



(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1982



2025

Environmental, Social and Governance Report

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MESSAGE TO ALL STAKEHOLDERS

During the financial year ended 31 March 2025, 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.

In this financial year, the Group formulated an ambitious ESG strategy and related policies. 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.

On the environmental front, with increasing extreme weather which could potentially threaten our operations, the Group increased our awareness in both climate and nature related topics. To countermeasure the reliance on fossil fuels, we are proud to announce the installation of solar power generation systems across two factories in Vietnam. This initiative marks another significant step, following that of Huizhou Factories, towards reducing our carbon footprint and promoting renewable energy usage across our operations. To further enhance our management of greenhouse gas (“GHG”) emissions, we have committed to the Science Based Targets initiative (“SBTi”). Approval is expected to be received from the SBTi, which will provide us with a clear roadmap for reducing emissions in line with climate science. Additionally, we are proud to be one of the few organisations in Hong Kong to adopt the recommendations laid down by Taskforce on Nature-related Financial Disclosures (“TNFD”). This commitment reflects our dedication to understanding and managing our impacts on nature, ensuring we address both climate and nature dimensions of 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.

Historically, the occupation health and safety, welfare and wellness of our employees have been paramount in our stakeholder materiality surveys. In this financial year, stakeholders are more concerned with product and services quality, corporate governance and environmental related topics. The Group continues to reinforce our dedication to creating a supportive work environment and will take care of the new topics raised by our stakeholders.

As we move forward, we firmly believe adopting a “business as usual” attitude is not an option for managing our ESG risks and opportunities. Instead, we are committed to continuous improvement and innovation in our practices. The Group will continue to evaluate the cost-benefit of our major GHG emission sources and explore possibilities for improvement. Our goal is to actively manage both environmental and social issues, positioning ourselves as an early mover in compliance with the latest disclosure guidelines.

In this financial year, we are glad to have great contributions from our stakeholders and partners taking a vital part in our ESG journey. The Group extends our heartfelt thanks for your ongoing support, particularly our employees, whose active participation has been instrumental in driving our ESG initiatives forward.

In conclusion, our achievements in this financial year are 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 2025 (the “Report”) is the ninth 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 2024 to 31 March 2025 (the “reporting period” or “financial year”).

The Report covers ten subsidiaries under operational control of the Group, engaged in its core business activities across Mainland China, 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**, and **M.ORO International Limited** (collectively, the “Hong Kong Offices”). In Vietnam, our operations span **First Team (Vietnam) Garment Limited** (“First Team Factory”) and **Able Joy (Dak Lak) Garment Limited** (“Able Joy Factory”) (collectively, the “Vietnam Factories”).

Reporting Standards

This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Code (formerly named as the Environmental, Social and Governance Reporting Guide) set out in Appendix C2 to the Rules Governing the Listing of Securities on the HKEX and with reference to the latest Global Reporting Initiative (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.

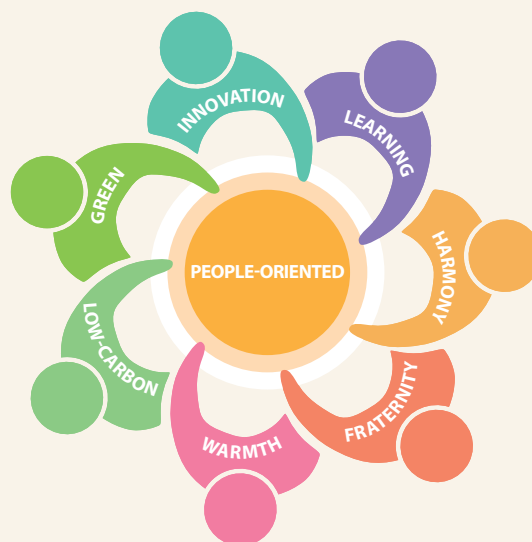
Headquartered in Hong Kong and Huizhou, the Group operates advanced production facilities in Huizhou and Xingtai of the PRC. It also has operations at Tay Ninh and Dak Lak Provinces of Vietnam. As a knitwear manufacturer, the Group sources cotton, wool and cashmere yarn from independent third parties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

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, 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.

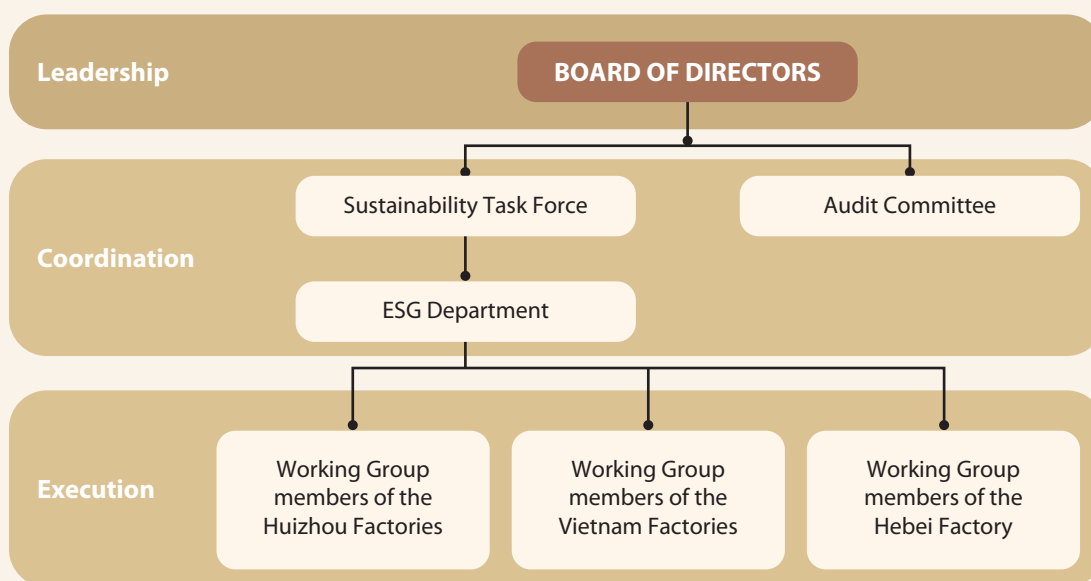


GOVERNANCE FRAMEWORK

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 the 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.

The Board currently comprises one female and seven 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.

Sustainability Task Force (the “Task Force”)

The Sustainability Task Force, comprising Executive Directors and representatives of ESG, Corporate Social Responsibility and Internal Audit departments, 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.

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

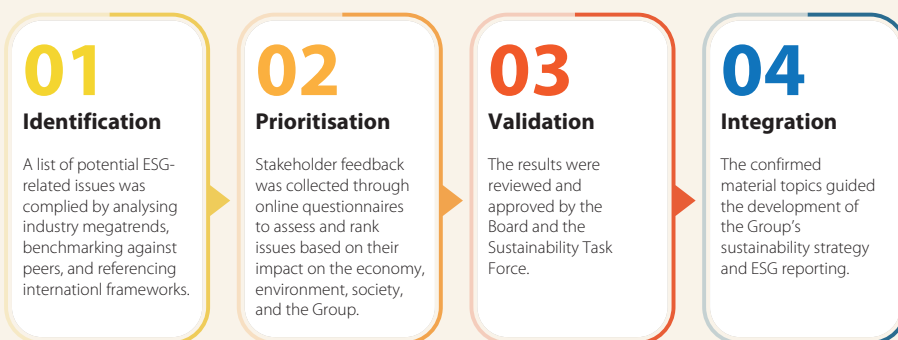
GRI 2-12, 2-29, 3-1

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.



In this 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.

Stakeholder Groups and Communication Channels



Shareholders and Investors

- Enquiries on clients' satisfaction
- The Group's website and social media
- Business communication

- Annual general meeting
- Annual reports, interim reports and the Group's announcements
- "Investor Relations" section on the Group's website

Clients



Employees

- On-site inspection
- Audit and assessment
- Continuous direct communication

- Labour unions
- Staff representative meetings
- General Manager's mailbox
- Continuous direct communication

Suppliers



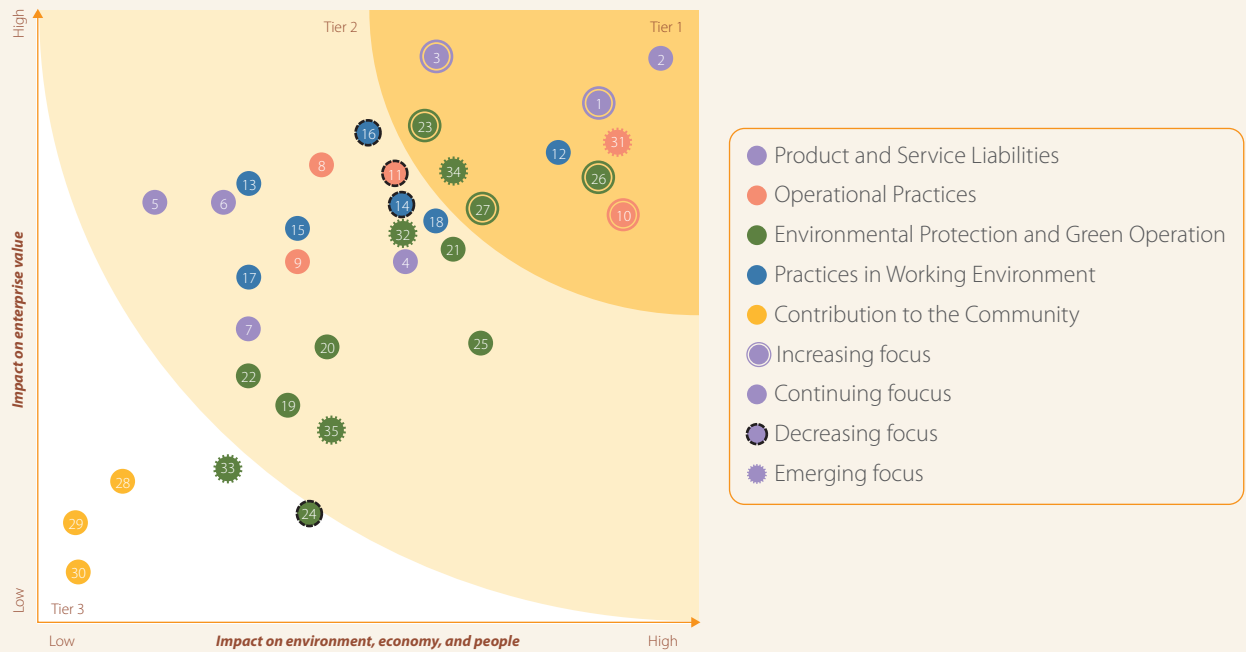
- The Group's website
- The Group's announcements



Other Business Partners and the Community

Materiality Matrix

GRI 3-2



Tier 1		Tier 2		Tier 3	
1	Product and Service Quality	4	Management of Intellectual Property Rights	24	Packaging Material Consumption
2	Product Safety	5	Marketing and Advertising Authenticity	33	Handling of Biodiversity
3	Customers' Services and Level of Satisfaction	6	Sustainability and Traceability of Raw Materials	28	Community Investment
10	Emergency Response under Disasters	7	Research and Development	29	Participating in Charitable Events
31	Corporate Governance	8	Supplier Management	30	Charitable Donations
12	Employees' Interests, Benefits and Recreational Activities	9	Social Responsibility of Supply Chain		
23	Sewage Discharge	11	Anti-fraud and Anti-corruption		
26	Green Procurement	13	Equal Opportunities, Diversity and Anti-discrimination		
27	The impact of the Supply Chain on the Environment	14	Occupational Safety and Health		
34	Product Carbon Footprint	15	Employees' Development and Training		
		16	Employment Compliance		
		17	Employment Relations and Communication		
		18	Employees' Turnover Rate		
		19	Exhaust Air Emissions		
		20	Waste Disposal		
		21	Carbon Emissions and Energy		
		22	Water Consumption		
		25	Risk of Climate Change		
		32	Climate Resilience		
		35	Chemical Safety		

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 	<ul style="list-style-type: none"> Our PRC Factories and the First Team Factory in Vietnam are ISO 9001:2015 — Quality Management Systems certified Finished product inspection pass rate exceeds 98% Advanced in-house testing capabilities certified by our clients
E	Empowering Workspaces  	<ul style="list-style-type: none"> The Board of Directors received a total of 19 Hours ESG-related training Organised over 50 employee activities across our operational locations
A	Advocating Nature's Guardianship  	<ul style="list-style-type: none"> Formally committed to setting Science-Based Targets Hebei Factory holds ISO 14001:2015 Environmental Management Systems certification Solar panels at our factories generated a total of 9,878 MWh of electricity, equivalent to avoiding 5,694 tCO₂e. Being a Taskforce on Nature-related Financial Disclosures (TNFD) adopter and forum member
R	Resilient Operational Practices   	<ul style="list-style-type: none"> Hebei Factory has obtained ISO 45001:2018 Occupational Health and Safety Management System certification Regular anti-corruption training was provided to the Board and employees
T	Threaded Community Contributions   	<ul style="list-style-type: none"> Corporate Social Responsibility ("CSR") efforts focused on "Youth Cultivation" Donated a total of HK\$2.35 million to charities and communities in need Volunteer service hours: 80

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 has been integrated into the Group's overall risk management framework to ensure a holistic approach to sustainability and resilience.

