

CHINA TING GROUP

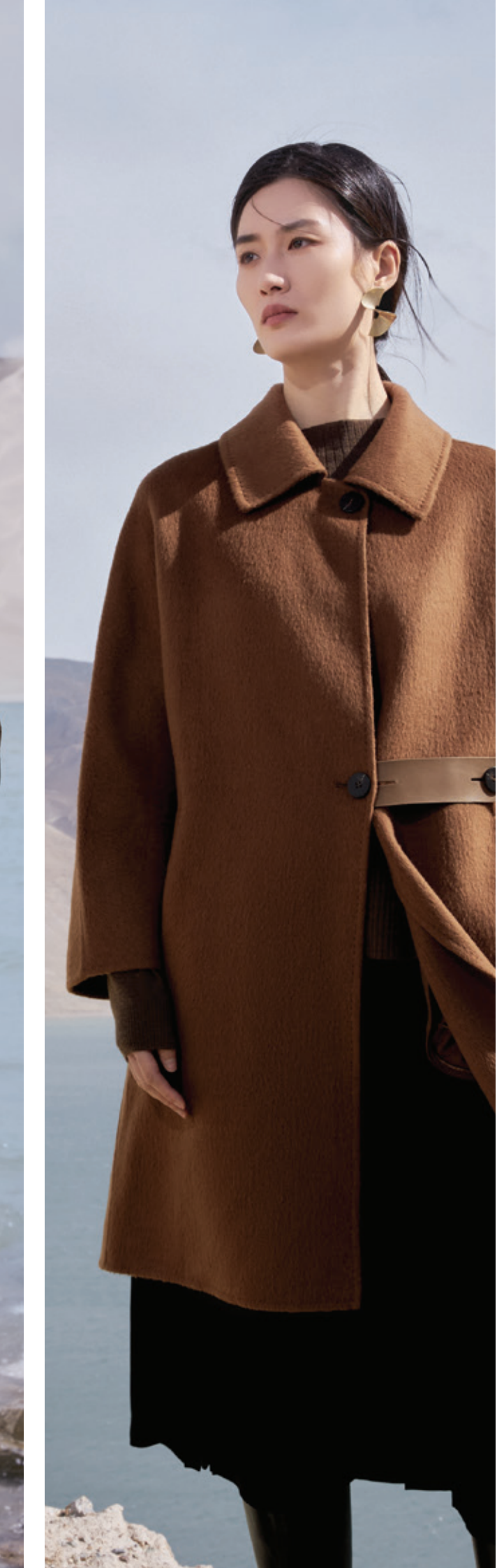
華鼎集團

Stock Code: 3398

Environmental, Social and Governance Report 2024







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# ABOUT THIS REPORT



China Ting Group Holdings Limited and its subsidiaries (hereinafter collectively referred to as “China Ting Group” or the “Group”) is a vertically integrated garment manufacturer, exporter and retailer principally engaged in garment OEM and ODM, fashion retailing and property investment in Mainland China. We are pleased to publish the 2024 Environmental, Social and Governance (“ESG”) Report (the “Report”), which aims to illustrate the Group’s policies, measures and performance in sustainable development as well as its management approach in response to climate change risks.

This Report is prepared in both Chinese and English and is available for inspection on the websites of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Group ([www.chinating.com.hk](http://www.chinating.com.hk)).



## REPORTING SCOPE

This Report covers the core business of China Ting Group, i.e. garment original equipment manufacturing (OEM), during the period from 1 January 2024 to 31 December 2024 (the “Reporting Period”). This Report highlights the Group’s textile, printing and dyeing, and garment manufacturing businesses in Mainland China, which accounted for 57.9% of the Group’s total annual revenue. Our business operations are distributed across 8 factories<sup>1</sup> in Mainland China (collectively, the “subsidiaries” or “factories”), with further details provided in the table below.

Business Type	Name of Subsidiary
Textile factory	Zhejiang China Ting Jincheng Silk Co., Ltd
Printing and dyeing factory	China Ting Woollen Textile Co., Ltd (“China Ting Woollen Textile”)
Garment factories	Zhejiang Fuhowe Fashion Co., Ltd Zhejiang Fucheng Fashion Co., Ltd Zhejiang Huali Fashion Co., Ltd. Zhejiang Concept Creator Fashion Co., Ltd Shenzhen Fuhowe Fashion Co., Ltd Finity International Fashion Co., Ltd

<sup>1</sup> As Zhejiang China Ting Textile Technology Co., Ltd was closed last year, the number of facilities covered by this year’s report decreased by one as compared to that of last year.

# ABOUT THIS REPORT

## REPORTING PRINCIPLES

This Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "Guide") in Appendix C2 to the Listing Rules issued by the Stock Exchange, and has applied the four reporting principles set forth in the Guide, namely materiality, quantitative, balance and consistency.

### Materiality

#### Definition

This Report focuses on the ESG issues of the greatest influence to the Group's operations and stakeholders.

#### Application

Through a comprehensive stakeholder questionnaire, we have identified and prioritized key ESG matters to ensure that the content of the Report addresses the needs of all relevant parties.

### Quantitative

#### Definition

All relevant data is presented using measurable metrics, with clear disclosure of calculation criteria and methods, with comparisons with historical data provided as appropriate.

#### Application

We employ standardized data collection methodologies and engage professional consultants to calculate carbon emissions and other environmental data in accordance with internationally recognized standards, to ensure data accuracy and comparability.

### Balance

#### Definition

This Report provides an objective presentation of the Group's performance in ESG aspects.

#### Application

We adopt a fair and transparent approach to comprehensively disclose both achievements and challenges, enabling stakeholders to gain an accurate understanding of the Group's performance.

### Consistency

#### Definition

We apply consistent disclosure principles to ensure year-on-year data comparability.

#### Application

The Report employs consistent statistical methodologies. Any modifications to calculation approaches are accompanied by clear explanations of both the rationale for changes and their impacts.





### CONFIRMATION AND APPROVAL

The Group has established an internal control and review system to collect and manage relevant information and data to ensure that the disclosures in this Report are accurate and reliable. This Report was confirmed and approved for release by the board of directors (the “Board”) of the Group on 31 March 2025.

### FEEDBACK

We welcome comments from the public and stakeholders on the Group’s sustainability performance or the content of this Report, with an aim to continuously improve the sustainability governance and strategies. If you have any questions or suggestions on the Group’s sustainable development work, or the content or reporting form of this Report, please contact the Group by email to [esg@chinatingholdings.com](mailto:esg@chinatingholdings.com).



# BOARD STATEMENT

In front of the unprecedented challenges from climate change worldwide, the Board of China Ting Group fully recognizes the critical importance of environmental compliance and energy efficiency to corporate sustainability. We steadfastly support China's strategic goals of achieving carbon peaking and carbon neutrality by 2030 and 2060, respectively, and actively respond to all green development initiatives outlined in the 14th Five-Year Plan. As a responsible corporate citizen, we are committed to taking proactive measures to comprehensively advance environmental protection, energy conservation and emission reduction, and ensure that the business operations of the Group not only comply with environmental regulations but also set exemplary standards for the industry.

In the past year, we invested significant resources in environmental compliance, including upgrading environmental protection facilities, optimizing production processes, and enhancing environmental monitoring systems. Through these measures, we successfully improved energy efficiency and reduced carbon emissions as well as other environmental pollutants. To support China's carbon





peaking and carbon neutrality policies, we will progressively develop a feasible carbon reduction roadmap to ensure the achievement of carbon neutrality by 2060. We also place particular emphasis on the research, development, and production of low-carbon products. We integrate environmental concepts at the product design stage, use eco-friendly materials, and adopt innovative low-carbon production processes, striving to provide customers with more environmentally friendly products.

To accomplish these goals, we are establishing a robust climate change responding mechanism, comprising regular evaluations on climate-related risks, optimization of energy management systems, enhanced trainings on the environmental protection awareness of the employees and investment in green technology innovation. We actively respond to various national environmental policies, vigorously promote the transformation to clean energy, and plan to gradually increase the proportion of renewable energy in total energy consumption. Meanwhile, we are actively exploring the application possibilities of various low-carbon technologies to contribute to the realization of the goals of carbon peaking and carbon neutrality. In terms of product research and development, we invest significant resources in developing environmentally friendly fabrics and sustainable manufacturing processes, and work closely with suppliers to ensure that environmental requirements are met across the entire supply chain.





## BOARD STATEMENT

The Board will continue to monitor the Group's environmental performance and ensure that various environmental protection measures are effectively implemented. We believe that by continuously improving the environmental management system and enhancing energy efficiency, we can not only contribute to environmental protection, but also create long-term competitive advantages for the Group. To this end, we have established a dedicated sustainable development committee and product research and development team to regularly review the progress towards the environmental protection goals, and ensure that the environmental management system is in line with the requirements of national policies. We have also set up a dedicated low-carbon product development center to promote product innovation and develop more environmentally friendly and high-quality products.

Looking forward, we will continue to increase our investment in environmental protection, actively participate in the construction of the national green manufacturing system, and strive to achieve balanced development between business growth and environmental protection. Especially in product research and development, we will further increase investment to develop more products with environmentally friendly features to meet the market's growing demand for green products. We firmly believe that only by integrating the concept of sustainable development across corporate operations and keeping actively in line with national policies can we create long-term value for shareholders, bring positive impact to the society, and make our own contributions to the advancement of the sustainable development strategy in China.

Sincere thanks to all stakeholders for your continued support and trust. Let us work together, actively respond to the national call, and spare no effort to create a better future that is more environmentally friendly and sustainable.

