employment (No.74/2025/QH15) and related Decrees (No.39/2016/ND-CP, No.88/2020/ND-CP and No.44/2016/ND-CP)	During the reporting period, the Group was not aware of any material breach or non-compliance of employment related laws and regulations.

Aspect	Applicable Laws and Regulations	Compliance Status
Health and Safety	PRC: • Law of the PRC on Prevention and Control of Occupational Diseases • Production Safety Law of the PRC • Regulations on Labour Protection in High-Temperature Weather in Guangdong Province • Notice on Adjusting the High Temperature Subsidy Standard in Guangdong Province (Yue Ren She Gui [2021] No. 9) Vietnam: • Law on Occupation Safety and Hygiene (No.84/2015/QH13) • Details the implementation of the Law on Occupational Safety and Health (Decree 39/2016/ND-CP)	During the reporting period, the Group was not aware of any material breach or non-compliance of health and safety-related laws and regulations.
Anti-corruption	PRC: • Anti-Money Laundering Law of the PRC • Criminal Law of the PRC • Anti-Unfair Competition Law of the PRC • Interpretation by the Supreme People's Court and the Supreme People's Procuratorates on Certain Legal Issues Concerning the Application of Law in Handling Criminal Cases of Money Laundering. • Opinions on Certain Issues Concerning the Application of Law in Handling Criminal Cases of Commercial Bribery Hong Kong: • Prevention of Bribery Ordinance of Hong Kong (Cap. 201 of the Laws of Hong Kong) Vietnam: • Law of Anti-corruption of Socialist Republic of Vietnam (No. 36/2018/QH14)	During the reporting period, the Group was not aware of any material breach or non-compliance of anti-corruption-related laws and regulations.
Supply Chain	PRC: • Administration Measures for Fair Transactions Between Retailers and Suppliers of the PRC • Regulation on the Implementation of the Bidding Law of the PRC • Anti-unfair Competition Law of the PRC • Implementation Rules for the Gradient Cultivation and Management of Green Factories in Guangdong Province (Yue Gong Xin Gui Zi [2024] No. 4) • Notice on Carrying out the Recommendation Work for the 2024 List of Green Manufacturing • Sustainability Disclosure Standards for Enterprises — Basic Standard (Trial) Vietnam: • Suppliers' Social Responsibility Commitment Letter	During the reporting period, the Group was not aware of any material breach or non-compliance of supply chain related laws and regulations.

Aspect	Applicable Laws and Regulations	Compliance Status
Products and Services	PRC: • Law of the PRC on Product Quality • Law of the PRC on Protection of Consumer Rights and Interests • Measures on Penalties against Infringement upon Consumers' Rights and Interests • Implementing Guideline for Law of the PRC on Protection of Consumer Rights and Interests • Implementing Guideline for Law of the PRC on Protection of Consumer Rights and Interests in Guangdong Province • Advertisement Law of the PRC • Measures for the Administration of Internet Advertising • Interim Provisions on Combating Unfair Competition on the Internet • Standards for the Construction and Management of Trustworthy Consumption in Livestreaming Rooms Vietnam: • Law on Product and Goods Quality (No.05/2007/QH12)	During the reporting period, the Group was not aware of any material breach or non-compliance of product and service-related laws and regulations.
Intellectual Property Rights and Data Privacy	PRC: • The Trademark Law of the PRC • Copyright Law of the PRC • The Patent Law of the PRC • Regulations of Guangdong Province on the Protection of Intellectual Property • Personal Information Protection Law of the PRC • The Civil Code of the PRC Hong Kong: • Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) • Trademarks Ordinance (Cap. 559 of the Laws of Hong Kong) Vietnam: • Intellectual Property Law of the Socialist Republic of Vietnam (No. 07/2022/QH15) • Law on Personal Data Protection (Law No. 91/2025/QH15)	During the reporting period, the Group was not aware of any material breach or non-compliance of intellectual property rights and data privacy-related laws and regulations.