The Group administers a risk assessment questionnaire to 17 department heads on a biannual basis to support management in identifying and understanding emerging and evolving risks. The 17 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 top 10 to 20 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 ISO 9001:2015 certified
- Finished product inspection pass rate exceeding 98%
- Advanced in-house testing capabilities certified by our clients

Challenges

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

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.

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.

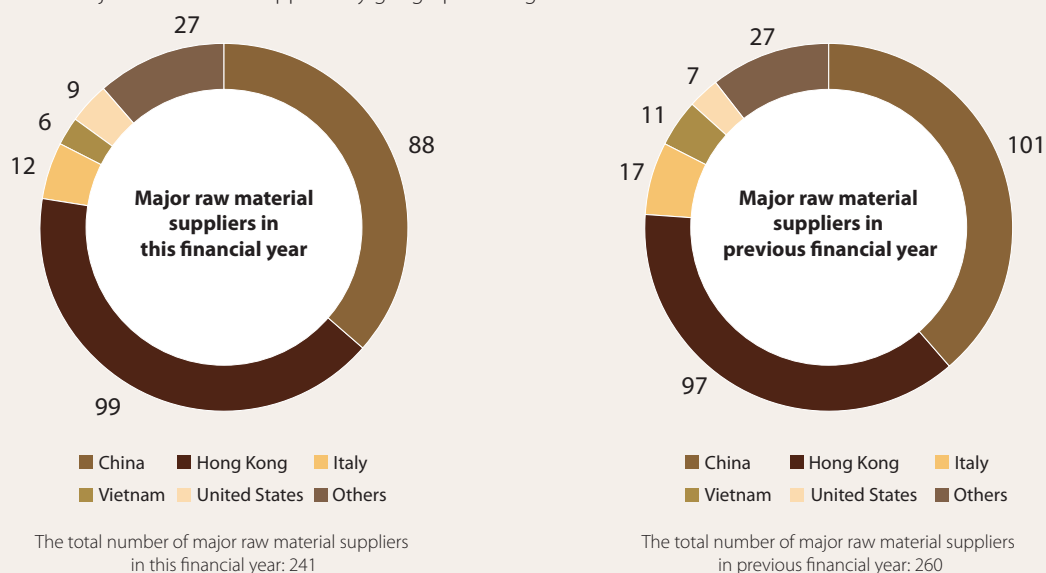
Target 12.8 Launched QR code system for our cashmere yarn business to enhance transparency and traceability across supply chain.

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

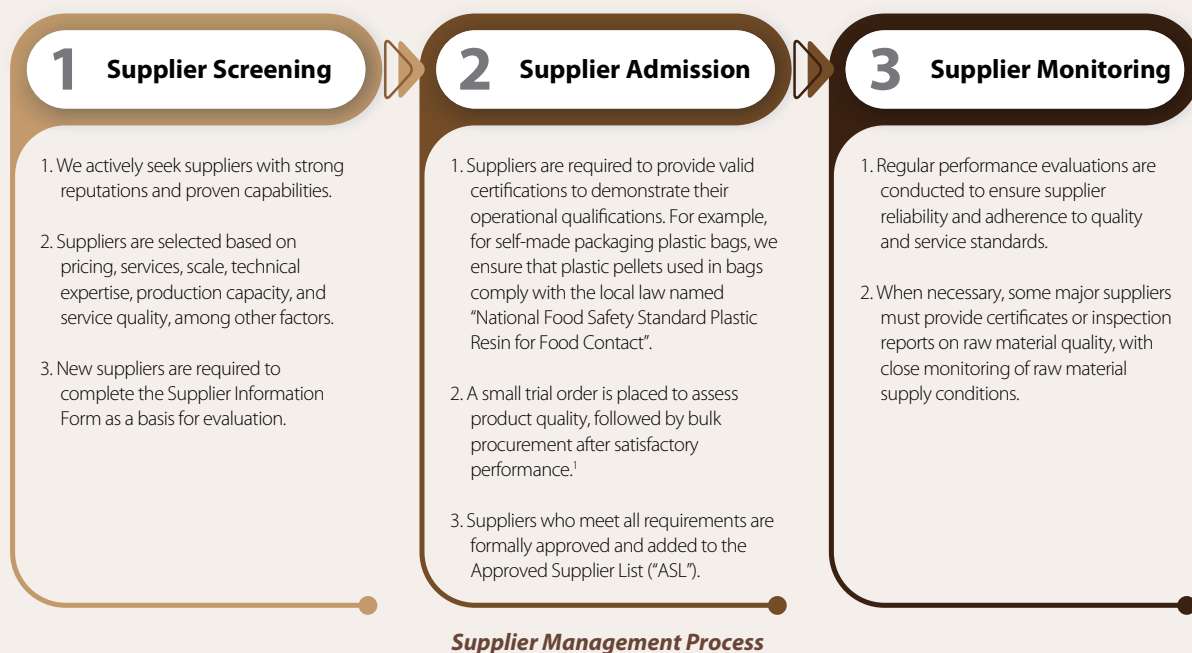
By implementing well-defined procurement practices and leveraging highly automated production technologies, we continuously enhance production efficiency and product quality to fulfil client needs. While staying attuned to market trends and driving product innovation, we have also invested substantial 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 as illustrated below:



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 Before bulk procurement, raw material samples undergo colour fastness tests to ensure that dyes maintain stability under various conditions such as sun exposure, rubbing, washing, and ironing.

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 advocacy
- Limiting the use of one-off materials

Social Risk Management

- Workplace safety
- Anti-discrimination
- Prohibition of child labour
- Prevention 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 standard 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 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. Major suppliers are required to sign a “Letter of Undertaking of Social Responsibilities of Suppliers”. In case of violations, corrective actions are required to be taken within a specified timeframe to maintain qualification. Furthermore, 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.

Production Quality and Responsibility

Our product range primarily consists of menswear, womenswear, and various knitwear items.



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



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 finished product inspection pass rate exceeding 98%, reinforcing our unwavering commitment to excellence. 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.

Finished
Product
Pass Rate
>98%

Quality Assurance Framework



**Raw Material
Sourcing Control**



**Production Process
Quality Control**



**Testing Centres
and Laboratory
Certifications**



**Client Quality
Requirements and
Compliance**

Raw Material Sourcing Control

GRI 416-1

We actively participate in various certification audits and closely monitor market conditions to obtain international green marks, ensuring that our products meet green procurement standards and minimise environmental impact.



Our Globally Recognised Textile Certifications

Our Globally Recognised Textile Certifications

Sustainable Development

Chain of Custody Standard v3.1



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) and Global Recycled Standard (GRS) 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, 99 products met GRS baseline criteria (≥20% recycled content), with 27 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 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.

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 v2.2



We comply with regenagri's Chain of Custody v2.2, 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. 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.

Wool Certification

SFA Cashmere Standard of Sustainable Fibre Alliance



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), 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) 6.0



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 responsibility and work with only compliant suppliers to ensure safe, ethical, and globally recognised products. We rigorously assess suppliers and subcontractors, inspect their sites, assign ratings, and require test reports or certifications for raw materials. For details, refer to 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, majority of the yarn we procure and the products we manufacture are certified under Oeko-Tex Standard 100 Class I, issued by the International Oeko-Tex Association. This 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. We source plastic pellets from the suppliers that comply with "National Food Safety Standard Plastic Resin used in Food Contact" (GB 4806.6-2016).

OEKO-TEX Certification



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, showcasing the journey of raw cashmere sourced from the upstream suppliers. The QR code offers multilingual access (in English and Chinese) to information related to raw material sourcing, dyeing and spinning processes.

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.

Production Process Quality Control

GRI 416-1

To ensure satisfactory product quality, we implement a strict quality control system that combines automated technology with manual inspections. Before production, the quality control department conducts sample testing on raw materials.

Before bulk purchasing of raw materials, samples are tested for colour fastness to ensure that dye fading under various conditions (sun, rubbing, washing, ironing) meets internal standards. The quality control department then conducts pre-production test on the raw materials to ensure they meet our in-house standards, regulatory requirements of the export destination, and client expectations. For yarn primarily used in sweater manufacturing, colour fastness to washing, water, and perspiration is evaluated. In cashmere yarn production, tests focus on physical indicators like abrasion resistance, colour fastness to perspiration and water, and pilling.

Pre-production test



For non-cashmere yarn, 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



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.

During production, inspections are conducted after all major stages, including machine knitting, linking and stitching, washing, measurement, and ironing, as well as lighting inspections for all products.

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, cotton density, and pilling resistance, to ensure product quality before delivery to our clients.



Worker conducting final inspection

Random inspections are carried out on semi-finished and finished products based on the international AQL 2.5 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.

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 Sweaters Production Process

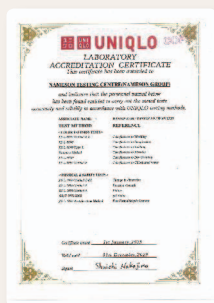


Testing Centres and Laboratory Certifications

GRI 416-1

Our PRC Factories operate dedicated testing centres that have been certified as SGS Field Solution Consultancy Services Certificate by different operating branches of SGS-CSTC Standard Technical Service, an international certification organisation. These certifications authorise our testing centres in the PRC Factories to conduct 38 physical and 20 chemical quality tests on all of our knitwear products and yarn. Additionally, our testing centres have been accredited by Intertek and SGS, recognising the advanced testing methodologies adopted in our laboratories. The laboratories could equip more testing instruments and adopt new testing methodologies based on our clients' demands.

Some of our clients, such as UNIQLO and Lands' End, have conducted their own assessments and granted accreditation to our testing centres, allowing us to perform certain quality tests on their products.



Client Quality Requirements and Compliance

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 contracts outline product specifications, quality requirements, delivery methods, and acceptance criteria to maintain high product and service standards.

✦ Complaints Handling Procedure

GRI 416-2

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 customers 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 take responsibility for repair, replacement, or return and bear the associated costs.
- 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 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.

Empowering Workspaces

Chapter Highlights

- The Board received a total of 19 Hours ESG-related training
- Organised over 50 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

5 GENDER
EQUALITY



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.

8 DECENT WORK AND
ECONOMIC GROWTH



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.