# SUSTAINABLE DEVELOPMENT POLICY



Sustainable development is a core pillar of China Ting Group's business strategy, reflecting our commitment to corporate social responsibility and strengthening the close ties between the Company and the society. We pay close attention to the impact of our business operations on the entire value chain, including environmental protection, employee well-being, supplier management, customer service and community development. By implementing a comprehensive policy framework, specific action plans and clear goal setting, we deeply integrate the concept of sustainable development into all aspects of our business to continuously improve the Group's sustainable performance, thereby creating long-term value in terms of business development, stakeholder interests and community environment.

While pursuing business growth, we always put the interests of our stakeholders in priority. We have established a comprehensive stakeholder communication mechanism and conduct regular in-depth dialogues to accurately identify material business-related issues, providing an important basis for improving the corporate governance structure and formulating sustainable development strategies. Under the strategic guidance of the Board, we have developed a sustainable development roadmap that meets the development needs of the Group, and promote the implementation of various sustainable development measures through systematic management methods, to contribute to the sustainable development of the cities and communities.

## GOVERNANCE STRUCTURE

China Ting Group recognizes the importance of a sound corporate governance structure to the long-term development of the Group. We are committed to establishing a highly transparent and responsible management system to ensure a rigorous and effective decision-making process and maintain excellent corporate governance standards.

As the Group’s highest governance organ, the Board comprehensively oversees ESG and climate change-related matters, including formulating strategies and policies, setting goals, reviewing policy effectiveness and evaluating risk management, leading the Group towards sustainable development.

In order to further strengthen sustainable development management, the Group has established an ESG management team. Under the leadership of the Chief Executive Officer (CEO), heads of various departments work together to integrate the concept of sustainable development into daily operations. The team is mainly responsible for planning and implementing sustainable development strategies, formulating performance indicators, and regularly reporting the progress of related work to the Board to ensure that various measures are effectively implemented.





## RISK MANAGEMENT

The Board is responsible for establishing and maintaining effective risk management and internal control systems to ensure that risk management is integrated into all aspects of the Company, including strategy formulation, business operations and daily management. In response to the challenges brought about by climate change and market changes, we have fully integrated ESG principles into our operations and risk management framework. The Group has formulated appropriate risk management systems in accordance with the Corporate Risk Management and Internal Control Regulation Rules and other regulations. With the support of the audit committee, we have established a comprehensive risk management mechanism to systematically identify and manage major risks and provide guidance for the development direction of the Group.

During the year, we continued to update our risk assessment checklist and conduct in-depth analysis based on the latest corporate developments and regulatory requirements. The audit committee and the Board are committed to improving the risk management system and strengthening risk control measures. We implement management procedures according to risk levels, continuously monitor pre-warning indicators and evaluate the effectiveness of countermeasures to achieve effective risk management and control. For details on risk management and internal control, please refer to the “Corporate Governance Report” section in the annual report.

The risks related to sustainable development identified by the Group during the year are as follows:

Risk Item	Details of Risks	Control Measures	Extent of Risk Impact
Supply chain management risks	The newly launched production base in Cambodia has made China Ting’s supply chain management more complex, involving multiple aspects such as cross-border procurement, production coordination, and logistics transportation. The different laws and regulations, cultural differences, and infrastructure conditions in different countries may all affect the stability and efficiency of the supply chain. Meanwhile, insufficient talent reserves may lead to inefficient management, outdated production technology, and weak market expansion, thereby increasing risks related to quality, delivery delays, compensation claims, and other issues.	<ul style="list-style-type: none"> <li>— Continuously optimize and localize the management team at the Cambodia base;</li> <li>— Consistently enhance production efficiency and quality at the Cambodia production base;</li> <li>— Continue to develop local collaborative resources in Cambodia;</li> <li>— Further improve the synergies between the teams in China and Cambodia;</li> <li>— Further refine the digital remote management system.</li> </ul>	Significant risk

# SUSTAINABLE DEVELOPMENT POLICY

Risk Item	Details of Risks	Control Measures	Extent of Risk Impact
Environmental compliance risks	As the dual-carbon initiative continues to advance comprehensively, the environmental compliance pressure on the Company's textile printing and dyeing segment continues to escalate. To meet increasingly stringent environmental standards, the Company may face rising costs in environmental protection equipment and production process upgrades, thereby compressing profit margins. Furthermore, if the Company fails to effectively control pollutant emissions during production, it will face growing risks of environmental penalties and mandatory production suspensions for rectification.	<ul style="list-style-type: none"> <li>— Continuously monitor energy consumption statements to reduce energy wastage caused by leaks, spills and drops, etc.;</li> <li>— Install smart energy meters and a digital energy management system to detect abnormal consumption in real time;</li> <li>— Proactively adopt new energy-saving and environmentally friendly technologies to reduce pollutant emissions.</li> </ul>	Significant risk

## COMPLIANCE MANAGEMENT

China Ting Group regards operational compliance as the top priority for its operations and strictly abides by all applicable laws and regulations to prevent risks such as business interruption, reputation damage and legal liability that may be caused by the violation thereof. Facing up to the continuous evolution of the regulatory environment in the global garment industry, the Group has actively adjusted its operating model to ensure that its operations in various regions comply with local regulatory requirements. We strictly monitor the Group's compliance performance through the audit committee and have established a sound internal policy system, through which report and review is provided to the Board on a regular basis to continuously strengthen our compliance management level.

We are pleased to report that during the Reporting Period, the Group did not have any violations of laws and regulations in any aspect of ESG, nor was it involved in any concluded corruption lawsuits.

# SUSTAINABLE DEVELOPMENT POLICY



Aspect	Issues	The Group's Policies	Major Laws and Regulations (including but not limited to)
<b>Environment</b>	Emissions	<ul style="list-style-type: none"> <li>• Energy Management System</li> <li>• Chemical Leakage Emergency Plan</li> <li>• Chemical Safety Management Program</li> <li>• Technical Specifications for Dyeing and Finishing Wastewater Treatment of Textile Industry</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental Protection Law of the People's Republic of China</li> <li>• Water Pollution Prevention and Control Law of the People's Republic of China</li> <li>• Environmental Noise Pollution Prevention and Control Law of the People's Republic of China</li> <li>• Solid Waste Pollution Prevention and Control Law of the People's Republic of China</li> <li>• China's Guidelines for Accounting and Reporting Greenhouse Gas Emissions — Other Industrial Enterprises</li> <li>• ISO14064-1 GHG Protocol</li> </ul>
	Use of Resources	<ul style="list-style-type: none"> <li>• Energy Management System</li> </ul>	N/A
	The Environment and Natural Resources	<ul style="list-style-type: none"> <li>• Chemical Leakage Emergency Plan</li> <li>• Chemical Safety Management Program</li> </ul>	N/A
	Climate Change	<ul style="list-style-type: none"> <li>• Climate Change Policy</li> </ul>	N/A

# SUSTAINABLE DEVELOPMENT POLICY

Aspect	Issues	The Group's Policies	Major Laws and Regulations (including but not limited to)
Employees	Employment	<ul style="list-style-type: none"> <li>Employee's Code of Conduct</li> <li>Recruitment and Dismissal System</li> <li>Salary Payment Management System</li> <li>Leave System</li> <li>Grievances and Complaints Management Measures</li> <li>Employee Complaints Handling Procedures</li> </ul>	<ul style="list-style-type: none"> <li>Labor Law of the People's Republic of China</li> <li>Labor Contract Law of the People's Republic of China</li> <li>Social Insurance Law of the People's Republic of China</li> </ul>
	Health and Safety	<ul style="list-style-type: none"> <li>Rules and Regulations on Employees' Safety and Health</li> <li>Management Systems for Equipment and Facilities Safety</li> <li>Management Regulations on the Storage and Use of Chemicals (Hazardous Articles)</li> <li>Management System for the Use of Chemicals and Labor Protection Gears</li> <li>Chemical Leakage Emergency Plan</li> <li>Emergency Rescue System on Production Safety Incidents</li> <li>Emergency Medical Procedures for Work-related Injuries/Accidents</li> <li>Emergency Medical Management System</li> <li>Fire Emergency Plan</li> </ul>	<ul style="list-style-type: none"> <li>Production Safety Law of the People's Republic of China</li> <li>Occupational Disease Prevention and Control Law of the People's Republic of China</li> <li>Work Injury Insurance Regulations</li> <li>Social Insurance Law of the People's Republic of China</li> </ul>



# SUSTAINABLE DEVELOPMENT POLICY



Aspect	Issues	The Group's Policies	Major Laws and Regulations (including but not limited to)
	Development and Training	<ul style="list-style-type: none"> <li>Employee Training System</li> </ul>	N/A
	Labor Standards	<ul style="list-style-type: none"> <li>Social Responsibilities Management System</li> <li>Child Labor Remediation Management Rules</li> <li>Staff Handbook</li> </ul>	<ul style="list-style-type: none"> <li>Labor Contract Law of the People's Republic of China</li> <li>Law of the People's Republic of China on the Protection of Minors</li> <li>Provisions on Prohibition of Child Labor</li> </ul>
<b>Operation</b>	Supply Chain Management	<ul style="list-style-type: none"> <li>Supplier Selection and Review Criteria</li> <li>Procurement Control Procedures</li> <li>Procedures for Controlling Suppliers' and Subcontractors' Social Responsibility</li> <li>Social Responsibility Agreement</li> </ul>	N/A