Aspect	Applicable Laws and Regulations	Compliance Status
Environmental	General: — PRC • Environmental Protection Law of the PRC • Regulations of Guangdong Province on Environmental Protection General: — Vietnam • Law on Environmental Protection (No. 72/2020/QH14) • Decree Elaboration of Several Articles of the Law on Environmental Protection (No.08/2022/ND-CP) • Circular detailing the Law on Environmental Protection (No.02/2022/TT-BTNMT) Water and Sewage: — PRC • Law of the PRC on Prevention and Control of Water Pollution • Discharge Limits of Water Pollutants (DB44/26-2001) • Discharge Standards of Water Pollutants for dyeing and finishing of textile industry • Discharge standard of pollutants for municipal waste-water treatment plant • Regulations on Urban Drainage and Sewage Treatment • Regulations on the Management of Permits for Urban Sewage Discharge into Drainage Networks. • Law of Guangdong Province on the Prevention and Control of Water Pollution • Law of Hebei Province on the Prevention and Control of Water Pollution • Water Law of the PRC • The Measures for Pollutant Discharge Permitting Administration (Trial) Water and Sewage: — Vietnam • National Technical Regulations for Industrial Sewage • Law on Water Resources (No.28/2023/QH15) Solid, Household and Non-hazardous Waste: • Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste • Soil and Water Conservation Law of the PRC • Soil Pollution Prevention and Control Law of the PRC • Administrative Measures for Urban Living Garbage • Regulations of Huizhou Municipality on Supervision of Household Waste Sorting • Working Plan for the Province-wide "Zero-Waste City" Initiative in Guangdong Province	During the reporting period, the Group was not aware of any material breach or non-compliance of environmental-related laws and regulations.

Aspect	Applicable Laws and Regulations	Compliance Status
	Hazardous Waste: — PRC • Measures for the Administration of Permit for Operation of Dangerous Wastes. • Measures for the Transfer of Hazardous Wastes • Solid Waste Pollution Prevention and Control Law of the Guangdong Provinces • Solid Waste Pollution Prevention and Control Law of the Hebei Provinces Hazardous Waste: — Vietnam • Management of Waste & Discarded Materials (38/2015/ND-CP) Air Pollution: — PRC • Law of the PRC on the Prevention and Control of Atmospheric Pollution • Law on Prevention and Control of Atmospheric Pollution in Guangdong Province • Law on Prevention and Control of Atmospheric Pollution in Hebei Province • Guangdong Emission Standard of Air Pollutants for Boiler (DB 44/765–2019) • Hebei Emission Standard of Air Pollutants for Boiler (DB 13/5161–2020) • Boiler Air Pollutant Emission Standards (GB 13271–2014) Air Pollution: — Vietnam • National Technical Regulations on Industrial Inorganic and Dust Emissions Energy and Use of Energy: — PRC • Energy Conservation Law of the PRC • Renewable Resources Law of the PRC • Regulations of Guangdong Province on Energy Conservation • Interim Regulation on the Administration of Carbon Emissions Trading Energy and Use of Energy: — Vietnam • Law on Economical and Efficient Use of Energy (No. 50/2010/QH12)	

APPENDIX III: REPORTING PRINCIPLES

Reporting Principles	
Materiality	To keep up with the fast pace of global and local sustainability developments, the Group conducts a stakeholder engagement survey that assesses the concerns of internal and external stakeholders. From the survey, we have developed a deep understanding of the topics material to the Group and ensured that these topics have been addressed in this report.
Quantitative	Whenever applicable, this report discloses historical and current key performance indicators ("KPIs") during the reporting period. Through direct year-on-year comparisons and reference to relevant base year data*, the effectiveness of the Group's ESG management approach may be gauged.
Balance	All relevant data and material topics, regardless of whether it has a positive or negative connotation, has been disclosed in a transparent and unbiased manner.
Consistency	Unless explicitly mentioned, the data calculation methodologies for all derived figures are consistent with our FY2025 ESG Report, thus allowing for direct comparisons to be made.
Comparability	
Accuracy	This Report provides accurate and sufficiently detailed reporting, following the guidelines outlined in the HKEX Appendix C2 and GRI reporting standards, to enable the assessment of our impacts.
Clarity	This Report is available in both Chinese and English versions, which can be downloaded from the Group's official website and the HKEX website. Abbreviations are accompanied by their full terms to ensure easy understanding for readers.
Completeness	This report provides sufficient information on activities, events, and impacts that occurred during the reporting period.
Sustainability Context	Our initiatives and contributions to our sustainability strategy, "HEART," during the reporting period are clearly presented to showcase our progress and commitment to sustainable development.
Timeliness	The Group publishes its ESG report annually, within four months after the end of the financial year. All information presented in the report reflects ESG-related initiatives carried out during the reporting period.
Verifiability	To ensure the information in this Report is verifiable, we have engaged an independent third party to conduct sustainability assurance in accordance with the AA1000 Assurance Standard.