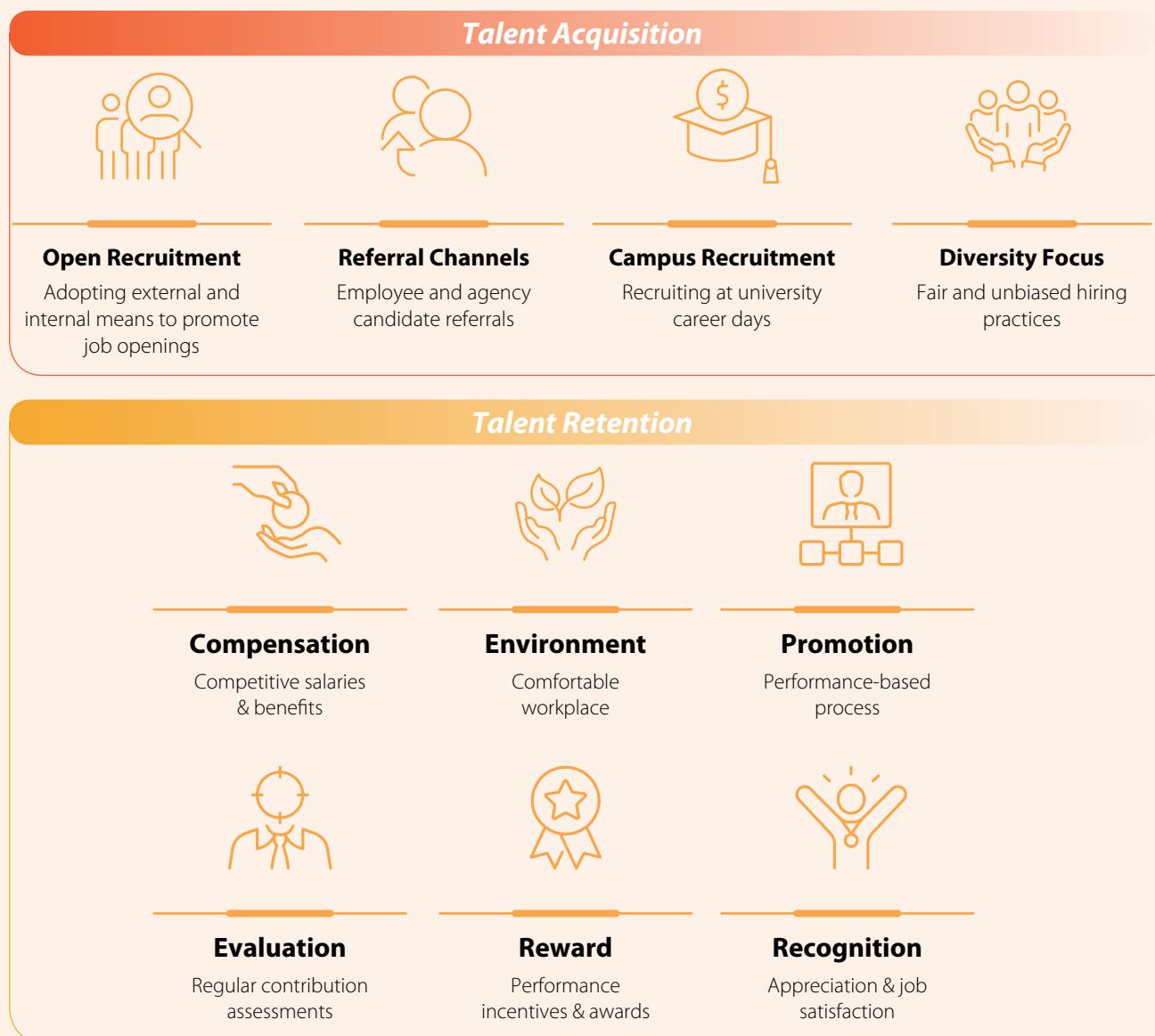
The Group echoes our people-oriented management model, recognising our employees as the most valuable assets and a key driver of long-term business value, enterprise competitiveness, and sustainable growth.

With this in mind, 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 colleagues. 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.



Demographics of our Workforce^{GRI 401-1, 401-3}

The composition of our workforce is outlined below.

Workforce profile	FY2025	FY2024
Total number of employees²	14,495	14,352
Full-time employees	14,494	14,351
Part-time employees	1	1
By gender		
Male	4,896	4,856
Female	9,599	9,496
By region		
Hong Kong	133	84
PRC	4,764	5,067
Vietnam	9,598	9,201
By age group		
29 or below	5,305	5,414
30–49	7,101	7,138
50 or above	2,089	1,800
By functional category		
General	14,322	14,181
Administrative	150	151
Senior management	23	20

Turnover Rate	FY2025	FY2024
Total employee turnover rate (%)²	68.4%	66.8%
By gender		
Male	80.5%	72.5%
Female	62.2%	63.8%
By region		
Hong Kong	2.3%	16.7%
PRC	30.5%	42.7%
Vietnam	88.1%	80.5%
By age group		
29 or below	108.7%	98.5%
30–49	51.7%	48.2%
50 or above	22.5%	45.2%

² Restated data.

New Hire Rate	FY2025	FY2024
Total employee new hire rate (%)	66.9%	50.1%
By gender		
Male	75.7%	51.8%
Female	62.4%	49.2%
By region		
Hong Kong	44.4%	15.5%
PRC	18.3%	15.9%
Vietnam	91.3%	69.2%
By age group		
29 or below	113.3%	82.8%
30–49	47.2%	34.3%
50 or above	16.1%	14.3%

Parental leave	FY2025	FY2024
Total number of employees entitled to parental leave	461	499
By gender		
Male	110	117
Female	351	382
Total number of employees who took parental leave	343	462
By gender		
Male	110	117
Female	233	345
Total number of employees who returned to work after parental leave ended	285	351
By gender		
Male	109	116
Female	176	235
Return to work rate³	83.1%	76.0%
By gender		
Male	99.1%	99.1%
Female	75.5%	68.1%
Total number of employees who returned to work after parental leave ended and were still employed 12 months after their return to work	240	246
By gender		
Male	85	95
Female	155	151
Retention rate⁴	84.2%	70.1%
By gender		
Male	78.0%	81.9%
Female	88.1%	64.3%

Following our people-oriented management philosophy, with a meaningfully high labour turnover rate, the human resources department conducts interviews with resigned employees to understand their concerns and reasons for leaving. The insights and suggestions gathered support the continuous optimisation of our talent management strategy, helping us maintain our labour turnover rate at an acceptable level. The Group realised more work should be done in optimising our employees' turnover rate.

³ 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%

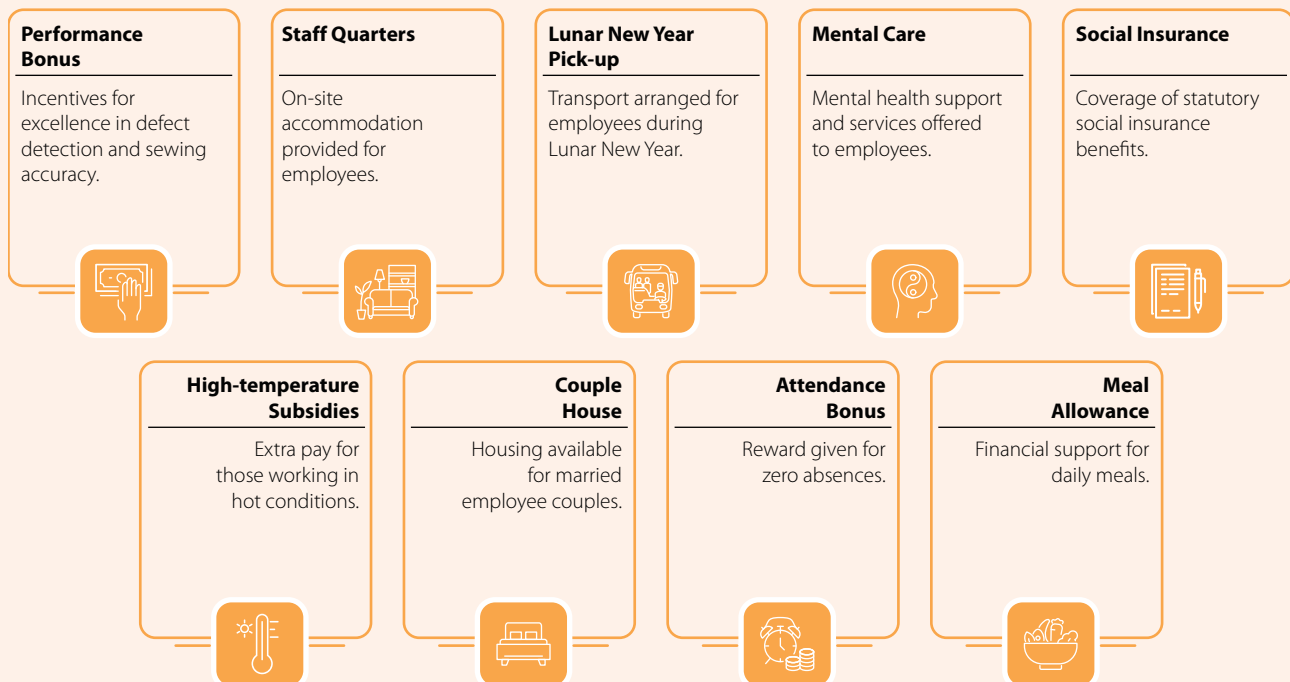
⁴ The retention rate is calculated as (total number of employees retained 12 months after returning to work following a period of parental leave ÷ total number of employees returning from parental leave in the prior reporting period(s)) × 100%

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

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.



Not only do we care about our employees, we also deeply care about their families. Aligned with the designated topic of youth cultivation in this financial year, we provide thoughtful gifts to celebrate and encourage their children's milestone of entering university.

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 among employees. For example, meal gatherings, annual conferences, festival celebrations or banquets, sports days, and skill contests. Throughout the reporting period, we organised more than 50 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

Hong Kong Offices



New Year Celebration



Christmas Party

Able Joy Factory



Mid-Autumn Festival Celebration



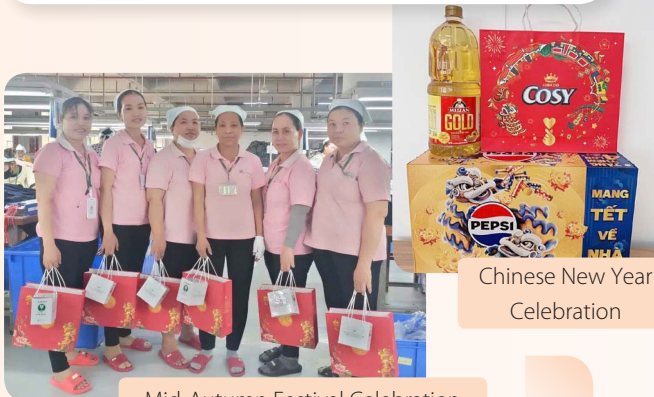
New Year Celebration

Huizhou Factories



New Year Celebration Dinner

First Team Factory



Mid-Autumn Festival Celebration

Chinese New Year Celebration

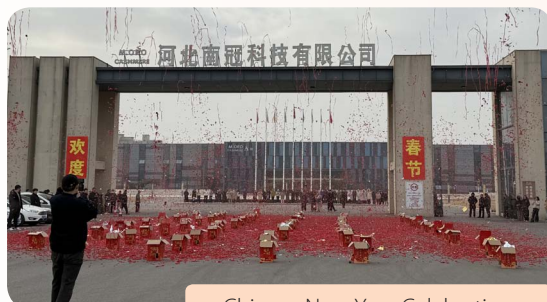


Dragon Boat Festival Dumpling-Making Event

Internal Activities

Festivals & Cultural Celebrations

Hebei Factory



Chinese New Year Celebration



Mid-Autumn Festival Employee Welfare Distribution

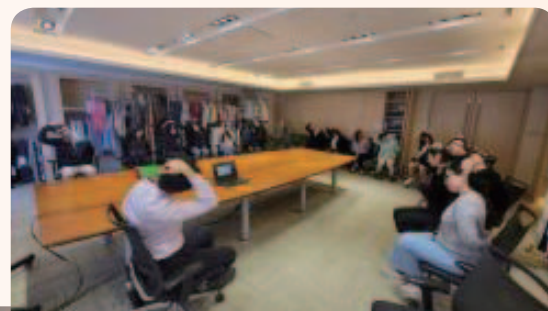
Internal Activities

Employee Engagement and Welfare

Hong Kong Offices



Horticultural Therapy Workshop



Workplace Pain Relief Workshop



Internal Activities

Employee Engagement and Welfare

Huizhou Factories



Study Group



Birthday Giveaway

Worker Month Giveaway



Labour Union Meal

Vietnam Factories

Group



Annual Dinner

Hebei Factory



Annual Dinner

External Activities

Sports and Competitions

Huizhou Factories



Yirun Cup Foreign Enterprises Basketball Tournament



9th Table Tennis Competition for Foreign Enterprises

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.