# SUSTAINABLE DEVELOPMENT POLICY

Aspect	Issues	The Group's Policies	Major Laws and Regulations (including but not limited to)
	Product Responsibility	<ul style="list-style-type: none"> <li>• Production Standard Operating Procedures</li> <li>• Quality Manual</li> <li>• Recall Procedures for Non-Conforming Products</li> <li>• Product Early Warning, Claims, Returns and Complaints Information Procedures</li> <li>• Customer Complaints Handling Procedures</li> <li>• Customer Privacy and Data Protection Systems</li> <li>• Customer Property and Privacy Protection Procedures</li> <li>• Clients' Brands Protection and Control Management System</li> <li>• Client-Related Process Control Procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Contract Law of the People's Republic of China</li> <li>• Advertising Law of the People's Republic of China</li> <li>• Tort Liability Law of the People's Republic of China</li> <li>• Trademark Law of the People's Republic of China</li> </ul>
<b>Business ethics</b>	Anti-corruption	<ul style="list-style-type: none"> <li>• Code of Work for Managers</li> <li>• Anti-Corruption and Anti-Bribery Program</li> <li>• Anti-Bribery/Anti-Corruption Commitment</li> <li>• Supplier's Anti-Bribery/Anti-Corruption Commitment</li> </ul>	<ul style="list-style-type: none"> <li>• Criminal Law of the People's Republic of China</li> <li>• Anti-money Laundering Law of the People's Republic of China</li> <li>• Anti-unfair Competition Law of the People's Republic of China</li> <li>• Tendering and Bidding Law of the People's Republic of China</li> </ul>





## COMMUNICATION WITH STAKEHOLDERS

Stakeholder engagement is an important cornerstone for our sustainable development. The Group is committed to maintaining open and effective communication with all stakeholders and gaining a deeper understanding of their views and suggestions. During the Reporting Period, we actively collected stakeholders' opinions through various communication platforms and incorporated them into our sustainable development strategy and daily operations.

### Stakeholders

### Communication Channels

Directors and employees

- Internal meetings
- Questionnaire
- Performance appraisal
- Trainings and staff activities
- Employee grievance channels
- Corporate communications and social media

Investors and shareholders

- Shareholders' meetings and events
- Questionnaire
- Corporate communications and social media
- Press release

Suppliers and partners

- Questionnaire
- Review and evaluation
- Regular communication and meetings

Customers

- Channels for collecting customers' opinions and complaints
- Questionnaire
- Corporate communications and social media



# SUSTAINABLE DEVELOPMENT POLICY

## Stakeholders

Government and regulatory authorities

## Communication Channels

- Regular communication
- Compliance records

Industry association

- Regular exchange
- Participation in the affairs of industry association

Community

- Community and volunteer activities
- Corporate communications and social media

## MATERIALITY ASSESSMENT

During the Reporting Period, the Group commissioned an independent professional consultant to assist us in performing a comprehensive materiality assessment. Through a systematic three-step assessment approach, we successfully identified the ESG issues that have the greatest influence on the Group and its stakeholders, providing an important basis for formulating sustainable development strategies and goals for the future.

### 01

#### Identify relevant issues

- With reference to the Guide of the Stock Exchange, reporting trends and industry practices, 23 environmental, social and governance issues related to the Group were identified.

### 02

#### Prioritize the issues

- Invite internal and external stakeholders to participate in an online survey to rate the materiality of ESG issues.
- Collect and evaluate the opinions on the impact of the issues on the Group's corporate value (financial materiality) and the Group's impact on the economy, environment and society (impact materiality) to determine the overall materiality level of each issue.
- Develop a materiality matrix and priority list of ESG issues.

### 03

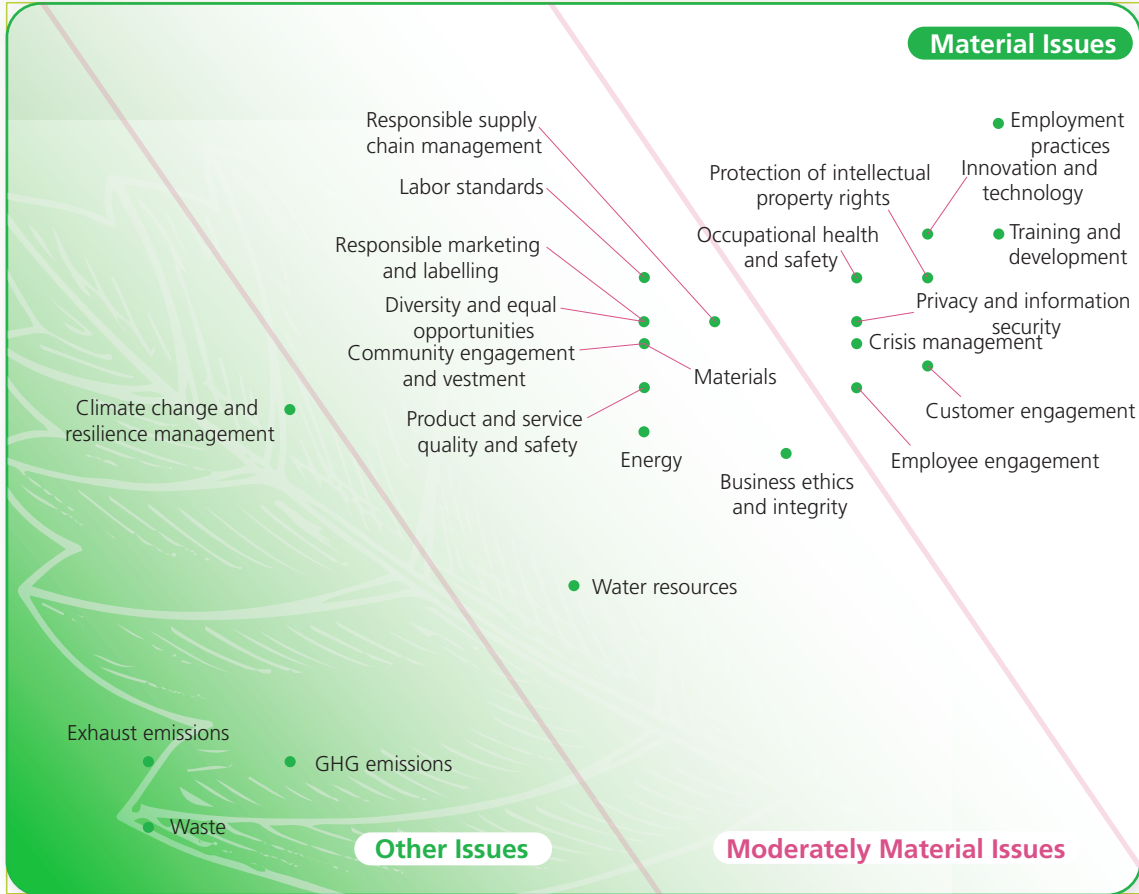
#### Verify material issues

- The results of the materiality assessment are submitted to the Board for review and confirmation.

Based on our analysis, we evaluated the importance of 23 ESG issues from the two dimensions of the impact on corporate value and the impact on economy, environment and society. Through the analysis on the materiality matrix, we identified several key issues in the upper right corner, which are classified as "material issues" and will be elaborated in detail in this Report.

# SUSTAINABLE DEVELOPMENT POLICY

Impact of the Issues on Economy, Environment and Society



Impact of the Issues on the Group's value

# SUSTAINABLE DEVELOPMENT POLICY

Material issues for the year are as follows:



Compared with last year, the overall classification of material issues is similar to that of last year, mainly being issues related to employment and labor practices and operating practices. This Report formulates a reporting framework based on the materiality analysis results and stakeholders' concerns, and elaborates on the Group's performance and measures during the year as follows.

# PEOPLE ORIENTED



China Ting Group regards its employees as the core driving force for the sustained development of the Company. We value talent cultivation and development, and establish sound employment management systems and labor practices to strive to create a safe, healthy, diversified and inclusive working environment where every employee can give full play to their strengths.

## EMPLOYMENT MANAGEMENT

### Policies and Measures

### Purpose

Employee's Code of Conduct  
Recruitment and Dismissal System  
Salary Payment Management System  
Leave System

The Group has developed the policies for recruitment and resignation, remuneration, working hours, dismissal, equal opportunities, holidays and other benefits, to ensure that employees understand the requirements and procedures of the Group's employee system

Grievances and Complaints  
Management Measures  
Employee Complaints Handling  
Procedures

In order to ensure that employees can appeal for their opinions and feelings, the Group has established corresponding complaint management policies and procedures to maintain good two-way communication with employees

In the highly competitive market environment today, China Ting Group deeply recognizes that outstanding talents are the key to a company's success. We are committed not only to attracting and retaining top talents, but also to creating a working environment where our employees can perform at their best. Through a sound human resources management system, we ensure that every employee is fairly treated and provided with ample development opportunities and comprehensive protection of rights and interests, thereby promoting the sustainable development of the Company.

### Talent Recruitment and Retention

We are committed to creating a fair, inclusive and dynamic working environment and providing market-competitive remuneration and benefit packages to attract and retain outstanding talents. Through the well-established Recruitment and Dismissal System and Salary Payment Management System, the Group strictly regulates the human resources management process and ensures management fairness and transparency. During the recruitment process, we conduct comprehensive selection based on objective criteria such as educational background, professional skills, work experience, interview performance and job requirements, eliminate discrimination in any form, and provide equal employment opportunities for all job applicants.