* Base year references vary by indicator. FY2021 is adopted as the base year for the Group's energy consumption, FY2023 for the Group's GHG emissions, and FY2024 for Hebei Factory's GHG emissions.

APPENDIX IV: CARBON ACCOUNTING METHODOLOGY

Our approach	
Standard used	• HKEX's "How to Prepare an ESG Report — Appendix 2: Reporting Guidance on for Environmental KPIs" • "Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard"
Consolidation approach	Operational control is chosen as it provides access to operational data and best reflects our carbon footprint.
Operational boundary	Entities stated in the Reporting Period and Scope section owned and managed in Hong Kong, PRC and Vietnam, including Headquarter and operating offices.

Emission Scope & Category	Description & Methodology	Source of Emission Factors	GHG Emissions (tons of CO_2e) FY2026	FY2025
Scope 1	Emissions are generated from the combustion of fossil fuels and biomass fuels (wood pellets), as well as fugitive emissions from refrigerants, and are calculated using relevant activity data and applicable emission factors.	IPCC: Guidelines for National Greenhouse Gas Inventories and applicable Global Warming Potential (GWP) values UK Department for Environment, Food & Rural Affairs ("Defra"): Greenhouse Gas Reporting Conversion Factors 2025	53,836	42,558
Scope 2	Emissions are generated from purchased electricity and steam consumed by the Group, and are calculated using relevant energy consumption data and applicable emission factors.	Location-based grid emission factors	64,514	57,606
Scope 3				
1. Purchased Goods and Services	Emissions are estimated using a spend-based approach, by applying relevant emission factors to procurement expenditure across goods and services, including textile raw materials such as cashmere, yarn and other related production inputs.	USEPA Supply Chain GHG Emission Factors (v1.3.0, USD 2022)	148,440	160,495
2. Capital Goods	Emissions are estimated based on capital expenditure incurred during the reporting period using a spend-based approach.	USEPA Supply Chain GHG Emission Factors (v1.3.0, USD 2022)	9,494	11,636

Emission Scope & Category	Description & Methodology	Source of Emission Factors	GHG Emissions (tons of CO_2e) FY2026	FY2025
3. Fuel- and Energy-related Activities	Upstream emissions from purchased fuels and electricity, calculated using activity data such as fuel consumption and electricity usage, including transmission and distribution losses.	UK Department for Environment, Food & Rural Affairs ("Defra"): Greenhouse Gas Reporting Conversion Factors 2025	15,878	12,684
4. Upstream Transportation and Distribution	Emissions from inbound logistics, calculated based on transportation distances, modes and shipment volumes.	UK Department for Environment, Food & Rural Affairs ("Defra"): Greenhouse Gas Reporting Conversion Factors 2025	667	729
5. Waste Generated in Operations	Emissions from waste treatment and disposal, calculated using waste-type-specific emission factors based on disposal methods and volumes.	USEPA Supply Chain GHG Emission Factors (v1.3.0, USD 2022) UK Department for Environment, Food & Rural Affairs ("Defra"): Greenhouse Gas Reporting Conversion Factors 2025	1,299	737
6. Business Travel	Emissions from employee business travel, calculated based on travel distances.	ICAO Carbon Emissions Calculator	301	201
7. Employee Commuting	Emissions from employee commuting, calculated by applying relevant emission factors based on the number of employees, commuting frequencies, assumed modes of transportation (including private cars and public transportation), and average commuting distances.	Academic Research UK Department for Environment, Food & Rural Affairs ("Defra"): Greenhouse Gas Reporting Conversion Factors 2025	6,864	7,715