With over 60% of our workforce being female, we recognise the double shift many women undertake — balancing work duties with commitments at home. 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. In our 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, supportive working environment throughout their maternity journey.

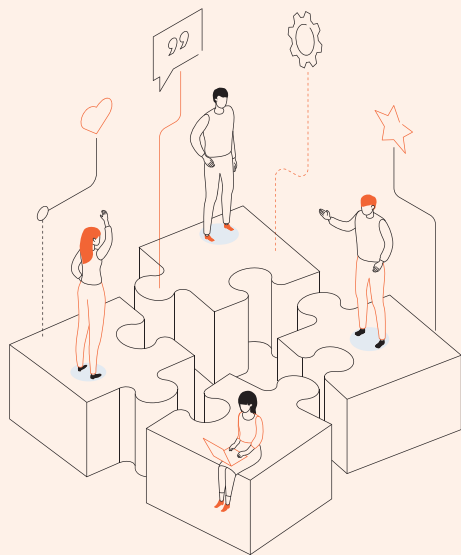
To support working mothers, we have established the “Mothers’ Relaxation Hut” in our Huizhou Factories and Vietnam Factories, a private, comfortable, and hygienic space designed for breastfeeding. With soft lighting and calming music, the serene environment offers mothers a peaceful space to rest and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



Mother's Relaxation Hut

Employee Training and Development

The Group's employees are its 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 employee training figures for this financial year and previous financial year⁵, which are categorised by gender and employee category, are as follows:



Total Percentage of Trained Employee

81.6%

62.1%

Total Training Hours

65,905

141,366

Average Training Hours

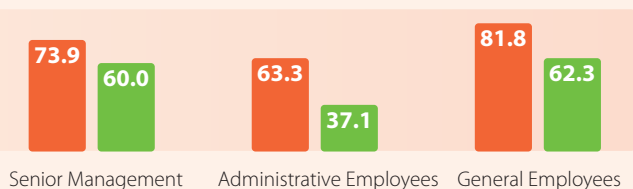
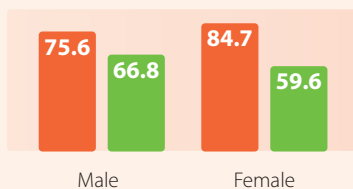
4.5

9.8

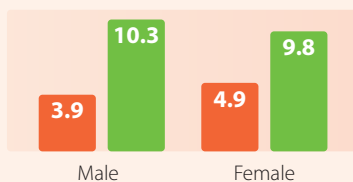
■ Current financial year

■ Previous financial year

Percentage of Trained Employee by Category (%)



Average Hours of Training by Category (Hours)



2024 Huicheng District Staff Development Lecture
— Training for Enhancing Employee Competence



Orientation Training

⁵ Restated data.

The Group has established 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, quality, 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

- Provide update on the latest changes to the Listing Rules and related laws and regulations to enhance their knowledge about the Group's corporate governance and sense of responsibility
- National development trends
- Anti-corruption training



Administrative Employees

Professional Training

- Trainings on accounting system, financial knowledge and PRC taxation, with an objective to further enhance the job knowledge of the employees
- 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 to promote awareness towards conservation
- 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 staff representative meetings are held to collect feedback, resolve issues through dialogue, and maintain a harmonious work environment. In our Vietnam Factories, approximately 95% of workers are union members, while all of our workers in Huizhou Factories are union members. Meanwhile, at the Hebei Factory, we have submitted applications to the government to establish a formal labour union.



Employees receiving gifts from unions



Nameson Information

Supporting 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 both Vietnam Factories. This allows our employees to park their motorcycles safely and orderly.



**Two-storey covered motorcycle parking lot
— First Team Factory**



**Two-storey covered motorcycle parking lot
— Able Joy Factory**

Employees can also voice their concerns through a 24-hour hotline, a WeChat Official Account, and the General Manager's mailbox. Specifically, the Huizhou Factories operate a WeChat Official Account to provide daily updates, life tips, weather forecasts, and highlights of Group activities. In addition, the *Nameson Information* annual publication shares New Year messages, employee stories, and key events to strengthen internal communication.

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.

Advocating Nature's Guardianship

Chapter Highlights

- Formally committed to setting Science-Based Targets (SBT).
- Our Hebei Factory holds ISO 14001 certification.
- Solar panels at our factories generated a total of 9,878 MWh of electricity in the previous financial year.

Challenges

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

Our Commitments

- To reduce GHG emissions on or before FY2031 by 10.5%, using FY2021 as baseline
- To reduce energy consumption on or before FY2031 by 4.3%, using FY2021 as baseline

Looking Ahead

We will continue exploring opportunities to reduce GHG emission through conducting energy audits 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 and Vietnam Factories have also been successfully completed in phases between FY2022 and FY2025.

Target 7.2 Expanded solar panel installations at our Vietnam Factories to increase renewable energy use.

Target 7.3 Improved energy efficiency through facility retrofits.

Target 13.2 Formally committed to SBTi to set near-term carbon reduction targets. Report our environmental protection performance according to TCFD and TNFD framework.

The Group is committed to 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, while 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

Our Huizhou, Hebei, and First Team Factories utilised the Higg Facility Tools — Industrial Sector, a standardised sustainability self-assessment tool developed by the Sustainable Apparel Coalition (SAC). This tool enabled us to evaluate our sustainability performance across various production processes, helping us identify areas for continuous improvement. To enhance the credibility of our assessment, we engaged an independent third-party validator accredited by SAC to verify our submitted data. We benchmark our performance against industry peers to ensure we meet or exceed sector standards, reinforcing our dedication to environmental management.



**Hebei Factory ISO 14001:2015
Environmental Management
System Certification**

HUIZHOU FACTORIES



74%

Facility Environmental
Module

HEBEI FACTORY



78%

Facility Environmental
Module

FIRST TEAM FACTORY



67%

Facility Environmental
Module

Action for Climate and Nature

We are committed to proactively addressing climate change, exploring innovative ways to reduce our carbon footprint, and supporting the national “Dual Carbon” strategy of achieving carbon peaking by 2030 and carbon neutrality by 2060. In this 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.

Recognising the link between climate and nature, the Group has committed as TNFD adopter and forum member since the TNFD framework facilitates us to consider 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, 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.

In this financial year, we have committed to setting a near-term greenhouse gas (GHG) reduction target aligned with the Science Based Targets initiative (SBTi). The Group is currently developing a comprehensive Scope 1, Scope 2, and Scope 3 emissions inventory to better understand its emissions profile and drive tangible progress toward emissions reduction.



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 were considered in the analysis as they 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.

Physical Risks		Transition Risks	
Scenario	Intergovernmental Panel on Climate Change 6th Assessment Report Shared Socio-economic Pathway (IPCC AR6 SSP5-8.5)	Net Zero Emissions (NZE) Scenario	
Description	Global average temperature will rise by 3.3–5.7 degrees Celsius relative to pre-industrial levels by 2050, and that the sea level will increase by about 0.43 m by 2100. A warmer climate will intensify very wet and very dry weather and climate events and seasons, with implications for flooding or drought.	Global emissions reach net zero by 2050, limiting global temperature rise to 1.5°C. An immediate and dramatic shift from fossil fuels to renewable energy, industrial electrification, and rapid innovation in energy efficiency and low-carbon technologies are required.	
Ranking scale — Impact Level	Low Impact	Medium Impact	High Impact
Ranking scale — Time Horizon ⁶	Short-term (Between now to 2025)	Medium-term (From 2025 to 2030)	Long-term (Beyond 2030)

⁶ The definition of time horizon is linked to the China's national "Dual Carbon" strategy of peaking carbon dioxide emissions by 2030 and achieving carbon neutrality by 2060.

The Group's management has identified and prioritised climate-related risks and opportunities, assessing their impact levels⁷ and time horizons based on the selected scenarios through a survey. 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.

Climate-related Risks				
Physical Risk	Impact Level	Time Horizon	Potential Financial Impact	Mitigation Measures
Occurrence of Extreme Weather Events	High	Long-term	Decrease in revenue due to delayed deliveries of products and reduced productivity. Increase in cost due to repair of assets and additional courier expenses	With high impact level of occurrence of extreme weather events, we have the following countermeasures to protect our staff and properties: Heatwaves: Heat stroke plan in place to protect employee health by ensuring hydration, recognising symptoms, and implementing cooling measures.
Sea Level Rise	Low	Medium-term	Increased costs of flood protection measures and higher insurance premiums	Floods/Heavy Rain Storms/Typhoons/Thunderstorms: Clear protocols are in place to protect staff and asset safety, such as an evacuation plan.
Persistent Drought	Low	Short-term	Reduced productivity due to water shortages, and increased costs due to reliance on alternative sources and hikes of raw materials prices	Hazards brought by extreme warm and wet weather: Mosquito control methods to prevent mosquito-borne diseases.
Rising Freshwater Salinity	Low	Short-term	Additional expenses for water treatment and potential quality control issues leading to product defects that could result in increased operational costs and reduced profitability	Risk transferred to insurer: There has been sufficient insurance to cover the financial loss brought by extreme weather.

⁷ The impact levels reflect the potential effects of climate-related risks on the Group's financial performance in terms of selling prices and sales volumes.

Climate-related Risks				
Transition Risk	Impact Level	Time Horizon	Potential Financial Impact	Mitigation Measures
Policies and Regulations	Increasing Costs of Carbon Emissions Rights	Medium-term	Increased operational costs due to higher carbon pricing	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	Medium-term	Costs associated with improving reporting systems, data verification, and compliance could increase operational expenses	We have been developing our Scope 1, 2, and 3 GHG emission inventory to prepare for increasingly stringent 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	Long-term	Non-compliance could result in penalties, fines, legal challenges, and loss of client orders, impacting overall financial performance	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	Medium-term	Higher initial capital expenditures and ongoing operational costs	We have been gradually introducing high energy-efficiency knitting machines and solar panels for renewable energy with a capital expenditure of HK\$72.3 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	Medium-term	Risk of financial losses if new technologies fail to deliver expected benefits, affecting return on investment	
Market	Changes in Consumer Behaviour and Demand	Long-term	Increased costs in R&D and marketing of new products	We maintain an ongoing, 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	Medium-term	Failure to meet client expectations may result in loss of market share, reduced revenue, and reputational damage	Enhance the engagement with stakeholders, especially clients, in corporate sustainability so that we are aligned with our clients' or other stakeholders' ESG initiatives.