In order to continuously motivate employees to pursue better performance, we have established a scientific performance evaluation system and conduct regular and comprehensive performance evaluations. The evaluation process focuses on fairness and impartiality, and appropriate feedback and rewards are given based on the evaluation results and remuneration levels in the market. Employees with outstanding performance will enjoy not only salary adjustments, but also a wealth of additional benefits, including but not limited to monthly performance bonuses, rank-based allowances, triple vacation pay, various subsidies, and annual safety bonus and other incentives. We believe that a reasonable reward mechanism can effectively enhance employees' work enthusiasm and sense of belonging.



## PEOPLE ORIENTED

The Group attaches great importance to the protection of employees' rights and interests and has formulated the comprehensive and humane Leave System. In addition to the statutory holidays stipulated by the state, employees can also enjoy a wide range of paid leaves, including annual leave, sick leave, wedding and funeral leave, maternity leave and paternity leave. In order to promote the work-life balance of employees and improve their quality of life, we provide a number of thoughtful benefits, such as high-quality meal subsidies, comfortable employee dormitories, regular team travel activities, etc. These measures not only reflect the Company's care for the employees, but also effectively enhance team cohesion and sense of belonging, helping to create a harmonious and inclusive working atmosphere.

### Diversity, Equal Opportunities and Anti-discrimination

The Group is committed to building a diverse and inclusive working environment and welcomes talents from different backgrounds to join us. We have clearly established policies for equal opportunity and anti-discrimination in the Recruitment and Dismissal System to ensure that all employees and job applicants are treated fairly. Any discrimination, harassment or unequal treatment because of race, gender, age, religious beliefs, disability or other personal characteristics will not be tolerated.

### Employee Grievance

The Group is committed to maintaining a work environment of integrity and ethics and has zero-tolerance towards any illegal or inappropriate behavior. We have established a sound grievance mechanism comprising the Grievances Management Measures and Employee Complaints Handling Procedures, and encourage employees to proactively lodge grievances in case of inequality, harassment or discrimination. All grievance cases will undergo a rigorous investigation process, and once violations are confirmed, the Group will take appropriate disciplinary action based on the severity of the circumstances.

## COMPLIANT LABOR PRACTICES

### Policies and Measures

### Purpose

Social Responsibilities Management System

Strictly prohibit the use of child labor or forced labor in business operations, and at the same time, establish

Child Labor Remediation Management Rules

response procedures to deal with the misemployment of child labor to protect the affected minors

In accordance with the Social Responsibilities Management System and the Child Labor Remediation Management Rules, the Group adopts strict management measures to protect the rights and interests of workers. We firmly prohibit the use of child labor and forced labor and have established a comprehensive prevention mechanism. During the recruitment process, the human resources department strictly implements multiple identity verification procedures, including requiring the applicants to provide valid identity documents, conducting face-to-face interviews for confirmation, and cross-checking with relevant authorities to ensure that all employees meet the legal working age requirements.





To ensure the effective implementation of policies, we regularly review the personnel information and provide professional training for the human resources department to enhance their awareness of relevant laws and regulations. If we unfortunately find that child labor is mistakenly employed, the Group will immediately initiate a comprehensive remedial procedure: suspend their work immediately, arrange for professional medical institutions to conduct physical examinations and assessments, notify their families or guardians, and report to the local labor authority for record. Meanwhile, we will provide financial compensation as necessary to assist them in returning to school or receiving appropriate vocational training. In addition, we will thoroughly investigate the cause of the incident, comprehensively review and improve relevant policies and procedures, and take preventive measures to prevent similar incidents from happening again.

In terms of preventing forced labor, the Group has established a comprehensive management system. All new employees must sign a detailed employment contract before joining the Company, which clearly sets forth important terms such as salary standards, benefits, scope of work, working hours, etc. We ensure that all employees fully understand the content of the contract and leave them with full choice to sign the contract. When new employees join the Company, they need to read the Staff Handbook in detail to understand important information such as work schedules, overtime policies, and vacation systems. We strictly control overtime hours to ensure that employees can get enough rest, and pay overtime wages as required by law. The resignation procedure is required to be carried out in accordance with the terms of the employment contract and local laws and regulations to ensure that the employment relationship is lawfully terminated and to protect the rights and interests of the employees. We conduct internal audits on a regular basis to ensure that various labor policies are effectively implemented.

## SAFEGUARDING HEALTH

### Policies and Measures

### Purpose

Rules and Regulations on Employees' Safety and Health  
Management Systems for Equipment and Facilities Safety

Strengthen the prevention of risks related to occupational health and safety, and protect the safety and health of employees and related persons

Management Regulations on the Storage and Use of Chemicals (Hazardous Articles)  
Management System for the Use of Chemicals and Labor Protection Gears  
Emergency Plan for Chemical Leakage

Ensure that chemicals and other hazardous substances are properly handled to protect employees, while limiting the handling, usage, storage and disposal of relevant chemicals to maintain a safe working environment

Management System for Equipment Safety

Responsible for managing the daily inspection and maintenance of the production equipment of the subsidiaries to ensure that the equipment is functioning properly and to maintain a safe working environment

## Policies and Measures

Emergency Medical Management System  
Fire Emergency Plan

## Purpose

In case of any employee injury or fire and other related safety accidents, we will provide employees with treatment process to ensure that we will take corresponding emergency measures according to the severity of the situation in a safe environment, and notify the fire or rescue organizations as soon as possible to escort the injured person to the nearby hospital for treatment

China Ting Group always regards the safety and health of its employees as top priority and is committed to creating a safe, healthy and high-quality working environment. To achieve this goal, we have set up the leading group for environmental hygiene and healthy and safe production, which is directly led by the senior management and is responsible for comprehensively supervising and continuously improve the implementation of various policies and measures for occupational safety and health. It holds regular meetings to evaluate the effectiveness of existing safety measures and promptly adjust and optimize relevant policies based on actual needs.

As our business operations involve the use of chemicals, safety management is particularly important during the production process. The Group has established a comprehensive and strict chemical management system, including but not limited to the Rules and Regulations on Employees' Safety and Health, the Management Regulations on the Storage and Use of Chemicals and the Emergency Plan for Hazardous Chemicals. All employees who need to contact with chemicals must pass professional safety training certification to ensure that they fully understand safe operating procedures, protection requirements and emergency plans. Not only do we conduct regular chemical leak drills, we are also equipped with advanced protective equipment and emergency supplies, with all safety facilities regularly inspected and maintained by professionals. In addition, we have established a sound chemical management and tracking system, with strict monitoring measures in every step from procurement, storage to use.

To ensure the comprehensiveness and effectiveness of safety management, we have implemented a systematic "three-level safety education" system. From management to front-line employees, every employee needs to receive safety training at corresponding level and pass the assessment before they can take up their posts. In addition to regular safety training, all employees must participate in at least two large-scale fire evacuation drills each year to improve their emergency response capabilities through practical exercises. Through such a series of comprehensive measures, we have successfully established a sound occupational safety and health protection system to create a safe and healthy working environment for the employees.



<b>Number of work-related fatalities occurred in the past three years (including the Reporting Period)</b>	0
<b>Number of work-related injuries</b>	0
<b>Rate of work-related injuries (per thousand employees)</b>	0
<b>Lost days due to work-related injuries</b>	0

## ENCOURAGE GROWTH

### Policies and Measures

### Purpose

Employee Training System

Provide different types of training for personnel of different ranks and departments to meet the needs of employees in their positions, including induction training, on-the-job training, management training, etc.

China Ting Group is committed to cultivating talents and actively investing in employee development. We formulate a comprehensive annual training plan according to the Employee Training System to ensure that employees at all levels have access to appropriate training opportunities. The training content will be continuously optimized based on market trends, past results and management opinions to help employees discover their potential and enhance the Group's competitiveness.

We provide diversified internal training, including induction training, on-the-job training and management training, to fully meet the development needs of employees at different levels. In addition, we encourage our employees to participate in external training courses to broaden their horizons and enhance their cross-field knowledge. To support our business transformation, we have launched new training programs related to sustainable development and new businesses.

During the Reporting Period, a total of 1,297 employees of the Group were trained, representing 77.7% of all employees. The number of average training hours of the employees in general was 23.86 hours, which was approximate to that of last year.

# QUALITY OPERATION

China Ting Group adheres to the philosophy of operational excellence and continuously pursues the innovation and sustainable development of products and services. We have established a comprehensive operational management system covering key aspects such as product quality control and supplier evaluation to maintain the Group's reputation and deepen customer relationships. Through strict quality control and continuous process optimization, we provide customers with safe, reliable and high-quality products and services.

## Policies and Measures

## Purpose

Production Standard Operating Procedures  
Quality Manual

Maintain high-quality production by setting up policies for standardized production procedures and clarifying the operation quality and level for employees

Customer Complaints Handling Procedures  
Product Early Warning, Claims, Returns and Complaints Information Procedures  
Recall Procedures for Non-Conforming Products

Clear guidelines on the handling of complaints and the recall of non-conforming products to reduce the health and safety risks of customers and the public

Customer Privacy and Data Protection Systems  
Customer Property and Privacy Protection Procedures  
Clients' Brands Protection and Control Management System  
Client-Related Process Control Procedures

Restrict employees' access to confidential information and customers' information through various systems and procedures, and specify relevant responsibilities to comprehensively reduce the risk of information leakage or infringement

## STRICT QUALITY CONTROL

In order to meet the ever-changing market demands and consumer expectations, the Group has been committed to providing products and services of the highest quality. Our primary goal is to improve the life quality of our customers, and we ensure that every single product meets the highest standards by continuously improving production processes and optimizing service processes. During the product development process, we pay special attention to the safety and practicality of our products, and implement strict quality control in every step from raw material selection to finished product testing.