Emission Scope & Category	Description & Methodology	Source of Emission Factors	GHG Emissions (tons of CO_2e) FY2026	FY2025
8. Upstream Leased Assets	Emissions from leased assets not included in Scope 1 and 2, estimated based on available financial data.	Academic Research USEPA Supply Chain GHG Emission Factors (v1.3.0, USD 2022)	11	26
9. Downstream Transportation and Distribution	Emissions from outbound logistics and downstream storage, calculated based on transportation activity data, distribution channels, and assumptions related to storage activities.	UK Department for Environment, Food & Rural Affairs ("Defra"): Greenhouse Gas Reporting Conversion Factors 2025	869	902
10. Processing of Sold Products	Emissions from third-party processing of intermediate products, including cashmere sweaters and other apparel-related semi-finished products, estimated using industry emission factors and relevant activity data.	China Products Carbon Footprint Factors Database (CAEP)	24,033	14,483
12. End-of-life Treatment of Sold Products	Emissions from the end-of-life treatment of sold products, including both semi-finished and finished goods, are estimated based on waste treatment assumptions. Based on literature references, it is assumed that 87% of products are disposed of via landfill and 13% are recycled.	Academic research UK Department for Environment, Food & Rural Affairs ("Defra"): Greenhouse Gas Reporting Conversion Factors 2025	14,777	9,878
15. Investments	Emissions associated with investments, estimated based on available electricity consumption data.	Vietnam Grid Emission Factors	135	153

APPENDIX V: HKEX ESG REPORTING CODE CONTENT INDEX

Mandatory Disclosure	Relevant Section(s) of this Report
Governance structure	Governance Framework
Reporting Principles	Appendix III: Reporting Principles
Reporting Boundary	About the Report — Reporting Period and Scope

Subject Areas, Aspects, General Disclosures and KPIs *A. Environmental*		
Aspect A1:	**Emissions**	**Relevant section(s) of this Report**
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 emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	**Governance Framework** — Sustainability-related Policies **Advocating Nature's Guardianship** **Appendix II: Applicable Laws and Regulations**
KPI A1.1	The types of emissions and respective emissions data.	**Advocating Nature's Guardianship** — Metrics and Targets
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	**Advocating Nature's Guardianship** — Metrics and Targets: Waste Generation
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	**Advocating Nature's Guardianship** — Metrics and Targets: Waste Generation
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	**Advocating Nature's Guardianship** — Metrics and Targets — Leading with Environmental Responsibility
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.	**Advocating Nature's Guardianship** — Leading with Environmental Responsibility: Waste Management

Aspect A2:	**Use of Resources**	
General Disclosure	Policies on the efficient use of resources including energy, water and other raw materials.	**Governance Framework** — Sustainability-related Policies
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).	**Advocating Nature's Guardianship** — Metrics and Targets: Energy Consumption
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	**Advocating Nature's Guardianship** — Metrics and Targets: Water Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	**Advocating Nature's Guardianship** — Metrics and Targets — Leading with Environmental Responsibility
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.	**Advocating Nature's Guardianship** — Metrics and Targets — Leading with Environmental Responsibility: Water Conservation
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	**Advocating Nature's Guardianship** — Metrics and Targets: Packaging Materials — Leading with Environmental Responsibility
Aspect A3:	**The Environment and Natural Resources**	
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	**Governance Framework** — Sustainability-related Policies
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	**Advocating Nature's Guardianship** — Leading with Environmental Responsibility — Action for Climate and Nature
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.	**Governance Framework** — Sustainability-related Policies **Appendix II: Applicable Laws and Regulations**
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	**Empowering Workspaces** — Demographics of our Workforce
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	**Empowering Workspaces** — Demographics of our Workforce