Climate-related Opportunities	Impact Level	Time Horizon	Potential Financial Impact	Seizing the Opportunity
Resource Efficiency	Medium	Medium-term	Reduced energy costs and promote production efficiency as a result increasing our revenue	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	Low	Short-term	Reduced operating costs and broader availability of financing sources (e.g. green loans and sustainability-linked loans)	<p>We have installed solar power generation systems at our Huizhou Factories and Vietnam Factories. For more details, refer to the Energy and Climate Resilience section.</p> <p>Since commissioning the solar power system, we have begun accumulating carbon credits. If recognised by regulatory authorities, these credits can be developed as carbon assets based on demand.</p> <p>The Group is also actively exploring additional green energy solutions.</p>
Products and Services	Low	Short-term	Increased demand for sustainable apparel, allowing us to charge premium prices and attract environmentally conscious clients	<p>We have been using a product 3D simulation system for our clients to provide feedback without needing multiple physical samples.</p> <p>We also obtained various certifications on material sustainability. Please refer to the Raw Material Sourcing Control section for more details.</p>
Markets	High	Long-term	Increased market share and revenue by entering markets where consumers and retailers prioritise sustainable products	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	Low	Medium-term	Reduced exposure to energy price volatility and potential revenue from selling excess energy or carbon credits	<p>Solar power generation systems installed at Huizhou Factories and Vietnam Factories have been providing electricity for our operations, reducing exposure to energy price volatility.</p> <p>Excess solar power from Huizhou Factories is sold to the national grid.</p>

Climate Risk Management

Climate scenario analysis is used to identify climate-related risks and opportunities material to the Group. The analysis is conducted annually, with the findings presented to the Board and the Task Force. During the reporting period, we identified three physical and transition risks material to our business. The Task Force adopts the step-by-step approach to manage 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 Taskforce on Nature-related Financial Disclosures (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 (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: Indomalayan and Palearctic⁸.

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	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 (KBAs)
Species classified as at risk of extinction by the 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 protected areas such as national parks and national reserves.	In this assessment, we also considered areas like Important Bird and Biodiversity Areas and Alliance for Zero Extinction Sites.

⁸ Resolve Ecoregions 2017 is used as a tool to identify the ecoregions, biomes, and ecological realms where our factories are located.

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 KBAs. Notably, all nine protected areas near the Able Joy Factory are nationally designated, and five out of seven KBAs are classified as Important Bird and Biodiversity Areas. Meanwhile, the Hebei Factory has the least interaction with important biodiversity areas 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 KBAs 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	15	27	46	3	1
Able Joy Factory	18	32	49	9	7

Regions facing high physical water risks are also considered sensitive locations. We used the WWF (World Wild Fund for Nature) 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 Hebei 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			
Able Joy Factory			

Risk Level	Very Low	Low	Medium	High	Very High
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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 heatmaps.

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, water condition, extreme heat, and tropical cyclones. Since the risk levels for water availability and quality above are derived from WRF, while the levels of direct dependency on water availability and conditions are assessed using BRF, variations in results may arise due to methodological differences between the tools. Our business has the highest dependency 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	Able Joy Factory
Provisioning Services	Water Availability				
Regulating & Supporting Services — Enabling	Water Condition				
	Air Condition				
Regulating Services — Mitigating	Landslides				
	Wildfire Hazard				
	Extreme Heat				
	Tropical Cyclones				

Level of Direct Dependency	Very Low	Low	Medium	High	Very High
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Case Study: 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 population⁹.
- **Cashmere:** Each goat provides only 110 grams of cashmere per year¹⁰. Hebei Factory produces over 1,000 tons of cashmere yarn annually, requiring over 9 million goats or 0.9% 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.

⁹ Figures derived from International Wool Textile Organisation (IWTO).

¹⁰ 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 cause 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	Able Joy Factory
Pressures on Biodiversity	Land, Freshwater and Sea Use Change				
	Forest Canopy Loss				
	Pollution				
Environmental Factors	Protected/Conserved Areas				
	Key Biodiversity Areas (KBAs)				
	Other Important Delineated Areas				
	Ecosystem Condition				
	Range Rarity				

Level of Direct Impact	Very Low	Low	Medium	High	Very High
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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. Therefore, in the Assess phase, the Group identifies nature-related risks and opportunities that could affect its business based on 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		Financial Effects
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.

Risk Type		Nature-Related Risk	Financial Effects
Transition Risk	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.
	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 sales, 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	Financial Effects
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 sweaters and cashmere 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) 2.0 and the Global Recycled Standard (GRS) 4.0.	Enhance raw material usage efficiency, reducing cost of inventory and waste disposal.
	For other certifications on raw material sustainability, please refer to the Raw Material Sourcing Control section.	

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 averaging over 30%, 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:

Recycling wastewater back into the production process to reduce the reliance of fresh water supplies.

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

Transform**Policies for Positive Change:**

Policies considering water and sewage as well as biodiversity and nature conservation are in place.

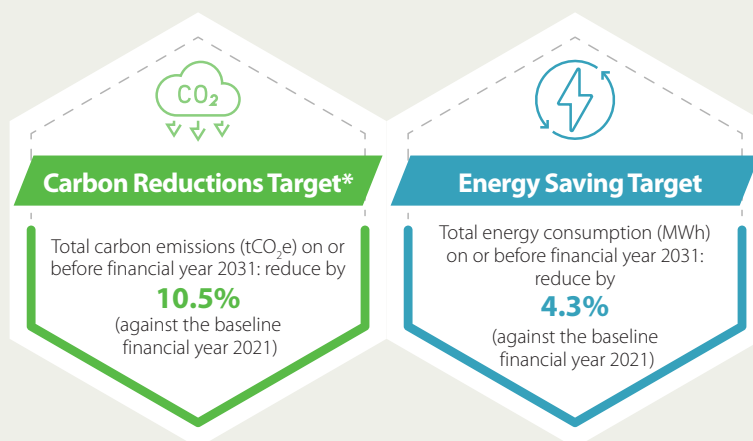
Support for Agricultural Certification:

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**

Metrics and Targets

We have set the carbon reduction and energy saving targets¹¹ to be achieved by or before the financial year 2031, with financial year 2021 as the baseline and the scope largely aligning with this Report. Corresponding management strategies have been developed to achieve the carbon reduction target. To demonstrate our dedication to transition to a low-carbon economy, we have made a formal commitment to set SBT within two years. We will progressively reduce our Scope 1, Scope 2, and Scope 3 GHG emissions to contribute to the global effort to limit warming to below 1.5°C.



* Total carbon emissions targets cover only direct (Scope 1) and indirect energy (Scope 2) GHG emissions, and do not include the carbon removal. GHG emissions include CO₂, methane (CH₄), and nitrous oxide (N₂O) and are converted to reflect the CO₂ equivalent.

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 70,993 tCO₂e, reflecting a 0.98% year-on-year increase or 18.12% decrease compared to financial year 2021. Carbon intensity was 1.64 kg of CO₂e per production unit, representing a 2.47% year-on-year increase or 23.09% decrease compared to the financial year 2021. The increasing GHG emissions in this financial year was mainly caused by the hike in scope 2 emissions due to the 0.24% increase in total energy consumption. Majority of such contribution was due to a new phase of our Able Joy Factory started commercial operation 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.

63.98% of our 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. Comparing with the base year, the Group achieved our 10 years GHG emission reduction target of 10.4% by financial year 2031. Through increasing the usage of low emission energy source (wood pellets), GHG emissions reduced meaningfully in the past few years.

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



ISO 14067:2018 Product Carbon Footprint Verifications

¹¹ The total carbon emissions and total energy consumption targets we have formulated are based on the financial year 2021, and only cover the Hong Kong Offices, PRC Factories and First Team Factory referred to in the financial year 2021, Able Joy Factory was not included when setting the targets.

GHG Emissions ¹²	FY2025	FY2024 ¹³
Scope 1 (tCO ₂ e) ¹⁴	25,372	25,556
Scope 2 (tCO ₂ e) ¹⁵ (Location-based)	45,485	44,566
Scope 3 (tCO ₂ e) ¹⁶	136	179
Total GHG emissions (Scope 1 and Scope 2) (tCO₂e)¹⁷	70,857	70,122
Total intensity of GHG emissions (Scope 1 and Scope 2) (kg of CO ₂ e/production unit)	1.64	1.60
Total net GHG emissions (Scope 1, Scope 2 and Scope 3) (tCO₂e)¹⁸	70,892	70,191
Total net intensity of GHG emissions (Scope 1, Scope 2 and Scope 3) (kg of CO ₂ e/production unit)	1.64	1.60
Total GHG emissions reduced by planting trees (tCO ₂ e)	101	110

Our approach	
Standard used	HKEX's "How to Prepare an ESG Report — Appendix 2: Reporting Guide 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	All the entities stated in the Reporting Period and Scope section owned and managed in Hong Kong, Mainland China and Vietnam, including Headquarter and operating offices
Data base	2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories Government Conversion Factors for Company Reporting of Greenhouse Gas Emissions Latest sustainability reports of local utility providers Grid emission factor published by Ministry of Ecology and Environment and National Bureau of Statistics Vietnam's power grid emission coefficient

We have started mapping our Scope 3 GHG emissions in preparation for target validation submission to the SBTi. We are currently finalising our Scope 3 emissions inventory and aim to share it in the coming years.

¹² Calculation of GHG emissions covers all relevant gases emitted from our fuel sources, including CO₂, CH₄, and N₂O.

¹³ GHG emissions for the previous financial year are restated due to updates of emission factors.

¹⁴ The Group's Scope 1 GHG emissions primarily consist of direct emissions from combustion of fossil fuels and biomass fuels (wood pellets), as well as fugitive emissions from refrigerants.

¹⁵ The Group's Scope 2 GHG emissions primarily consist of indirect emissions resulting from purchased electricity and steam.

¹⁶ The Group's Scope 3 emissions include indirect GHG emissions from employees' business travel by air (Category 6). The relevant data is calculated using the Carbon Emissions Calculator developed by the International Civil Aviation Organization (ICAO), a United Nations agency.

¹⁷ Total GHG emissions (Scope 1 and Scope 2) and their intensities do not include Scope 3 other indirect GHG emissions and total GHG emissions.

¹⁸ 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.

✧ **Energy Consumption**

During this financial year, our energy consumption increased by 0.24% year-on-year or 1.31% higher than our base year in financial year 2021. More works need to be done to achieve our financial year 2031 target of reducing energy consumption by 4.3%. As further expanding our production base in Vietnam, the overhead energy consumption increased. In terms of per unit energy consumption, it increased 1.72% year-on-year or decreased 4.99% versus our base year in financial year 2021.

Energy Consumption	FY2025	FY2024 ¹⁹
Total energy consumption (MWh)	261,103	260,483
Energy consumption intensity (kWh/production unit)	6.04	5.93
Direct energy		
Coal consumption (MWh)	32,833	21,195
Unleaded petrol consumption (MWh)	694	751
Diesel consumption (MWh)	3,517	3,423
Liquefied petroleum gas consumption (MWh)	630	540
Natural gas consumption (MWh)	69,612	84,674
Wood pellet consumption (MWh)	72,110	71,072
Solar power consumption (MWh)	7,821	6,969
Indirect energy		
Purchased electricity consumption (MWh)	72,398	71,859
Purchased Steam Consumption (Mwh)	1,488	0

✧ **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 2,730,000 m³, representing a 6.01% reduction compared to the previous financial year. The water consumption intensity was 0.06 m³ per production unit.

Water Consumption	FY2025	FY2024 ²¹
Total water consumption ('000 m ³)	2,730	2,904
Water consumption intensity (m ³ /production unit)	0.06	0.07

✧ **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 2.76 tonnes of NO_x, 0.01 tonnes of SO_x, and 0.22 tonnes of PM.

Air Emissions ²⁰	FY2025	FY2024 ²²
NO _x (tonnes)	2.76	2.62
SO _x (tonnes)	0.01	0.01
PM (tonnes)	0.22	0.20

¹⁹ Energy consumption figures for the previous financial year were restated due to updates of energy conversion factors.

²⁰ Our disclosures on air and greenhouse gases (GHG) emissions have been prepared based on the requirements stipulated in "How to Prepare an ESG Report" published by the HKEX and "GHG Protocol: Corporate Accounting and Reporting Standard (Revised Edition)" published by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD).