We deeply recognize that innovation is the core driving force for corporate development. By conducting regular market research and collecting customer feedback, we continue to innovate and develop more products that meet customer needs. Besides, we actively introduce advanced technologies and environmentally friendly materials to ensure product quality while contributing to sustainable development. Our research and development team continues to monitor industry trends and technological developments, and strives to provide customers with product experience that is of higher quality, and is more environmentally friendly and more innovative.

## Quality Management

The Group has established a comprehensive and rigorous quality control mechanism, which is supervised and implemented by dedicated production and quality inspection departments. To ensure the consistency and reliability of our product quality, we have implemented a multi-level quality control system. During the production process, all production personnel must strictly follow the Production Standard Operating Procedures and conduct careful quality inspections at each production stage. Our quality control personnel take scientific sampling methods to regularly conduct comprehensive testing and analysis of raw materials, semi-finished products and finished products according to the detailed guidelines in the Quality Manual.

In addition, we regularly organize quality management training to enhance employees' quality awareness and professional skills to ensure that every single product meets or exceeds the established quality standards. Through such strict quality control measures, we strive to provide our customers with products of the highest quality and reliability.

## Communication with Customers

The Group values customer feedback and has established diversified communication channels to collect opinions. We have developed the Customer Complaints Handling Procedures and have a dedicated investigation team responsible for following up all complaint cases. This team is directly led by the general manager to ensure that complaints are handled promptly and effectively. We will carefully analyze the cause of each complaint and take appropriate improvement measures. To ensure the quality of our products and services, we have established a comprehensive product monitoring mechanism. If any non-performing products are found, we will promptly initiate product recall actions in accordance with the Product Early Warning, Claims, Returns and Complaints Information Procedures and the Recall Procedures for Non-Conforming Products. Meanwhile, we will review the production process and develop preventive measures to prevent similar problems from happening again.

We strive to maintain close contact with our customers and continuously optimize the quality of our products and services by collecting and analyzing customer feedback on a regular basis. The professional after-sales service team will actively respond to customer needs to ensure that customers get the best service experience. Such an approach of continuous improvement helps us to continuously improve customer satisfaction and consolidate long-term relationships with our customers.

During the Reporting Period, the Group did not receive any material customer complaints, nor was there any case where any product was subject to recall for safety and health reasons.

### Protecting Privacy and Intellectual Properties

In the digital age, information security and intellectual property protection are of vital importance. In the rapidly developing era of artificial intelligence, the Group attaches great importance to network security management and takes all-round measures to protect personal privacy and intellectual properties. We have established a sound information security system to strictly control confidential information including production technology, product design and customer contracts, and implement strict access rights management to ensure that only authorized personnel can access relevant information.

We have also formulated the Clients' Brands Protection and Control Management System to strictly prohibit any form of filming in production areas and showrooms. We also protect customer brands, product accessories and trademark rights through a rigorous management system to effectively prevent design infringement incidents. Furthermore, we implement the Client-Related Process Control Procedures to clearly define the responsibilities of each department, so as to ensure that product design and services fully meet the requirements as agreed upon in the contracts with customers while minimizing the risk of information leakage.

## SUPPLY CHAIN MANAGEMENT

### Policies and Measures

### Purpose

Supplier Selection and Review Criteria  
Procurement Control Procedures

Standardized source management system and procedures to regulate, assess and approve suppliers' product quality, handling and remedial measures for non-conforming products, after-sales services, etc.

Procedures for Controlling Suppliers'  
and Subcontractors' Social  
Responsibility  
Social Responsibility Agreement

Provide suppliers with clear social responsibility requirements to ensure that the suppliers which the Group cooperates with understand our emphasis on social responsibility and improve the social responsibility performance of the supply chain

China Ting Group integrates the philosophy of sustainable development into supply chain management and strives to establish common sustainable development values with suppliers. We ensure that we select compliant suppliers that meet high quality standards by regularly updating our supplier selection criteria and procurement procedures. We have established a sound source management system and incorporated ESG requirements into procurement considerations to maintain the stability and sustainability of our raw material supply. We will terminate relationships with suppliers that fail to meet the Group's standards and seek alternatives.

We require all suppliers to sign the Social Responsibility Agreement and implement relevant management policies according to the risk management system. To ensure the ESG performance of our suppliers, we regularly conduct policy reviews and on-site visits to comprehensively assess their environmental and social performance. Through such measures, we continue to monitor and improve the sustainability level of our supply chain.



During the Reporting Period, the Group had a total of 103 suppliers with approximately 97.1% of them located in Mainland China, and mainly supplying various raw materials necessary for the production while other suppliers are from Hong Kong and other regions in Asia.

## ANTI-CORRUPTION

### Policies and Measures

### Purpose

Code of Work for Managers  
Anti-Corruption and Anti-Bribery  
Control Program

Standardize the code of business ethics for employees and completely eliminate improper trading activities including bribery, fraud, extortion and money laundering

China Ting Group firmly adheres to the philosophy of clean operation with zero tolerance for any form of fraud. We strictly prohibit all corrupt practices, including bribery, fraud, extortion and money laundering. To maintain the highest standards of business integrity, we strive to establish a corporate culture of integrity. We have established a sound code of ethics by implementing the Code of Work for Managers and the Anti-Corruption and Anti-Bribery Control Program to ensure that the Group's operations comply with ethical standards. All employees in important positions and business partners are required to sign the Anti-Bribery/Anti-Corruption Commitment and the Supplier's Anti-Bribery/Anti-Corruption Commitment to ensure fairness and justice in business activities such as procurement, engineering, and sales.

We have established a sound reporting mechanism to allow employees and business partners to report any suspected corruption or illegal activities with confidence. We have an anonymous reporting hotline and promise to keep all reporting cases strictly confidential to ensure that whistleblowers are not treated unfairly in any form. For serious violation cases, the Group will refer them to law enforcement authorities in order to uphold social justice.

In order to continuously enhance the anti-corruption awareness, the Group organized 346 hours of various anti-corruption training courses for directors and employees during the Reporting Period.



# CLEAN OPERATION

The global climate crisis is becoming increasingly severe, and governments around the world have successively set goals such as “carbon neutrality” and “net zero emission” to actively cope with the challenges brought by climate change. The business community has also responded by launching a number of carbon reduction plans. As a responsible corporate citizen, the Group will fully support China’s carbon peaking and carbon neutrality initiatives and the Hong Kong SAR Government’s vision of carbon neutrality, and promote the society’s transition to a low-carbon economy by improving resource utilization efficiency and reducing carbon emissions.

In order to achieve the sustainable development goals of environmental protection and energy conservation, the Group has established a sound environmental management system in line with its business features and environmental policies. We set practicable and challenging environmental goals and continuously optimize environmental performance management. During the Reporting Period, we strictly monitored emissions and resource usage and implemented a number of energy-saving and carbon-reduction measures. In addition, we also strive to cultivate employees’ environmental awareness to jointly build a corporate culture of green operation.

## EMISSIONS MANAGEMENT

### Policies and Measures

### Purpose

Energy Management System

Set up guidelines for electricity consumption in operating sites and offices for guiding employees to reduce energy consumption in daily operations

Chemical Leakage Emergency Plan  
Chemical Safety Management Program

Clarify relevant procedures and handling methods for collection of hazardous waste, as well as basic knowledge on handling leakage incidents to reduce potential safety risks

## GHG and Air Pollutants

The Group actively promotes green operation, and deeply integrates carbon reduction and climate action into its production to comprehensively advance low-carbon transformation. In order to effectively control greenhouse gas (GHG) and air pollutant emissions, we have formulated the Energy Management System to provide clear guidelines for energy use in factories and offices, ensuring that employees effectively manage energy and resource consumption in daily operation. We are also implementing a number of specific measures, including improving energy efficiency, increasing the use of renewable energy, and strengthening the training on employees’ environmental protection awareness, in an effort to achieve our sustainable development goals.





## **Specifications for electrical equipment**

- regular inspection and maintenance of electrical equipment to ensure electricity efficiency
- requiring the equipment load rate to be maintained at above 40% to ensure efficient operation
- regularly cleaning and repairing the air-conditioning system to ensure efficient operation and longer service life
- recommending to set the air-conditioning temperature at 24 to 26 degrees Celsius

## **Digital transformation and green transportation**

- making greater use of online communication and remote working to accelerate digital transformation
- reducing unnecessary business travel
- requiring employees who need to use vehicles to register with the relevant departments by filling up a car-out order
- suggesting employees to choose car-sharing as much as possible, so as to reduce the cost while reducing relevant emissions

## **Environmental protection awareness of employees**

- requiring employees to receive relevant environmental management training when they join the Company to enhance their awareness of environmental protection
- requiring all employees to check and confirm that water, electricity, steam, etc. have been turned off after work

During the Reporting Period, the total amount of GHG emissions generated by the Group was 35,130.15 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>-e), representing an increase of approximately 12.9% as compared with the previous year, and the intensity of GHG emissions was 0.02 tCO<sub>2</sub>-e/turnover in HK\$'000, which was approximate to that of last year. The carbon emissions of the Group were mainly from the purchased electricity and heat used in the production process, of which electricity consumption and heat consumption accounted for 22.09% and 68.58% of the total carbon emissions, respectively.