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.	**Governance Framework** — Sustainability-related Policies **Appendix II: Applicable 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.	**Resilient Operational Practices** — Workplace Health and Safety: Safety Management
KPI B2.2	Lost days due to work injury.	**Resilient Operational Practices** — Workplace Health and Safety: Safety Management
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	**Resilient Operational Practices** — Workplace 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.	**Governance Framework** — Sustainability-related Policies
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	**Empowering Workspaces** — Employee Training and Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	**Empowering Workspaces** — Employee Training and Development
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.	**Governance Framework** — Sustainability-related Policies **Appendix II: Applicable Laws and Regulations**
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	**Resilient Operational Practices** — Ethical Labour Practices
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	**Resilient Operational Practices** — Ethical Labour Practices
Operating Practices		
Aspect B5:	**Supply Chain Management**	
General Disclosure	Policies on managing environmental and social risks of the supply chain.	**Governance Framework** — Sustainability-related Policies
KPI B5.1	Number of suppliers by geographical region.	**Heartfelt Craftsmanship** — Supply Chain Management
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.	**Heartfelt Craftsmanship** — Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	**Heartfelt Craftsmanship** — Supply Chain Management: Supplier Environmental and Social 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.	**Heartfelt Craftsmanship** — Supply Chain Management

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.	**Governance Framework** — Sustainability-related Policies **Appendix II: Applicable Laws and Regulations**
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	**Heartfelt Craftsmanship** — Production Quality and Responsibility — Client Quality Requirements and Compliance
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	**Heartfelt Craftsmanship** — Production Quality and Responsibility — Client Quality Requirements and Compliance
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	**Resilient Operational Practices** — Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	**Heartfelt Craftsmanship** — Production Process Quality Control — Production Quality and Responsibility — Client Quality Requirements and Compliance
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	**Resilient Operational Practices** — Data 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.	**Governance Framework** — Sustainability-related Policies **Resilient Operational Practices** — Anti-Corruption: Anti-Corruption Governance **Appendix II: Applicable 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.	**Resilient Operational Practices** — Anti-corruption: Grievance mechanism
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	**Resilient Operational Practices** — Anti-corruption: Grievance mechanism
KPI B7.3	Description of anti-corruption training provided to directors and staff.	**Resilient Operational Practices** — Anti-corruption: Anti-corruption Governance
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.	**Governance Framework** — Sustainability-related Policies
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	**Threaded Community Contributions**
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	**Threaded Community Contributions**

Part D: Climate-related Disclosures ***(I) Governance***		
Paragraph	**Disclosure Requirements**	**Relevant section(s) of this Report**
19	An issuer shall disclose information about:	
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:	**Advocating Nature's Guardianship** — Actions for Climate and Nature: Climate and Nature Governance **Governance Framework**
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 paragraphs 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:	**Advocating Nature's Guardianship** — Actions for Climate and Nature: Climate and Nature Governance **Governance Framework**
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.	
(II) 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;	**Advocating Nature's Guardianship** — Actions for Climate and Nature: Climate 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	
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:	
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	**Advocating Nature's Guardianship** — Actions for Climate and Nature: Climate Strategy
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).	
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:	**Advocating Nature's Guardianship** — Actions for Climate and Nature: Climate Strategy
22(a)(i)	current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	
22(a)(ii)	current and anticipated adaptation and mitigation efforts (whether direct or indirect);	
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	
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	**Advocating Nature's Guardianship** — Actions for Climate and Nature: 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).	
23	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	**Advocating Nature's Guardianship** — Actions for Climate and Nature: Metrics and Targets
Financial position, financial performance and cash flows		
Current financial effects		
24	An issuer shall disclose qualitative and quantitative information about:	
24(a)	how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	**Advocating Nature's Guardianship** — Action for Climate and Nature: Climate Strategy By adopting Capability Relief, the Group is currently unable to model or quantify the quantitative financial impact of climate-related risks and opportunities.
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.	By adopting Capability Relief, the Group is currently unable to model or quantify the numerical impact of climate-related risks and opportunities.

