

Table of Content

Sustainable Development Policy	2
ESG Reporting and Disclosure Policy	4
Data Privacy and Data Protection Policy	5
Environmental Protection and Climate Change Policy.....	7
Biodiversity and Natural Resources Conservation Policy	8
Use of Energy and Energy Efficiency Policy.....	9
Carbon Footprint Reduction and Offsetting Policy.....	10
Water, Sewage and Greywater Policy	11
Waste Management Policy	12
Occupational Health and Safety Policy	13
Human Rights Policy.....	14
Staff Diversity and Inclusion Policy and Harmony Environment in the Workplace Act	16
Remuneration and Employee Welfare Policy	17
Mental Health Care Policy.....	18
Training and Development Policy.....	19
Anti-Modern Slavery and Trafficking Policy	20
Sustainable Sourcing Policy.....	21
Code of Conduct for Business Cooperation	22
Quality Assurance Policy	26
Social Responsibility Policy.....	28

Sustainable Development Policy

As a leading knitwear manufacturer globally, Nameson Holdings Limited (“**Nameson**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) strives to maintain its leading position in the sector and operate its business in a greener, more profitable and more sustainable manner.

To achieve our objectives, we aim to:

- 1) address UNSDGs 8, 12, and 13 laid down by United Nations by 2030;
- 2) increase the usage of green energy;
- 3) reduce Greenhouse gas (“**GHG**”) and CO₂ emissions;
- 4) offset our carbon footprint when appropriate, only if the Group could not reduce the total GHG and CO₂ emissions or respective intensity per item manufactured (Please refer to our Carbon Footprint Reduction and Offsetting Policy);
- 5) manage resources better by further optimising our Standard Operating Procedures (“**SOPs**”), and efficiently managing water, wastewater, and domestic and production waste through recycling, reusing, reducing, or even upcycling these resources;
- 6) investigate the possibility of replacing some chemical dyes with organic dyes to reduce environmental pollution;
- 7) encourage our employees to adopt a sustainable and greener lifestyle through internal education;
- 8) treasure and retain our human capital by creating an equal opportunity workspace, maintaining a harmonious working environment, and remunerating our staffs with suitable welfare and salary packages;
- 9) take care of ethical and social minorities by providing special care to them;
- 10) operate our business diligently and honestly, and safeguard these values by upholding our anti-corruption, anti-bribery, and anti-fraud culture, with a sound grievance mechanism in place;
- 11) pay more attention to sourcing our materials in more sustainable ways and ensure that suppliers comply with our and our end clients’ code of conduct, including human rights and data confidentiality issues;
- 12) continue emphasising product quality, which has always been our top priority and the most important pillar of our successful operations over the past 30 years; and
- 13) strive to allocate 10% of capital expenditure and not less than HKD2,000,000 annually on ESG matters for social inclusion, employee care, operational efficiency and environmental improvement. Among HKD2,000,000 annual budget for ESG matters, the Group committed to donate no less than 0.02% of our annual revenue to non-government organisations, minority groups or people in need.

The Group will review this Sustainable Development Policy periodically as appropriate, and in any event, once every three years.

ESG Reporting and Disclosure Policy

As a leading knitwear manufacturer globally, the Group strives to stay up-to-date with the ever-changing disclosure requirements by The Stock Exchange of Hong Kong Limited (the “**HKEx**”) and the standards adopted by our peers.

We strive to fulfil and incorporate the following reporting guidelines in the upcoming years:

- 1) HKEx ESG Reporting Code;
- 2) International Financial Reporting Standards (“IFRS”) S1 and S2;
- 3) The Task Force on Climate-related Financial Disclosures (“TCFD”);
- 4) The Task Force on Nature-related Financial Disclosures (“TNFD”);
- 5) Taskforce on Inequity and Social-related Financial Disclosures (“TISFD”);
- 6) United Nations Sustainable Development Goals (“UNSDGs”);
- 7) Global Reporting Initiative (“GRI”);
- 8) Science Based Targets Initiative (“SBTi”); and/or
- 9) S&P CSA Rating.

The Group will review this ESG Reporting and Disclosure Policy periodically, and in any event, once every three years.

Data Privacy and Data Protection Policy

In the era of information boom and increasing challenges towards network security, information protection is of utmost importance. Divulgence of pre-patented information, manufacturing knowhow and other sensitive information could cause serious damage to both the Group and our customers.