## CLEAN OPERATION

GHG Emissions	Unit	2024	2023	Changes
Scope 1				
Direct GHG emissions	tCO <sub>2</sub> -e	3,242	5,091	-36.3%
Scope 2				
Energy indirect GHG emissions	tCO <sub>2</sub> -e	31,855	25,989	22.6%
Scope 3				
Other indirect GHG emissions	tCO <sub>2</sub> -e	33	29	13.8%
Total GHG emissions	tCO <sub>2</sub> -e	35,130	31,109	12.9%
GHG emissions intensity (by turnover)	tCO <sub>2</sub> -e/turnover in HK\$'000	0.02	0.02	9.4%

The Group's main sources of air pollutant emissions are the fossil fuels consumed by fixed equipment and vehicles. During the Reporting Period, the emissions of nitrogen oxides, sulfur oxides and respiratory suspended particles were 2,438 kg, 9 kg and 201 kg, generally approximate to those of last year, among which, the reduction in sulfur oxides was primarily attributable to the decrease in the Group's diesel consumption.

Air Pollutant Emissions	Unit	2024	2023	Changes
Nitrogen oxides	kg	2,438	2,419	0.8%
Sulfur oxides	kg	9	26	-65.6%
Respiratory suspended particles	kg	201	168	19.7%

### Waste

The Group is committed to reducing waste generated during the production process, and strives to achieve waste reduction at source and resource recycling through sound management policies and systems. We not only provide our employees with comprehensive waste classification and recycling facilities, but also actively cultivate their sense of responsibility for waste management. The Group has formulated strict guidelines for waste disposal, requiring all employees to accurately classify waste into the two categories of hazardous and non-hazardous, and properly dispose of it in accordance with relevant regulations.

Waste Category	Waste Type	Treatment Methods
Hazardous waste	Waste engine oil, wastewater, sludge and waste coatings	Hazardous waste are recorded, classified and stored in detail according to the Chemical Safety Management Program and the Chemical Leakage Emergency Plan before being handed over to a qualified hazardous waste collector for disposal



Waste Category	Waste Type	Treatment Methods
Non-hazardous waste	Waste cartons, waste packaging bags and rags	Handing over to the relevant municipal departments or qualified recyclers for collection and treatment

During the Reporting Period, the Group generated 0 tonne of hazardous waste, which was mainly because that the Group did not have any action that generated hazardous waste during the year. As for non-hazardous waste, the amount generated by the Group this year was 562 tonnes, representing a significant increase as compared to the previous year, which was mainly due to the increase in waste cartons.

Waste	Unit	2024	2023	Changes
Total amount of hazardous waste generated	tonne	0	1,663	-100%
Hazardous waste intensity (by turnover)	tonne/turnover in HK\$'000	0	0.008	-100%
Total amount of non-hazardous waste generated	tonne	562	157	103.7%
Non-hazardous waste intensity (by turnover)	tonne/turnover in HK\$'000	0.0004	0.0001	250.2%

The Group is committed to reducing waste generated during the production process, and strives to achieve waste reduction at source and resource recycling through sound management policies and systems. We not only provide our employees with comprehensive waste classification and recycling facilities, but also actively cultivate their sense of responsibility for waste management. The Group has formulated strict guidelines for waste disposal, requiring all employees to accurately classify waste into the two categories of hazardous and non-hazardous, and properly dispose of it in accordance with relevant regulations.

To ensure that our commitment to environmental protection is fulfilled, the Group has been actively formulating specific goals for emission and waste reduction. In the short to medium term, we plan to gradually establish a complete GHG emissions accounting and goal setting process, covering scopes 1, 2 and 3, and including specific indicators for waste reduction. To achieve such goals, we will regularly hold environmental training courses and workshops to enhance employees' environmental protection awareness. We will also review the progress towards such goals regularly to ensure that various environmental protection measures are effectively implemented, and adjust strategies in a timely manner for better environmental protection benefits.

### Wastewater

In the textile and garment industry, wastewater management is an important environmental protection issue. The Group's operations will generate industrial wastewater and domestic sewage, for which we have established a sound water resources management system. All wastewater is treated in accordance with the Technical Specifications for Dyeing and Finishing Wastewater Treatment of Textile Industry to ensure that relevant standards are met. The wastewater after treatment will be reused in production workshops, printing and dyeing processes and landscape irrigation, thereby reducing water consumption, improving operational efficiency and lowering costs.

To further improve the efficiency of water resource management, we have invested in several sets of advanced sewage treatment systems. Among them, China Ting Woolen Textile's factory has deployed highly efficient sewage treatment facilities, and successfully increased the sewage reuse rate in the factory to over 70%, fully demonstrating our commitment to environmental protection.

During the Reporting Period, the Group generated approximately 506,496 tonnes and 571,575 tonnes of domestic wastewater and industrial wastewater.

### RESOURCE EFFICIENCY

The Group is committed to integrating the philosophy of environmental protection into its operations, with an aim to reduce the consumption of natural resources while improving the efficiency of resource utilization. We have established the Energy Management System as guidelines and implemented various resource management measures to achieve the goals of energy conservation, water conservation and waste reduction. In addition, we also actively promote employee training and establish a corporate culture that cherishes resources. Please refer to the section titled "MISSIONS MANAGEMENT" for details.

### Energy

The Group is committed to promoting sustainable development through concrete actions, continuously exploring innovative environmental protection solutions, optimizing energy use and management systems, and ensuring that operations comply with environmental protection principles. We actively apply renewable energy such as solar energy and photovoltaic power generation, and have set up dedicated energy management teams in various subsidiaries to plan and implement annual energy conservation plans. We also regularly evaluate the effectiveness of various policies and measures to achieve optimal energy efficiency.

During the Reporting Period, the total energy consumption of the Group was 53,965 MWh, of which purchased electricity and heat accounted for the majority, amounting to 13,611 MWh and 22,103 MWh, respectively, and accounting for 25.2% and 41.0% of the total consumption. The total energy consumption decreased by approximately 27.4% as compared with last year, which was mainly due to the adjustments in the scale of certain business segments, leading to a significant decrease in steam usage. In addition, we generated a total of 2,898 MWh of renewable energy through our photovoltaic systems during the Reporting Period.



Energy		Unit	2024	2023	Changes
Direct Energy	Gasoline	MWh	679	567	19.8%
	Diesel	MWh	84	129	-34.9%
	Liquefied petroleum gas	MWh	68	154	-55.8%
	Natural gas	MWh	14,523	15,015	-3.3%
Indirect Energy	Purchased electricity	MWh	13,611	16,391	-17.0%
	Purchased heat	MWh	22,103	42,023	-47.4%
Renewable Energy	Solar and photovoltaic power generation	MWh	2,898	—	N/A
Total energy consumption		MWh	53,965	74,279	-27.4%
Energy intensity (by turnover)		MWh/turnover in HK\$'000	0.03	0.04	-16.0%

## Water Resources

As a water-intensive enterprise, the Group mainly uses municipal water supply and did not encounter any difficulties in obtaining water during the Reporting Period. As a company that values corporate social responsibility, we actively implement water management strategies. We have not only established a complete sewage treatment system to achieve water recycling, but also formulated a comprehensive water conservation plan to reduce the water intensity in the production process and enhance employees' awareness of water conservation.

- use water-saving equipment to optimize water use efficiency;
- organize water-saving education activities to enhance employees' environmental protection awareness;
- implement a strict off-duty inspection system to ensure water source is turned off;
- conduct regular inspections of pipeline facilities to prevent leakage; and
- establish a water consumption monitoring mechanism to promptly identify and address problems.

During the Reporting Period, the Group's total water consumption and water consumption intensity were 506,496 cubic meters and 0.32 cubic meters/turnover in HK\$'000, representing decreases of approximately 15.1% and 12.4% respectively over the previous year.

## CLEAN OPERATION

Water Resources	Unit	2024	2023	Changes
Total water consumption	cubic meter	506,496	596,652	-15.1%
Water consumption intensity (by turnover)	cubic meter/ turnover in HK\$'000	0.32	0.36	-12.4%

### Office Paper Consumption

The Group has implemented digital office measures and actively promoted the use of electronic filing systems and digital communication tools, which can not only reduce paper consumption and optimize resource utilization, but also improve operational efficiency and enhance employees' environmental protection awareness.

During the Reporting Period, the total paper consumption and paper consumption density of the Group were 3.3 tonnes and 0.000002 tonnes/turnover in HK\$'000, representing a decrease of approximately 7.3% in overall consumption and yet a slight increase of 3.9% in intensity as compared to the previous year. In particular, the Group recycled approximately 1 tonne of paper during the year with an aim to reduce the GHG generated by the disposal of waste paper.

Office Paper Consumption	Unit	2024	2023	Changes
Total paper consumption	tonne	3.3	3.6	-7.3%
Paper consumption intensity (by turnover)	tonne/turnover in HK\$'000	0.000002	0.000002	3.9%

### Packaging Materials

The Group is committed to reducing the use of packaging materials and continuously optimizes its packaging strategies. We have changed from single-piece packaging to bulk packaging, i.e. packaging in different specifications (five, ten, thirty or fifty pieces). Meanwhile, we have implemented a series of innovative measures, including developing environmentally friendly packaging materials, improving packaging design to reduce material consumption, and establishing close cooperation with suppliers to jointly develop more sustainable packaging solutions. These measures not only improve environmental protection benefits, but also meet customers' product requirements. During the Reporting Period, the total consumption amount and density of packaging materials of the Group were 49 tonnes and 0.00003 tonnes/turnover in HK\$'000, representing decreases of approximately 44.9% and 69.5% respectively as compared with the previous year.