²¹ Restated data.

²² Air emission figures for the previous financial year were restated due to revisions in the calculation methodology.

❖ **Waste Generation**

During this financial year, the Group generated 3.27 tonnes of hazardous waste and 3,966 tonnes of non-hazardous waste.

Waste Generation	FY2025	FY2024
Hazardous waste		
Total volume of hazardous waste (tonnes) generated	3.27	0.30
Intensity of generation of hazardous waste (g/production unit)	0.08	0.01
Non-hazardous waste²⁴		
Total volume of non-hazardous waste (tonnes) generated	3,966	3,239
Intensity of generation of non-hazardous waste (g/production unit)	91.69	73.79
Total volume of recycled and reused non-hazardous waste (tonnes)	763	452
Total volume of disposed non-hazardous waste (tonnes)	3,203	2,787

❖ **Packaging Materials**

During the financial year, the Group used 356 tonnes of plastic bags and 1,087 tonnes of cartons. Compared to previous financial year, the total packaging materials used for finished products decreased by 9.59%.

Packaging Materials Used for Finished Products	FY2025	FY2024 ²³
Total packaging materials used for finished products (tonnes)	1,443	1,596
Packaging materials used for finished products per production unit (g/production unit)	33.37	36.37
Plastic bags (tonnes)	356	439
Cartons (tonnes)	1,087	1,157

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 in Vietnam has established and updated its Environmental Protection Management Policy to guide ongoing efforts in energy conservation and minimising energy use.

²³ Restated data.

❖ **Green Energy Development**



Phase I of the solar power generation facilities of the Huizhou Factories

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 the Vietnam Factories to further increase the share of renewable energy used, aiming to optimise our low-emission energy mix.

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 will be used within the Huizhou Factories, with any surplus sold to the national grid.



Phase II of the solar power generation facilities of the Huizhou Factories



Solar panels in Vietnam Factories

Category	Huizhou (Phase I)	Huizhou (Phase II)	First Team	Able Joy	Total
Installation capacity (MW)	4.85	2.80	3.74	2.50	13.89
Area of photovoltaic module (Square meter)	23,036	13,500	14,967	9,988	61,491
Theoretical utilization hours per year (Hour)	1,100	1,100	1,250	1,250	N/A
Power generation in this financial year (MWh)	5,103	3,173	1,353	249	9,878
Reduction in GHG emissions in this financial year (tCO ₂ e)	2,842	1,767	916	169	5,694
Commercial operation date	June 2022	January 2023	December 2024	March 2025	N/A

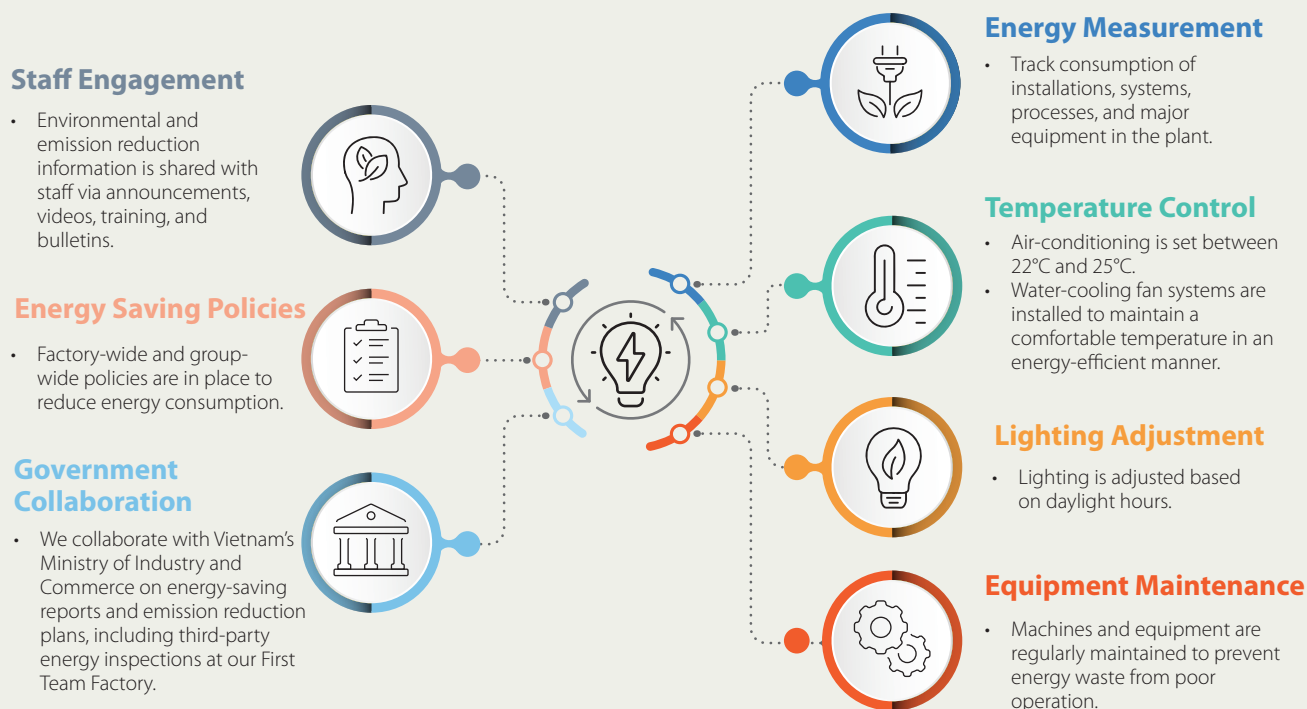
✧ **Enhancing Equipment Efficiency**

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 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. We will regularly assess ESG targets set in the 2021 financial year and review our carbon footprint in line with the best practices and standards. Targets will be adjusted as needed to maintain their relevance and alignment with the Group's development, driving sustainable growth.

Water Conservation GRI 303-1, 303-5

In terms of water conservation, our factories have established water reclamation stations at all factories, 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 PRC Factories and Vietnam Factories to ensure that emissions meet local standards.

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 China'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 carbon dioxide (CO₂), sulphur dioxide (SO₂), and nitrogen oxides (NO_x) during combustion. Additionally, due to its superior mixing with air, natural gas boilers achieve higher combustion efficiency and energy usage 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 waste 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, in our cashmere yarn business, 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.

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.








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 this financial year,
the Hong Kong Offices recycled:

	Paper	251.7kg
	Metals	10.2kg
	Plastic Bottles	17.5kg
	Other Plastics	17.4kg
	Glass Bottles	2.7kg
	Small Electrical Appliances	0.1kg
	Beverage Cartons	11.0kg



辦公室回收計劃 減少廢物，由你做起

六類回收桶已經有啦！
金屬 紙張 膠樽 玻璃樽
其他塑膠 紙包飲品盒



❖ **Hazardous Waste Management**

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, liquids 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. 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.

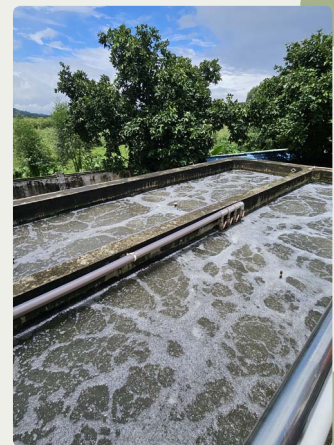
Packaging Materials

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. 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. The wastewater treatment plants in Huizhou Factories, First Team Factory, Able Joy Factory and Hebei Factory are capable of treating 2,000 m³, 2,800 m³, 1,500 m³, and 1,000 m³ of sewage per day, respectively.



Wastewater Treatment in Huizhou Factories

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. 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 (TSS). Additionally, we continue to optimise our wastewater treatment technologies and enhance water resource management efficiency to ensure regulatory compliance and minimise environmental impact.

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.

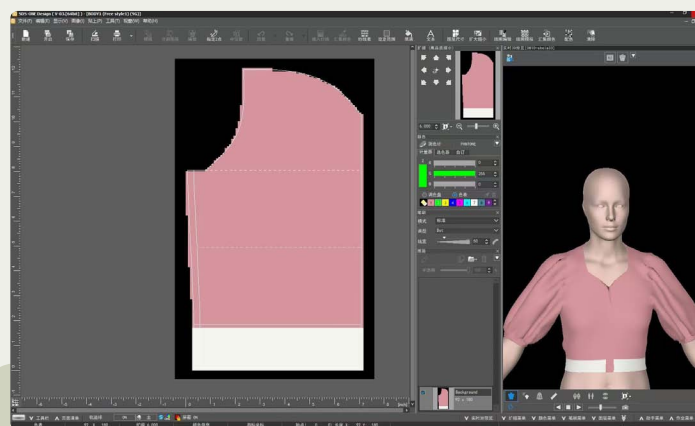
Nature and Conservation

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.

Green Manufacturing

The Group employs an advanced flat knitting simulation system to develop samples for its clients, providing high-definition 3D computer simulations that allow clients to preview the product results directly. Clients can suggest modifications based on the 3D simulations, eliminating the need for repeatedly creating physical samples. This not only significantly shortens sample production time but also reduces costs and minimises waste generation.

In addition, we regularly upload new products and designs to the Group's dedicated website, enabling easy access for clients to browse, further reducing material usage and saving time.



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%. 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 has obtained ISO 45001:2018 certification
- Regular anti-corruption trainings were provided to the Board and employees

Challenges

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

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 eradicate forced and child labour.

Target 16.5 Substantially reduce corruption and bribery in all their forms through trainings.

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.

Looking Ahead

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

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.

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 First Team Factory. 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. This financial year, the Hebei factory also reinforced its environmental and safety emergency response system by formulating and 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.

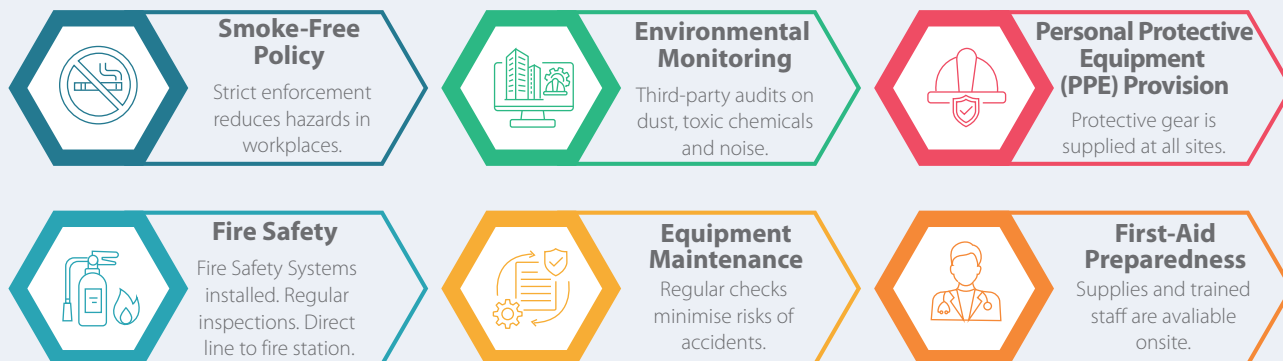


**Hebei Factory ISO 45001:2018
Occupational Health and Safety
Management System Certification**

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)
FY2025	455	0
FY2024	139	0
FY2023	122	0

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:



At the operational level, the Group continuously enhances its safety infrastructure and emergency response mechanisms at our factories. For example, given the severe mosquito infestation at our Vietnam Factories, we have adopted non-chemical, smoke-free, odourless, and pollution-free mosquito control methods to reduce health risks such as dengue fever. Medical rooms are established across all our factories to provide necessary medical support, ensuring employees' health and well-being are adequately safeguarded. Additionally, to prevent heat-related illnesses and provide immediate remedies, the Huizhou Factories have implemented a heat stroke prevention plan.