Anticipated financial effect		
25	The issuer shall provide qualitative and quantitative disclosures about:	
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:	**Advocating Nature's Guardianship** — Actions for Climate and Nature: Climate Strategy **Advocating Nature's Guardianship** — Actions for Climate and Nature: Metrics and Targets **Looking Ahead**
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.	By adopting Capability Relief, the Group is currently unable to model or quantify the numerical impact of climate-related risks.
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:	By adopting Capability Relief, the Group is currently unable to conduct quantitative scenario analysis.
26(a)	the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	**Advocating Nature's Guardianship** — Actions for Climate and Nature: Climate Strategy
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;	
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:	**Advocating Nature's Guardianship** — Actions for Climate and Nature: Climate Strategy
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.	

(III) Risk Management		
27	An issuer shall disclose information about:	
27(a)	the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	**Advocating Nature's Guardianship** — Actions for Climate and Nature: Climate Strategy
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);	**Advocating Nature's Guardianship** — Actions for Climate and Nature: Climate Risk Management
27(a)(ii)	whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	**Governance Framework**
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);	**Risk Management**
27(a)(iv)	whether and how the issuer prioritises climate-related risks relative to other types of risks;	**Risk Management** **Advocating Nature's Guardianship** — Actions for Climate and Nature: Climate and Nature Governance
27(a)(v)	how the issuer monitors climate-related risks; and	**Risk Management** **Advocating Nature's Guardianship** — Actions for Climate and Nature: Climate Risk Management
27(a)(vi)	whether and how the issuer has changed the processes it uses compared with the previous reporting period;	**Risk Management** **Advocating Nature's Guardianship** — Actions for Climate and Nature: Climate and Nature Governance & Climate Risk 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	
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.	
(IV) 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:	
28(a)	Scope 1 greenhouse gas emissions;	**Advocating Nature's Guardianship** — Actions for Climate and Nature: Metrics and Targets
28(b)	Scope 2 greenhouse gas emissions; and	
28(c)	Scope 3 greenhouse gas emissions.	

Greenhouse gas emissions		
29	An issuer shall:	
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;	**Advocating Nature's Guardianship** — Actions for Climate and Nature: Metrics and Targets
29(b)	disclose the approach it uses to measure its greenhouse gas emissions including:	**Advocating Nature's Guardianship** — Actions for Climate and Nature: Metrics and Targets
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	**Advocating Nature's Guardianship** — Actions for Climate and Nature: Metrics and Targets
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).	**Advocating Nature's Guardianship** — Actions for Climate and Nature: Metrics and Targets **Appendix IV: Carbon Accounting Methodology**
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.	**Advocating Nature's Guardianship** — Actions for Climate and Nature: Climate Strategy & Metrics and Targets

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 is not aware of any necessity to implement internal carbon pricing in its decision-making process.
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.	
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).	**Advocating Nature's Guardianship** — Action for Climate and Nature: Climate and Nature Governance The Group does not anticipate any significant positive impact on ESG risk management from incorporating climate-related considerations into its remuneration policy.
Industry-based metrics		
36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	By adopting Reasonable Information Relief, the Group is unable to access peer information, as much of it is considered highly confidential and not publicly disclosed.
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:	**Advocating Nature's Guardianship** — Actions for Climate and Nature: Metrics and Targets **About the Report**
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.	**Advocating Nature's Guardianship** — Actions for Climate and Nature: Metrics and Targets

Climate-related targets		
38	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	**Advocating Nature's Guardianship** — Actions for Climate and Nature: Climate and Nature Governance & 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.	**Advocating Nature's Guardianship** — Actions for Climate and Nature: Metrics and Targets
40	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	**Advocating Nature's Guardianship** — Actions for Climate and Nature: Metrics and Targets
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 did not purchase any carbon credits in this financial year. However, it has a policy related to carbon footprint reduction and offsetting, which will be referred to if the Group decides to purchase carbon credits in the future.
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).	