Packaging Materials	Unit	2024	2023	Changes
Paper and cartons	tonne	38	77	-50.3%
Plastic	tonne	11	12	-10.2%
Total amount of packaging materials	tonne	49	89	-44.9%
Packaging materials intensity (by turnover)	tonne/turnover in HK\$'000	0.00003	0.0001	-69.5%

## THE ENVIRONMENT AND NATURAL RESOURCES

As a manufacturing enterprise, the Group consumes a significant amount of natural resources during its operations, including raw materials, water resources and energy. We deeply recognize the limited nature of resources and the impact that production activities may have on the environment and natural resources. Therefore, the Group adopts an all-round resource management strategy to continuously optimize the utilization efficiency of raw materials, water resources, energy and chemicals, and vigorously develops renewable energy applications and environmental protection technologies, striving to reduce the negative impact on the environment in the process of operation.

The Group attaches great importance to the safety management of chemicals and has formulated the Chemical Leakage Emergency Plan, which specifies in detail the emergency plan, handling procedures and specific measures for chemical leakage accidents. To ensure the effectiveness of the emergency mechanism, we require all employees to participate in emergency drills regularly to improve their capabilities to cope with accidents. These measures are designed to quickly control the scope of leakage, effectively organize rescue operations, and minimize threats to environmental factors such as air, soil, water, and personnel safety when an emergency occurs. We also use innovative technologies to conduct environmental risk assessments, so as to comprehensively identify potential environmental impacts during operations, and formulate corresponding prevention and improvement measures accordingly, thereby continuously reducing pollutant emissions during the production process.

The Group is deeply aware that as a manufacturing enterprise, our daily operations inevitably consume various natural resources, such as raw materials, water resources and energy. We fully understand the preciousness of resources and are aware of the impact that production activities may have on the surrounding environment. Therefore, we are committed to adopting a diversified management approach, continuously improving resource utilization efficiency, actively promoting the application of renewable energy and the development of pollution prevention and control technologies, and striving to reduce the impact of our operations on the environment.



## CLEAN OPERATION

In order to strengthen the safety management of chemicals, we have established the comprehensive Chemical Leakage Emergency Plan, which covers all emergency plans and handling procedures related to chemical leakage. We regularly organize emergency drills for our employees to continuously improve their emergency response capabilities. When an emergency occurs, we can take prompt action to effectively control the leakage and carry out rescue work to prevent accidents from causing harm to the surrounding environment and the personnel. Meanwhile, we actively introduce advanced technologies to conduct comprehensive environmental risk assessment and analysis of our operations, so as to formulate more effective environmental protection measures and reduce environmental pollution during product development and production.

## CLIMATE CHANGE

The impact of global climate change and related environmental issues has been increasingly obvious. The Group has conducted a comprehensive identification of climate risks and opportunities based on the characteristics of the garment manufacturing industry and its major operating locations, including Mainland China and Southeast Asia. We are committed to working with the government to jointly address the challenges of climate change, identifying and managing climate risks related to business operations, and seizing the opportunities brought about by the transition to a low-carbon economy.

In order to ensure that carbon reduction strategies and the measures in response to climate change can be clearly communicated to every level of business operations, the Group has formulated the Climate Change Policy. This policy takes three orientations: “Mitigation”, “Adaptation and Resilience” and “Communication” as management policy and strategy, and formulates corresponding measures for the physical risks and transition risks identified. By reducing carbon emissions generated during operations and capturing the opportunities derived therefrom, the Group aims to improve its own resilience and adaptability to climate change. All employees are required to actively abide by this policy and carry out various carbon reduction actions. Looking ahead, the Group will continue to strengthen the risk management of climate change, regularly review and update the major risks brought about by climate change, and devote more resources to formulate relevant action plans and mitigation measures, so as to contribute to addressing climate change and related environmental issues.

Based on the Group’s industry characteristics and operating locations, we have preliminarily identified our major climate-related risks and opportunities as follows:

### Climate Risks

#### Physical risks

Increasing extreme weather events

Due to the impact of global climate change, the frequency and intensity of extreme weather events such as typhoons and heavy rains have increased. These weather events may not only cause direct damage to factory facilities, but also affect the stable operation of the supply chain, causing delays in the transportation of raw materials and even possible suspension of production lines.





Rising average temperature

The continued rise in temperature caused by global warming will not only significantly increase the air-conditioning costs of the factories, but will also affect the temperature control of production workshops, reduce the comfort level of the employees' working environment, and thus may affect production efficiency and product quality.

Water shortage

The water-intensive textile and printing and dyeing processes consume a substantial amount of water resources. Changes in rainfall patterns and prolonged droughts caused by climate change could lead to unstable water supplies, affect production schedules, and potentially increase water consumption costs.

## Transition risks

Policy and regulation risks

As the global attention to climate change increases, governments around the world have introduced stricter carbon emission regulations and environmental protection standards. These policy changes will not only increase compliance costs for companies, but may also require them to make significant operational adjustments.

Technical transformation risks

In order to meet the increasingly stringent requirements on energy conservation and emission reduction, companies need to invest a substantial amount of fund to update environmental protection equipment and adopt low-carbon technologies. Such technical transformation may require significant upfront investment and may also face challenges such as technology adaptation and personnel training.

Market risks

With the improvement of environmental protection awareness, consumers' demand for environmentally friendly products is increasing, imposing higher requirements on the environmental protection performance of the products. Such a shift in the consumption trend may affect the market share of traditional products and force companies to adjust their product structure.

### Climate Opportunities

Innovation in energy conservation technology

By adopting advanced energy-saving equipment and clean production technologies, companies can not only improve production efficiency but also reduce energy consumption and operating costs. Besides, the application of innovative technologies can also help companies establish technological leadership in the industry.

Sustainable product development

By actively developing products that use environmentally friendly fabrics and sustainable materials, we can not only meet consumers' growing demand for environmentally friendly products, but also steal the march on others for the opportunities in the green consumer goods market and explore new drivers for business growth.

Supply chain optimization

By establishing long-term cooperative relationships with suppliers and jointly developing a low-carbon supply chain system, we can not only improve the environmental protection performance of the entire supply chain, but also enhance the resilience and competitive advantage of the supply chain and achieve sustainable development.

Brand value appreciation

By implementing comprehensive environmental protection measures and sustainable development strategies, we can not only improve our environmental performance, but also enhance the social responsibility image of our brands, thereby improving the recognition and influence of the brands among consumers.

The Group will actively put the above risk and opportunity identification results on the Board's agenda to promote internal discussions within the Group and formulate appropriate action plans to ensure that we have the ability to cope with climate changes.

# CONNECTING WITH COMMUNITY



As an important member of the fashion industry, the Group has always been committed to giving back to the society and actively fulfilling its corporate social responsibility. During the Reporting Period, we paid special attention to the development of the education sector, and fulfilled our social responsibilities through various initiatives, striving to create long-term value for the society.

In 2017, we established the “China Ting Education Contribution Award” and “China Ting Teacher Moral Award” in Zhejiang Sci-Tech University, with a total prize of up to RMB1.5 million. These awards are designed to recognize the contributions of outstanding educators while providing them with motivation and support for continued development. In addition, the Group launched a ten-year (2019–2028) “China Ting Scholarship” program in Guizhou Tianzhu Ethnic School, with an annual grant of RMB60,000, focusing on supporting students with excellent academic performance but from poor families, so as to help them overcome financial difficulties and realize their academic dreams.

Going forward, the Group will continue to invest resources to support community development, focus on education and other public welfare projects, and continue to promote social progress, in order to make its own contributions for building a better society.

# OVERVIEW OF KPIS

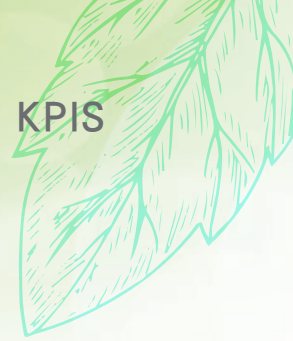
## ENVIRONMENTAL PERFORMANCE

	Unit	2024	2023	2022	2021
<b>Air pollutant emissions</b>					
Nitrogen oxides	kg	2,438	2,196	2,419	3,291
Sulfur oxides	kg	9	13	26	27
Respiratory suspended particles	kg	201	182	168	231
<b>GHG emissions</b>					
Scope 1					
Direct GHG emissions	tCO <sub>2</sub> -e	3,242	5,091	4,547	5,741
Scope 2					
Energy indirect GHG emissions	tCO <sub>2</sub> -e	31,855	25,989	30,128	42,375
Scope 3					
Other indirect GHG emissions	tCO <sub>2</sub> -e	33	29	2	2
Total GHG emissions	tCO <sub>2</sub> -e	35,130	31,109	34,677	48,118
GHG emissions intensity (by turnover)	tCO <sub>2</sub> -e/turnover in HK\$'000	0.02	0.02	0.02	0.04
<b>Waste</b>					
Total amount of hazardous waste generated	tonne	0	1,663	1,248	1,512
Hazardous waste intensity (by turnover)	tonne/turnover in HK\$'000	0	0.008	0.010	0.011
Total amount of non-hazardous waste generated	tonne	562	157	276	315
Non-hazardous waste intensity (by turnover)	tonne/turnover in HK\$'000	0.004	0.0001	0.0002	0.0004