Mosquito Controls

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.

FIRE DRILLS

Able Joy Factory



Hebei Factory



Hong Kong Offices



First Team Factory



FIRE SAFETY MONTH

Huizhou Factories



Representatives from the First Affiliated Hospital of Sun Yat-sen University gave a presentation on health education, aimed at increasing awareness and importance of health knowledge among everyone.



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

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. The employees in our PRC and Vietnam Factories generally work 8 hours a day, and have at least one day-off per week, so as to ensure reasonable treatment and adequate rest for 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.

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 6,077 employees enabling them to identify potential risks in daily operations and adopt appropriate mitigation measures.



Anti-corruption training in our Hebei, Huizhou and Vietnam Factories

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 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. Signage is displayed in key areas to reinforce confidentiality requirements. In the technical centre, there are dedicated confidentiality measures for computers storing sensitive knitwear data, and all internet and computer ports are disabled to prevent unauthorised access. Additionally, prior approval is required before downloading or using confidential information to prevent copyright infringement.

Targeted training on computer security 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, data breaches, 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. As an Original Equipment Manufacturer, the Group’s product promotion and advertising activities have minimal impact on product responsibilities.

Intellectual Property Rights

We are committed to protecting our intellectual property and respecting those of third parties. All 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 registered 15 domain names and 4 trademarks in China, as well as 8 domain names and 4 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 Vietnam Factories, 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

- CSR efforts focused on “Youth Cultivation.”
- Supported underprivileged children with donations and supplies.
- Sponsored initiatives to nurture the next generation of textile talent.
- Donation: HK\$2.35 million
- Volunteer service Hours: 80

Challenges

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

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.

Looking Ahead

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

Contribution to UNSDGs



We have spent over HK\$2.35 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.

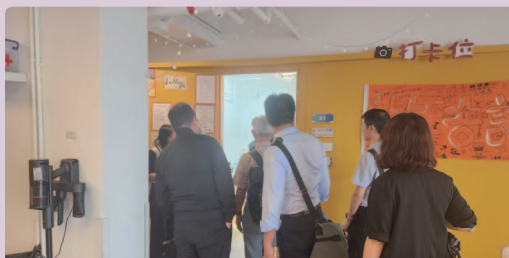
At Nameson, we uphold the principle of “Taken from the community, giving back to society,” and actively contribute to community development through various public welfare and charitable activities that foster social sustainability. During the reporting period, we supported several non-profit and charitable organisations as well as educational institutions through sponsorships and donations, with a total contribution exceeding HK\$2.35 million (previous financial year: HK\$1.67 million), and participated in volunteer activities for a total of approximately 80 hours (previous financial year: 23 hours).

Theme of FY2025: Youth Cultivation

In this financial year, our CSR efforts have been centred around the theme of “Youth Cultivation”, as we firmly believe that education is the most effective way to inspire the younger generation. Through our contribution to the Community Chest, we supported various organisations and their youth-focused programmes, including environmental education for schoolchildren, support services for underprivileged students, and assistance for children from low-income families.



Food Angel Education Programme -Love Food Love Earth.



Holland Hostel — Multiple Intelligence Development Programme and Professional Supportive Service



Project for New Arrivals and Low-Income Families — Heart Link

We collaborated with educational institutions to sponsor student competitions and courses, nurturing young talent and supporting students aspiring to excel in the fashion industry.

Theme of FY2025: Youth Cultivation



Hong Kong Design Institute Graduation Fashion Show 2024

Sponsored fashion graduation shows to nurture emerging knitwear design talent.



HK-KIDS-Young Knitwear Designers Contest

Raised awareness of local knitwear design; supported as Platinum Sponsor.



Beijing Institute of Fashion Technology-Sustainable Fashion Course

Supported students in creating market-oriented designs; work exhibited at SPINEXPO Shanghai.



M.ORO x HKDI Sustainable Competition 2024

Encouraged sustainable fashion innovation among HKDI students; supported student participation in an Yarn + Knit Exhibition in Florence through scholarship.



M.ORO x SFT Competition 2024

Co-organised fashion competition with PolyU to promote creativity; supported student participation in an Yarn + Knit Exhibition in Florence through scholarship.



China Academy of Art-Creative Knitting Design Course

Sponsored students to complete a circular fashion design project using surplus yarn.

Supporting Local Economic Development

In terms of promoting economic development of communities, our Group presently employs close to 10,000 employees in Vietnam. Operating in a developing country, the Group committed to offer competitive job opportunities to the local population. The Group might consider the possibility 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

We actively responded to disaster rescue efforts when the northern region of Vietnam was affected by Super Typhoon Yagi, providing essential supplies, such as rice, pork, and sardines with a total value of approximately VND171 million. At the same time, the Group also donated approximately VND411 million to support the procurement of emergency relief materials for those affected by Typhoon Yagi and provided 700 essential care packages to vulnerable groups. These actions not only reflect our commitment to social responsibility but also highlight our proactive role in addressing climate change risks and social vulnerabilities. We encourage employees and community members to participate in these relief efforts, working together to promote post-disaster recovery.



Super Typhoon Yagi Donation



Support for Affected Communities by Typhoon Yagi

Promoting Social Inclusion and Welfare

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 New Year, where employees distributed rice, noodles, oil, fruit gift boxes, and mooncakes, demonstrating our dedication to giving back to the community. Additionally, during the Chongyang Festival, Huizhou Factories donated the Group's knitwear products and snacks to the Shui Kou Dong Xing Community Elderly Service Centre, providing warmth and care to the elderly.



Elderly Visit



Giveaways during Chongyang Festival

In Hong Kong Offices, we actively participated in the “Hong Kong and Kowloon Walk for Millions 2024/2025” event, organised by the Hong Kong Community Chest for local social welfare organisations. Our management team and employees also joined the 2024 “Wear to Care” Charity Dress Day event, which aimed to raise funds for the Hong Kong Community Chest by wearing casual clothes. All funds raised were fully donated to over 160 social welfare member organisations supported by the Community Chest. The Group continues to be a Diamond Sponsor for the event, with our Chairman and Executive Director, Mr. Wong Wai Yue, serving as a member of the Community Chest’s Board of directors, leading by example in supporting the fundraising efforts. Additionally, the Group participated in the Community Chest’s “Green Low-Carbon Day,” with our donations directed towards environmental-related projects, while actively practising low-carbon living.



Hong Kong & Kowloon Walk for Millions 2024/2025



Dress Casual Day



Green Low Carbon Day

Environmental Initiatives and Green Actions

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.



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

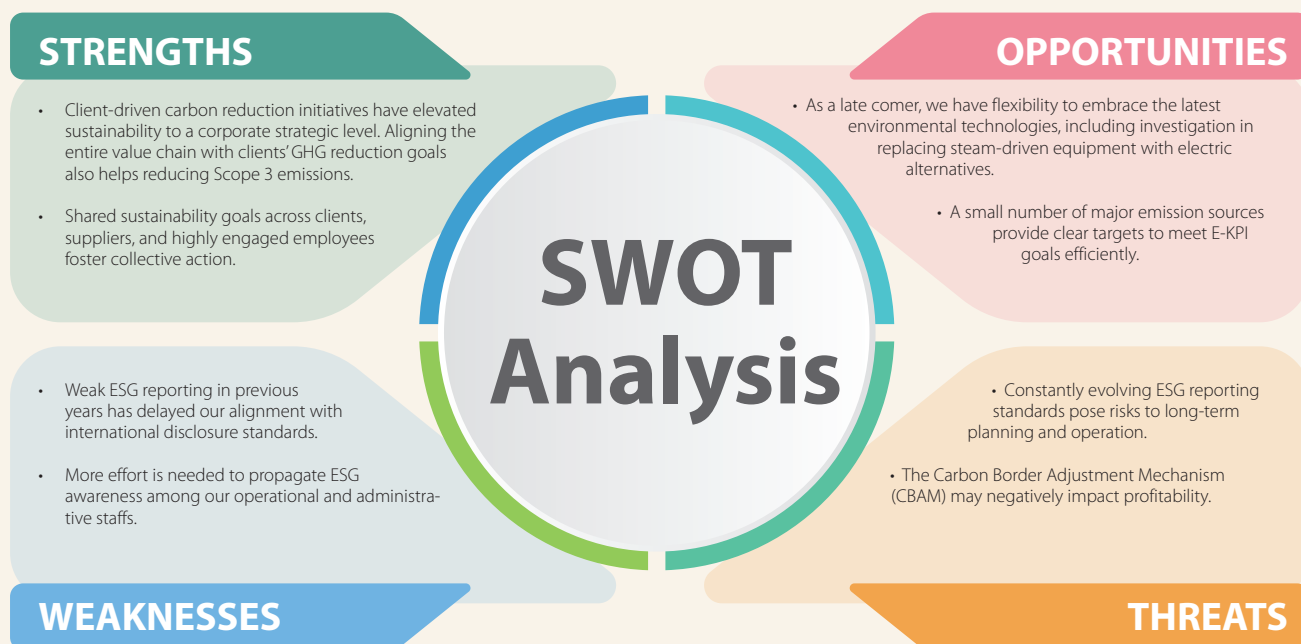
Hebei Factory hosted a special traceability journey to the Albas Pastoral Area in Etuoke Banner, Inner Mongolia. The event invited clients and industry peers to explore the origins of ethically sourced and traceable cashmere.



The journey brought together herders, cashmere raw material suppliers, cashmere yarn manufacturers, cashmere garment manufacturers and garment brand customers 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.



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 face several weaknesses that hinder our ability to effectively address our ESG challenges. More financial and human resources are required to address comprehensive sustainability initiatives. Additionally, weak ESG reporting capability in previous years has delayed the alignment with the international disclosure standards. More effort is needed to propagate the ESG awareness among our operational and administrative staffs. 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 electric 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 going to establish comprehensive frameworks that require our compliance and transparency. Additionally, the HKEX ESG reporting code is set to be fully implemented in FY2026, 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. Together, these factors necessitate 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. The Group will conduct energy audits of our key emission sources to analyse associated costs and benefits so as to formulate the most suitable action plan to reduce GHG emission further on the premise of minimal disruption to our normal operation and production. 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

GRI 2-28



FEDERATION OF HONG KONG INDUSTRIES

CSR Recognition Scheme Industry Cares 2024 — 5+ Year Award (SME Group)

THE 10TH "PUYUAN CUP" PH VALUE CHINA KNITWEAR DESIGNER CONTEST

Partnering Organisation



CHINA ASSOCIATION FOR QUALITY

National Enterprise for Product and Service Quality Integrity Commitment

HONG KONG QUALITY ASSURANCE AGENCY

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



External Charters



THE HONG KONG COUNCIL OF SOCIAL SERVICE

Caring Company Logo
(10 consecutive years or above)



DEPARTMENT OF HEALTH, HKSAR GOVERNMENT / OCCUPATIONAL HEALTH AND SAFETY COUNCIL

Joyful@Healthy Workplace Charter



DEPARTMENT OF HEALTH, HKSAR GOVERNMENT / LABOUR DEPARTMENT, HKSAR GOVERNMENT / OCCUPATIONAL SAFETY & HEALTH COUNCIL

Mental Health Workplace Charter



HONG KONG PRODUCTIVITY COUNCIL

ESG One Green Membership



Taskforce on Nature-related Financial Disclosures

TASKFORCE ON NATURE-RELATED FINANCIAL DISCLOSURES

TNFD Adopter and Forum Member



TASKFORCE ON INEQUALITY and SOCIAL-RELATED FINANCIAL DISCLOSURES

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 Myanmar Manufacturers' Association Limited
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 Footwear Ltd
The Federation of Hong Kong Garment Manufacturers