The Group strictly abides by the relevant laws and regulations including Personal Data (Privacy) Ordinance (Cap 486 of the Laws of Hong Kong), the Trade Marks Ordinance (Cap 559 of the Laws of Hong Kong), Trademark Law of the PRC, The Copyright Law of the PRC, Patent Law of the PRC and Civil Code of the PRC or any ordinance, laws and rules specified in the “Intellectual Property Rights and Data Privacy” sections stipulated in the Appendix II of our ESG Report.

The Group strictly abides by these laws and regulations on one hand, and protects our own and third parties’ intellectual property rights on the other hand, our employees should follow our strict internal guidelines specified in our employees’ handbook:

- 1) Employees should:
 - a) keep any and all information they acquire during the course of their employment confidential. This includes, but is not limited to:
 - information concerning all our clients,
 - information concerning all our suppliers;
 - confidential information obtained from third parties during the course of employment;
 - content of tenders and other contractual negotiations; and
 - details of business operations, financial matters and other confidential records of businesses.
 - b) not disclose such information unless such disclosure is required within the course of employment.
- 2) Information covered by this policy shall include information that is written or unwritten or stored electronically.
- 3) Employees should:
 - a) be subject to legislation and regulations, not release any confidential information unless as required in the necessary course of employment and only by those persons authorised to release such information;
 - b) make their best efforts to ascertain whether the release of information is authorised, and if uncertain, shall direct the inquiry to their supervisor; and
 - c) comply with the Personal Data (Privacy) Ordinance (Cap 486 of the Laws of Hong Kong) under the law of HKSAR or other similar laws in the jurisdiction in which we operate.
- 4) Any person who knowingly, recklessly or negligently releases confidential information without appropriate authority may be subject to disciplinary action, up to and including termination of the employment contract or any liabilities arising under the ordinance(s) of the jurisdictions that we operate.
- 5) The Group should:

- a) develop procedures to collect, store and allow access to confidential information in keeping with the requirements of appropriate legislation, and consult our Human Resources and Administration Department for specific advice on policy or procedures; and
 - b) provide employees with directions concerning the appropriate release of information that they may encounter during the course of their employment.
- 6) All employees who may have access to confidential information shall refer to this policy and are required to adhere to its requirements as a condition of being receivers or disclosers of the confidential information.
- 7) All supervisors shall ensure that all employees covered by this policy are provided with a copy of this policy prior to receiving and/or disclosing confidential information and shall sign an acknowledgement of review of this policy.
- 8) Best Practices:
 - a) All Confidential Information should only disclose to designated associates, employees or professional parties on a need-to-know basis.
 - b) Upon signing non-disclosure agreements (“**NDA**”) with any third parties, parties under the need-to-know basis should not leak that Confidential Information and should not disclose those Confidential Information to third parties, including teammates or employees within the Group. The project lead should ensure all the parties under the need-to-know basis familiar with the clauses, requirements and liabilities stated in the NDA.
 - c) All contracts signed with third parties, including procurement, supplying sub-contracting and employment contracts and agreements, should have confidentiality clauses.
 - d) Confidential information should be stored securely and the electronic devices storing Confidential Information should be disconnected, if applicable, from the internet.
 - e) Confidential Information should only be used within the course of employment and should not be used outside the scope of work.
 - f) Photographs in Sample Development Unit and unauthorized copying of Confidential Information are strictly prohibited.
 - g) The Group will provide data privacy and/or information safety training at least once per financial year to keep our employees abreast of the latest developments in the above-mentioned areas.
 - h) Product promotion and advertising is not an excuse to disclose the unauthorized or premature product design and prototype to third parties, including but not limited to customers.

The Group will review this Data Privacy and Data Protection Policy periodically, and in any event, once every three years.

Environmental Protection and Climate Change Policy

As per COP 21 Paris Agreement, the goal is to limit global warming to 1.5°C above pre-industrial levels and reduce GHG emissions by 43% by 2030. As of 2023, NOAA reported that the global temperature increased by 1.32°C above pre-industrial levels, while Berkeley reported an increase of 1.53°C above pre-industrial levels¹. Since more than 90% of Nameson's products are seasonally sensitive, global warming could negatively impact the Group operationally and financially. Immediate action should be taken by Nameson and all of our stakeholders.