	Unit	2024	2023	2022	2021
<b>Energy</b>					
<b>Direct energy</b>					
Gasoline	MWh	679	567	660	745
Diesel	MWh	84	129	330	332
Liquefied petroleum gas	MWh	68	154	185	121
Natural gas	MWh	14,523	15,015	12,445	18,545
Biomass fuel	MWh	—	—	—	204
<b>Indirect energy</b>					
Purchased electricity	MWh	13,611	16,391	15,343	17,962
Purchased heat	MWh	22,103	42,023	53,572	80,523
<b>Renewable energy</b>					
Solar and photovoltaic power generation	MWh	2,898	—	2,442	2,678
Total energy consumption	MWh	53,965	74,279	84,976	121,110
Energy consumption intensity (by turnover)	MWh/turnover in HK\$'000	0.03	0.04	0.05	0.10
<b>Water resources</b>					
Total water consumption	cubic meters	506,496	596,652	680,517	727,307
Water consumption intensity (by turnover)	cubic meters/turnover in HK\$'000	0.32	0.36	0.38	1.01
<b>Office paper consumption</b>					
Total paper consumption	tonne	3.34	3.56	49	—
Paper consumption intensity (by turnover)	tonne/turnover in HK\$'000	0.00002	0.000002	0.00003	—

## OVERVIEW OF KPIS

	Unit	2024	2023	2022	2021
<b>Packaging materials</b>					
Paper and cartons	tonne	38	77	90	186
Plastics	tonne	11	12	23	26
Iron/metal	tonne	49	—	9	9
Total amount of packaging materials	tonne	43	89	122	221
Packaging materials intensity (by turnover)	tonne/turnover in HK\$'000	0.00003	0.0001	0.0001	0.0003



## SOCIAL PERFORMANCE

Number of employees <sup>2</sup>		2024	2023
Gender	Male	622	722
	Female	1,047	1,173
Age	Aged below 31	130	200
	Aged between 31–50	1,071	1,274
	Aged above 50	468	448
Rank	Senior management	25	25
	Middle management	99	88
	General employees	1,573	1,782
Employment type	Full-time	1,669	1,895
Region	Mainland China	1,669	1,894
	Hong Kong	0	1
<b>Total number of employees</b>		<b>1,669</b>	<b>1,895</b>

Number and rate of new employees <sup>3</sup>			
Gender	Male	70 (11.25%)	104 (14.40%)
	Female	76 (7.26%)	145 (12.36%)
Age	Aged below 31	43 (33.08%)	56 (28.00%)
	Aged between 31–50	57 (5.32%)	70 (11.71%)
	Aged above 50	46 (9.83%)	47 (10.49%)
Region	Mainland China	146 (8.75%)	248 (13.09%)
	Hong Kong	0 (0%)	1 (100.00%)
<b>Total number and ratio of new employees</b>		<b>146 (8.75%)</b>	<b>249 (13.14%)</b>

<sup>2</sup> Total number of employees at the end of the Reporting Period.

<sup>3</sup> Rate of new employees (percentage) = number of new employees in the particular category/total number of employees in the particular category at the end of the Reporting Period x 100%.

## OVERVIEW OF KPIS

Turnover number and rate of employees <sup>4</sup>		2024	2023
Gender	Male	74 (11.90%)	109 (15.10%)
	Female	199 (19.01%)	158 (13.47%)
Age	Aged below 31	39 (30.00%)	37 (18.50%)
	Aged between 31–50	109 (10.18%)	105 (8.42%)
	Aged above 50	125 (26.71%)	125 (27.90%)
Region	Mainland China	273 (16.36%)	267 (14.10%)
	Hong Kong	0 (0%)	0 (0%)
<b>Total turnover number and rate of employees</b>		<b>273 (16.36%)</b>	<b>267 (14.09%)</b>

Health and safety	2024	2023
Number of work-related fatality <sup>5</sup>	0	0
Number of employees injured at work	0	0
Injury rate (per thousand employees)	0	0
Lost days due to work injury	0	0

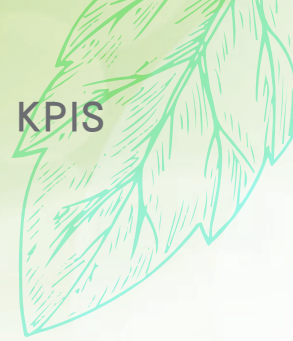
Percentage of employees trained <sup>6</sup>		2024	2023
Gender	Male	75.56%	72.93%
	Female	78.99%	78.26%
Rank	Senior management	72.00%	71.79%
	Middle management	51.52%	70.21%
	General employees	79.48%	76.77%
<b>Total percentage of employees trained</b>		<b>77.71%</b>	<b>76.42%</b>

<sup>4</sup> Turnover rate of employees (percentage) = turnover number of employees in the particular category/total number of employees in the particular category at the end of the Reporting Period x 100%.

<sup>5</sup> The Group has no work-related fatalities in the past three years, including 2024.

<sup>6</sup> Percentage of employees trained (percentage) = number of employees trained in the particular category/total number of employees in the particular category at the end of the Reporting Period x 100%.





Average training hours of employees <sup>7</sup>		2024	2023
Gender	Male	25.57	54.14
	Female	22.84	55.73
Rank	Senior management	22.08	13.44
	Middle management	19.80	14.70
	General employees	24.14	57.64
<b>Average training hours of employees</b>		<b>23.86</b>	<b>55.18</b>

Supply chain management		2024	2023
Region	Mainland China	100	125
	Hong Kong	2	2
	Other regions in Asia	1	1
Total number of suppliers		103	128
Percentage of suppliers implementing relevant practices	Procurement practices	100%	—
	ESG practices	48.54%	—
Number of suppliers certified	ISO9001	13	7
	ISO14001	0	2
	OHSAS 8000	0	1

Product responsibility		2024	2023
Percentage of products sold or shipped that are subject to recall for safety and health reasons		0	0
Number of major customer complaints about products and services		0	0

<sup>7</sup> Average training hours of employees = total training hours of the employees in the particular category/total number of employees in the particular category at the end of the Reporting Period.

## OVERVIEW OF KPIS

Rate of employees who received anti-corruption training <sup>8</sup>		2024	2023
Rank	Senior management	36.00%	7.69%
	Middle management	19.19%	11.70%
	General employees	28.54%	7.79%
<b>Total rate of employees who received anti-corruption training</b>		<b>28.58%</b>	<b>7.95%</b>

Average training hours of employees on anti-corruption (hours) <sup>9</sup>		2024	2023
Rank	Senior management	0.76	0.13
	Middle management	0.51	0.20
	General employees	0.88	0.094
<b>Average training hours of employees on anti-corruption</b>		<b>0.87</b>	<b>0.10</b>

<sup>8</sup> Rate of employees who received anti-corruption training (percentage) = number of employees who received anti-corruption training in the particular category/total number of employees in the particular category at the end of the Reporting Period x 100%.

<sup>9</sup> Average training hours of employees on anti-corruption = total training hours on anti-corruption in the particular category/total number of employees in the particular category at the end of the Reporting Period.

# REPORT CONTENT INDEX



Aspects, General Disclosure and KPIs	Content	Page Index/ Remarks
<b>Mandatory Disclosure Requirements</b>		
Governance Structure	<ul style="list-style-type: none"> <li>(i) a disclosure of the board’s oversight of ESG issues.</li> <li>(ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses).</li> <li>(iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they related to the issuer’s businesses.</li> </ul>	6–10
Reporting Principles	<p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	4, 16–17
Reporting Scope	A narrative explaining the reporting scope of the ESG report and describing the process used to identify which entities or operations are included in the ESG report.	3

# REPORT CONTENT INDEX

Aspects, General Disclosure and KPIs	Content	Page Index/ Remarks
<b>A1 Emissions</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	11, 25–28
A1.1	The types of emissions and respective emissions data.	26–27, 35
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity	26, 35
A1.3	Total hazardous waste produced and intensity.	27, 35
A1.4	Total non-hazardous waste produced and intensity.	27, 35
A1.5	Description of emission target(s) set and steps taken to achieve them.	25–28
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.	27–28
<b>A2 Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	11, 28–30
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	29, 36
A2.2	Water consumption in total and intensity.	30, 36
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	28–30
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.	29–30
A2.5	Total packaging material used for finished products and with reference to per unit produced.	30, 36



Aspects, General Disclosure and KPIs	Content	Page Index/ Remarks
<b>A3 The Environment and Natural Resources</b>		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	31
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	31
<b>A4 Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	31–33
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	31–33
<b>B1 Employment</b>		
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.	12, 18–19
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B1.2	Employee turnover rate by gender, age group and geographical region.	38

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Aspects, General Disclosure and KPIs	Content	Page Index/Remarks
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B2.2	Lost days due to work injury.	21, 38
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	20–21
<b>B3 Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	21–22
B3.1	The percentage of employees trained by gender and employee category.	21, 38
B3.2	The average training hours completed per employee by gender and employee category.	21, 38
<b>B4 Labor Standards</b>		
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Aspects, General Disclosure and KPIs	Content	Page Index/ Remarks
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B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	39
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	23–24
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# REPORT CONTENT INDEX

Aspects, General Disclosure and KPIs	Content	Page Index/ Remarks
<b>B6 Product Responsibility</b>		
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, labeling and privacy matters relating to products and services provided and methods of redress.	14, 22–23
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B6.3	Description of practices relating to observing and protecting intellectual property rights.	23
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B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	23
<b>B7 Anti-corruption</b>		
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Aspects, General Disclosure and KPIs	Content	Page Index/ Remarks
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<b>B8 Social Investment</b>		
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CHINA TING GROUP HOLDINGS LIMITED  
華鼎集團控股有限公司

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