APPENDIX II: APPLICABLE LAWS AND REGULATIONS

GRI 2-27

Aspect	Applicable Laws and Regulations	Compliance Status
Employment	<p><u>Employment and Employees' Compensation: — PRC</u></p> <p>Labour Law of the PRC</p> <p>Labour Contract Law of the PRC</p> <p>Trade Union Law of the PRC</p> <p>Regulation on the Implementation of the Employment Contract Law of the PRC</p> <p>Regulations on the Paid Annual Leave of Employees</p> <p>Regulations on Work-Related Injury Insurance</p> <p>Regulation on Labour Security Supervision</p> <p>Regulations on Management of Housing Provident Fund</p> <p>Regulations on Employees' Leave and Death Compensation Benefits</p> <p>Special Rules on the Labour Protection of Female Employees</p> <p>Measures for the Implementation of the Special Rules on the Labour Protection of Female Employees in Guangdong Province</p> <p>Special Rules on the Labour Protection of Female Employees in Hebei Province</p> <p>Regulation on Labour and Social Security Supervision in Hebei Province</p> <p>Regulation on Labour Security Supervision in Guangdong Province</p> <p><u>Force Labour: — PRC</u></p> <p>No. 244 of Criminal Law of the PRC: Crime of Forced Labour</p> <p>Regulation of Prohibition of Child Labour</p> <p><u>Hong Kong:</u></p> <p>Employment Ordinance (Cap. 57, Laws of Hong Kong) of Hong Kong</p> <p><u>Vietnam:</u></p> <p>Labour Law of Vietnam</p>	<p>During the reporting period, the Group was not aware of any material breach or non-compliance of employment-related laws and regulations.</p>
Health and Safety	<p><u>PRC:</u></p> <p>Law of the PRC on Prevention and Control of Occupational Diseases</p> <p>Production Safety Law of the PRC</p> <p>Regulations on Labour Protection in High-Temperature Weather in Guangdong Province</p> <p><u>Vietnam:</u></p> <p>Vietnam's Law on Occupation Safety and Hygiene No.84/2015/QH13</p>	<p>During the reporting period, the Group was not aware of any material breach or non-compliance of health and safety-related laws and regulations.</p>

Aspect	Applicable Laws and Regulations	Compliance Status
Anti-corruption	<p><u>PRC:</u> 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</p> <p><u>Hong Kong:</u> Prevention of Bribery Ordinance of Hong Kong</p> <p><u>Vietnam:</u> Law of Anti-corruption of Socialist Republic of Vietnam</p>	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	<p><u>PRC:</u> 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</p> <p><u>Vietnam:</u> Suppliers' Social Responsibility Commitment Letter</p>	During the reporting period, the Group was not aware of any material breach or non-compliance of supply chain-related laws and regulations.
Products and Services	<p>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</p>	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	<p><u>PRC:</u> The Trademark Law of the PRC Copyright Law of the PRC The Patent Law of the PRC The Civil Code of the PRC</p> <p><u>Hong Kong:</u> Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) Trademarks Ordinance (Cap. 559 of the Laws of Hong Kong)</p>	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	<p><u>General:</u> Environmental Protection Law of the PRC Environmental Protection Act of Vietnam</p> <p><u>Water and Sewage: — PRC</u> Law of the PRC on Prevention and Control of Water Pollution Discharge Limits of Water promulgated by the Environmental Protection Bureau of Guangzhou Municipality Discharge Standards of Water Pollutants for dyeing and finishing of textile industry promulgated by the Ministry of Ecology and Environment of the PRC 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 (For Trial Implementation)</p> <p><u>Water and Sewage: — Vietnam</u> National Technical Regulations for Industrial Sewage</p> <p><u>Solid, Household and Non-hazardous Waste:</u> 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</p>	<p>During the reporting period, the Group was not aware of any material breach or non-compliance of environmental-related laws and regulations.</p>

Aspect	Applicable Laws and Regulations	Compliance Status
	<p><u>Hazardous Waste: — PRC</u></p> <p>The Measures for the Administration of Permit for Operation of Dangerous Wastes.</p> <p>Measures for the Transfer of Hazardous Wastes</p> <p>Solid Waste Pollution Prevention and Control Law of the Guangdong Provinces</p> <p>Solid Waste Pollution Prevention and Control Law of the Hebei Provinces</p> <p><u>Hazardous Waste: — Vietnam</u></p> <p>Management of Waste & Discarded Materials: 38/2015/ND-CP</p> <p><u>Air Pollution: PRC</u></p> <p>Law of the PRC on the Prevention and Control of Atmospheric Pollution</p> <p>Guangdong Atmospheric Pollution Prevention and Control Law of the PRC</p> <p>Guangdong Emission Standard of Air Pollutants for Boiler</p> <p>Hebei Emission Standard of Air Pollutants for Boiler</p> <p>Hebei Atmospheric Pollution Prevention and Control Law of the PRC</p> <p>Boiler Air Pollutant Emission Standards (GB 13271–2014)</p> <p><u>Air Pollution: — Vietnam</u></p> <p>National Technical Regulations on Industrial Inorganic and Dust Emissions promulgated by the Ministry of Natural Resources and Environment of Vietnam</p> <p><u>Energy and Use of Energy:</u></p> <p>Energy Conservation Law of the PRC</p> <p>Renewable Resources Law of the PRC</p>	

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 a direct comparison of year-on-year and the base year FY2021 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 FY2024 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.

APPENDIX IV: 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 — Air Emission
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 — Leading with Environmental Responsibility — Exhaust Gas Treatment
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 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 — Water Consumption & Leading with Environmental Responsibility — Water Conservation
KPI A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Advocating Nature's Guardianship — Metrics and Targets — Packaging Materials

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 & Nature and Conservation
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
KPI B2.2	Lost days due to work injury.	Resilient Operational Practices — Workplace Health and Safety
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 — Complaints Handling Procedure
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Heartfelt Craftsmanship — Complaints Handling Procedure
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 & 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 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
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Resilient Operational Practices — Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Resilient Operational Practices — Anti-corruption

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
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).	— Climate Strategy

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
22(a)(i)	current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	— Climate Strategy
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
25(a)(i)	its investment and disposal plans; and	Advocating Nature's Guardianship — Actions for Climate and Nature — Metrics and Targets
25(a)(ii)	its planned sources of funding to implement its strategy; and	Looking Ahead
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;	
27(a)(iii)	how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	
27(a)(iv)	whether and how the issuer prioritises climate-related risks relative to other types of risks;	Risk Management
27(a)(v)	how the issuer monitors climate-related risks; and	
27(a)(vi)	whether and how the issuer has changed the processes it uses compared with the previous reporting period;	
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	Risk Management Advocating Nature's Guardianship — Actions for Climate and Nature — Climate Risk Management
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.	Risk Management Advocating Nature's Guardianship — Actions for Climate and Nature — Climate and Nature Governance & Climate Risk Management

(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

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.
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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.
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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.
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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 Governance Framework — Sustainability-related Policies
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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.
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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.
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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	Advocating Nature's Guardianship — Actions for Climate and Nature — Metrics and Targets
37(h)	how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	

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 V: 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 2024 to 31 March 2025.
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 Champ Gear Investments Limited, Best Time (BVI) Limited, Top Galaxy Enterprise Limited, Senico Industrial Limited, Senico Apparel Limited, Pacific Win Development (BVI) Limited, Supreme Union (SG) Pte. 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 6% 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
	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.

GRI Standard	Disclosure	Relevant Section(s) or Direct Response(s)
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 Stakeholder Engagement
2-13	Delegation of responsibility for managing impacts	Governance Framework
2-14	Role of the highest governance body in sustainability reporting	Governance Framework Stakeholder Engagement — Materiality Assessment
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 Except for 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 disclosure protocols: if the transaction value reaches the disclosure threshold of HK\$3 million, an announcement will be made to the HKEX. For transactions below this threshold, management will disclose them 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 Stakeholder Engagement — Materiality Assessment
2-17	Collective knowledge of the highest governance body	Empowering Workspaces — Employee Training and Development & Chapter Highlights
2-18	Evaluation of the performance of the highest governance body	A formal mechanism is not yet in place.

GRI Standard		Disclosure	Relevant Section(s) or Direct Response(s)
	2-19	Remuneration policies	“Benefits and Interests of Directors” section of the Company’s annual report Currently, 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	1:86
	2-22	Statement on sustainable development strategy	Message to all Stakeholders Our Sustainability Pillars — HEART
	2-23	Policy commitments	Governance Framework — Sustainability-related Policies At present, the Group has not made formal commitments to intergovernmental instruments or other international principles.
	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 Awards and Professional Membership
	2-29	Approach to stakeholder engagement	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	Materiality Assessment
	3-2	List of material topics	Materiality Assessment
	3-3	Management of material topics	Governance Framework Stakeholder Engagement Our Sustainability Pillars — HEART

GRI Standard		Disclosure	Relevant Section(s) or Direct Response(s)
TOPIC-SPECIFIC DISCLOSURE			
Material Topic: Product and Service Quality & Product Safety			
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 Heartfelt Craftsmanship — Production Process Quality Control Heartfelt Craftsmanship — Testing Centres and Laboratory Certifications
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Heartfelt Craftsmanship — Complaints Handling Procedure
Material Topic: Customers' Services and Level of 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
Material Topic: Emergency Response under Disasters			
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 business relationships	Resilient Operational Practices — Workplace Health and Safety — Safety management measures
	403-8	Workers covered by an occupational health and safety management system	All employees and workers are covered by our occupational health and safety management system.
	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

GRI Standard		Disclosure	Relevant Section(s) or Direct Response(s)
Material Topic: Employees' Interests, Benefits and Recreational Activities			
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 and Employee Activities
	401-3	Parental leave	Empowering Workspaces — Demographics of our Workforce
Material Topic: Sewage Discharge			
GRI 3: Material Topics 2021	3-3	Management of material topics	Advocating Nature's Guardianship — Leading with Environmental Responsibility — Water Conservation & Wastewater Treatment
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Advocating Nature's Guardianship — Leading with Environmental Responsibility — Water Conservation & Water Consumption
	303-2	Management of water discharge-related impacts	Advocating Nature's Guardianship — Leading with Environmental Responsibility — Water Conservation & Wastewater Treatment
	303-5	Water consumption	The Group does not have factories located in the areas with water stress. Advocating Nature's Guardianship — Metrics and Targets — Water Consumption
Material Topic: Green Procurement & The Impact of the Supply Chain on the Environment			
GRI 3: Material Topics 2021	3-3	Management of material topics	Heartfelt Craftsmanship — Supply Chain Management
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Heartfelt Craftsmanship — Supply Chain Management As suppliers are designated by our clients, the suppliers are not determined solely by the Group.
	308-2	Negative environmental impacts in the supply chain and actions taken	Heartfelt Craftsmanship — Supply Chain Management The Group is not aware of any negative environmental impacts in the supply chain.

GRI Standard	Disclosure		Relevant Section(s) or Direct Response(s)
Material Topic: Product Carbon Footprint			
GRI 3: Material Topics 2021	3-3	Management of material topics	Advocating Nature's Guardianship — Environmental Management
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Advocating Nature's Guardianship — Actions for Climate and Nature — Metrics and Target — GHG Emission
	305-2	Energy indirect (Scope 2) GHG emissions	Advocating Nature's Guardianship — Actions for Climate and Nature — Metrics and Target — GHG Emission
	305-3	Other indirect (Scope 3) GHG emissions	Advocating Nature's Guardianship — Actions for Climate and Nature — Metrics and Target — GHG Emission
	305-4	GHG emissions intensity	Advocating Nature's Guardianship — Actions for Climate and Nature — Metrics and Target — GHG Emission
	305-5	Reduction of GHG emissions	Advocating Nature's Guardianship — Actions for Climate and Nature — Metrics and Target — GHG Emission
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Advocating Nature's Guardianship — Exhaust Gas Treatment & Actions for Climate and Nature — Metrics and Target — Air Emission & Exhaust Gas Treatment