APPENDIX VI: GRI CONTENT INDEX

GRI Standard	Disclosure
Statement of Use	Nameson Holdings Limited has reported with reference to the GRI Standards for the period 1 April 2025 to 31 March 2026
GRI 1 Used	GRI 1: Foundation 2021

GRI Standard		Disclosure	Relevant Section(s) or Direct Response(s)
General Disclosures			
GRI 2: General Disclosures 2021	2-1	Organizational details	**About the Report** — Reporting Period and Scope **About the Group**
	2-2	Entities included in the organization's sustainability reporting	**About the Report** — Reporting Period and Scope Compared to our annual report, the reporting scope excludes Cashmoria Co., Limited, Pacific Win Development (BVI) Limited, Senico Industrial Limited, Supreme Union (SG) Pte. Limited, Top Galaxy Enterprise Limited, V. Success Limited, Oceantex Investment Limited, Kingwood Development Limited and all their respective subsidiaries. These entities have been excluded from the scope as they are either inactive in operations or individually contributed less than 5% of the Group's total revenue during the reporting period. As such, their operations are considered immaterial to the overall sustainability performance of the Group.
	2-3	Reporting period, frequency and contact point	**About the Report**
	2-4	Restatements of information	Any restatements of information have been clearly disclosed in this Report.
	2-5	External assurance	The Group engaged independent third party to conduct assurance.
	2-6	Activities, value chain and other business relationships	**About the Group**
	2-7	Employees	**Empowering Workspaces** — Talent Acquisition and Retention — Demographics of our Workforce
	2-8	Workers who are not employees	**Empowering Workspaces** — Talent Acquisition and Retention — Demographics of our Workforce
	2-9	Governance structure and composition	**Governance Framework**

GRI Standard		Disclosure	Relevant Section(s) or Direct Response(s)
	2-10	Nomination and selection of the highest governance body	Executive Directors are nominated by the Chairman, and their appointments are subject to the approval of the Nomination Committee. The Committee comprises two INEDs and the Chairman of the Board, the Nomination Committee considers key factors such as competence, experience, diversity, and independence to ensure that each nomination adds value to the Board and serves the best interests of all shareholders.
	2-11	Chair of the highest governance body	The Chairman of the Board also serves as an Executive Director of the Group. The Chairman is primarily responsible for overseeing the strategic direction of the Group and providing leadership on financial matters. He does not participate in day to-day production operations, which are delegated to the CEO. This segregation of roles ensures a clear division of responsibilities between strategic oversight and operational management. In addition, the Board comprises an equal representation of Executive Directors and Independent Non-Executive Directors (50% each), fostering a balanced and diverse range of perspectives in board discussions and decision-making.
	2-12	Role of the highest governance body in overseeing the management of impacts	**Governance Framework** **Nameson's Materiality**
	2-13	Delegation of responsibility for managing impacts	**Governance Framework**
	2-14	Role of the highest governance body in sustainability reporting	**Governance Framework** **Nameson's Materiality** — Materiality Assessment

GRI Standard		Disclosure	Relevant Section(s) or Direct Response(s)
	2-15	Conflicts of interest	**Resilient Operational Practices** — Anti-corruption **"Biographical Details of Directors and Members of Senior Management"** section of the Company's annual report Save as otherwise disclosed in the annual report (including specific arrangements regarding the Hebei Factory), the Group does not permit any employees or directors to hold stakes in suppliers that do business with the Group. In the event of connected party transactions, the Group follows strict protocols to identify, review and disclose such transactions, in compliance with the disclosure and approval requirements under Chapter 14A of the HKEX Listing Rules. For transactions below this threshold, management will disclose their interest during board meetings. Additionally, if any related party transactions arise, the involved party must disclose them to the Board or the human resources department.
	2-16	Communication of critical concerns	**Governance Framework** **Nameson's Materiality**
	2-17	Collective knowledge of the highest governance body	**Governance Framework** **"Board Diversity"** section in the Corporate Governance Report of the Company's annual report. **Empowering Workspaces** — Employee Training and Development
	2-18	Evaluation of the performance of the highest governance body	A formal mechanism is not yet in place.
	2-19	Remuneration policies	**"Benefits and Interests of Directors"** section of the Company's annual report Presently, there is no sustainability performance linked remuneration policy for the Board.
	2-20	Process to determine remuneration	The Group has established a Remuneration Committee responsible for determining directors' remuneration. Remuneration matters are discussed among committee members and benchmarked against the average remuneration levels of peer companies. No independent remuneration consultant has been engaged in this process.
	2-21	Annual total compensation ratio	1:76
	2-22	Statement on sustainable development strategy	**Message to all Stakeholders** **Our Sustainability Pillars — HEART**

GRI Standard		Disclosure	Relevant Section(s) or Direct Response(s)
	2-23	Policy commitments	**Governance Framework** — Sustainability-related Policies At present, the Group has not made formal commitments to intergovernmental instruments. However, it has committed to SBTi, an internationally recognised framework aligned with the goals of the Paris Agreement.
	2-24	Embedding policy commitments	We describe our processes for embedding policy commitments throughout this report.
	2-25	Processes to remediate negative impacts	**Resilient Operational Practices** — Anti-corruption
	2-26	Mechanisms for seeking advice and raising concerns	**About the Report** — Contact Us
	2-27	Compliance with laws and regulations	**Appendix II: Applicable Laws and Regulations**
	2-28	Membership associations	**Appendix I: Sustainability Recognitions and Professional Memberships**
	2-29	Approach to stakeholder engagement	**Nameson's Materiality** — Stakeholder Engagement
	2-30	Collective Bargaining Agreements	Not applicable. There are no formal collective bargaining agreements in place within the Group.
MATERIAL TOPICS			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	**Nameson's Materiality** — Materiality Assessment
	3-2	List of material topics	**Nameson's Materiality** — Materiality Assessment
	3-3	Management of material topics	**Governance Framework** **Nameson's Materiality** **Our Sustainability Pillars — HEART**
TOPIC-SPECIFIC DISCLOSURE			
Material Topic: Product Safety and Quality			
GRI 3: Material Topics 2021	3-3	Management of material topics	**Heartfelt Craftsmanship** — Production Quality and Responsibility
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	**Heartfelt Craftsmanship** — Raw Material Sourcing Control — Production Process Quality Control — Testing Centres and Laboratory Certifications
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	**Heartfelt Craftsmanship** — Client Quality Requirements and Compliance
Material Topic: Customers' Satisfaction			
GRI 3: Material Topics 2021	3-3	Management of material topics	**Resilient Operational Practices** — Data Privacy
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	**Resilient Operational Practices** — Data Privacy

GRI Standard		Disclosure	Relevant Section(s) or Direct Response(s)
Material Topic: Emergency Response & Occupational Safety and Health			
GRI 3: Material Topics 2021	3-3	Management of material topics	**Resilient Operational Practices** — Workplace Health and Safety
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	**Resilient Operational Practices** — Workplace Health and Safety: Safety Management
	403-2	Hazard identification, risk assessment, and incident investigation	**Resilient Operational Practices** — Workplace Health and Safety: Safety Management
	403-3	Occupational health services	**Resilient Operational Practices** — Workplace Health and Safety: Safety Management Measures
	403-4	Worker participation, consultation, and communication on occupational health and safety	**Resilient Operational Practices** — Workplace Health and Safety: Safety Management Measures
	403-5	Worker training on occupational health and safety	**Resilient Operational Practices** — Workplace Health and Safety: Safety training
	403-6	Promotion of worker health	**Resilient Operational Practices** — Workplace Health and Safety: Safety Management Measures
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	**Resilient Operational Practices** — Workplace Health and Safety: Safety Management Measures
	403-8	Workers covered by an occupational health and safety management system	**Resilient Operational Practices** — Workplace Health and Safety
	403-9	Work-related injuries	**Resilient Operational Practices** — Workplace Health and Safety: Safety Management
	403-10	Work-related ill health	**Resilient Operational Practices** — Workplace Health and Safety: Safety Management
Material Topic: Employee Relations and Communication			
GRI 3: Material Topics 2021	3-3	Management of material topics	**Empowering Workspaces**
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	**Empowering Workspaces** — Demographics of our Workforce
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	**Empowering Workspaces** — Talent Acquisition and Retention — Employee Welfare — Employee Activities
	401-3	Parental leave	**Empowering Workspaces** — Demographics of our Workforce
Material Topic: Research and Development			
GRI 3: Material Topics 2021	3-3	Management of material topics	**Resilient Operational Practices** — Intellectual Property Rights