In this Environmental Protection and Climate Change Policy, we aim to:

- 1) reduce GHG emissions through procuring greener energy and using our energy more efficiently (please refer to our Use of Energy and Energy Efficiency Policy);
- 2) formulate a workgroup and join hands with our suppliers and textile manufacturing peers to reduce both GHG emissions and energy usage;
- 3) develop reasonable and achievable GHG emissions and energy consumption KPIs, striking a balance between environmental protection and minimal disruption to our operations;
- 4) report our GHG and energy consumption annually according to Task Force on Climate-related Financial Disclosures ("**TCFD**") and various globally recognised reporting guidelines to account for our liabilities of emissions;
- 5) incorporate climate change and environmental issues in our expansion and business plans, including diversification of our business lines, procurement of more energy efficient machineries, incorporation of green elements in our future factories constructions, where practical or appropriate, to sustain our long term business growth;
- 6) consider planting more trees and other carbon absorption measures to contribute positively to society and reduce the operating and financial risks to our business;
- 7) adjust our Standard Operating Procedures ("**SOPs**") accordingly if they negatively impact climate change and the environmental protection guidelines laid down by local governments; and
- 8) educate our employees, suppliers, customers and local communities regarding the climate change impact and the Group's strategies to increase the preparedness against climate change.

The Group will review this Environmental Protection and Climate Change Policy periodically, and in any event, once every three years.

¹ <https://tamino.wordpress.com/2024/01/08/how-far-to-the-1-5c-limit/>

Biodiversity and Natural Resources Conservation Policy

As an apparel manufacturer, the majority of our raw materials are derived from agricultural and husbandry products, including cotton, merino wool and cashmere. Extreme weather, deforestation and the depletion of natural resources could negatively impact our access to these raw materials. As a result, the increasing cost and the limiting availability of these resources would negatively impact the Group's operation.

Additionally, to proactively address the Taskforce on Nature-related Financial Disclosures ("TNFD") recommendations published in October 2023 and the Kunming Montreal Global Biodiversity Framework, the Group strives to minimise adverse impacts on the natural environment and biodiversity loss.

To meet our objectives, we:

- 1) strive to adopt more renewable energy and reduce reliance on fossil fuel combustion for energy generation;
- 2) promote the sustainable use of natural resources and the increasing incorporation of recyclable materials (e.g. recyclable yarns) in our production process to mitigate the negative impacts on endangered species, thereby contributing to biodiversity objectives;
- 3) consider biodiversity and minimise the harm to neighbouring natural resources when expanding our production facilities;
- 4) educate and raise awareness among our employees and stakeholders about the importance of biodiversity and the conservation of natural resources; and
- 5) increase and satisfy the construction requirements on the greenery portion in our production sites.

The Group will review this Biodiversity and Natural Resources Conservation Policy periodically, and in any event, once every three years.

Use of Energy and Energy Efficiency Policy

According to the past three years of Scope 1, 2 and 3 emissions reporting, a significant portion of our energy use came from production of steam. In various production sites, due to the availability of combustion materials (e.g. compressed natural gas (“**CNG**”) in Huizhou and Hebei, wood pellets in Vietnam), the energy consumption from burning these materials contribute a majority part of our overall energy consumption.

Regardless of the type of materials or energy used at different production sites, the main objectives for the Group is to procure more green energy from various sources and use energy more efficiently.

To achieve the objectives, we aim to:

- 1) deploy more energy efficiency knitting machines as these machines consume a significant part of our electricity;
- 2) consider procuring green electricity from the grid or third party distributors in Chinese Mainland;
- 3) consider installing as much renewable power generation equipment as possible in our production sites to maximise the use of green energy;
- 4) educate our employees to save energy even though back-office energy consumption is not impactful to the whole Group, as small efforts add up;
- 5) explore all the possibilities to electrify parts or all of our production stages and reduce the reliance on fossil fuels or other materials combustion to generate steam; and
- 6) explore more advanced technologies to use our energy more efficiently and green.

The Group will review this Use of Energy and Energy Efficiency Policy periodically, and in any event, once every three years.

Carbon Footprint Reduction and Offsetting Policy

In this policy, the Group will strive to reduce its carbon footprint and emissions through various means, actively studying the possibility of transitioning from the steam-powered air-conditioning, washing and drying machines and other equipment to electricity-driven alternatives. Additionally, the Company will replace aged equipment with more energy efficient models. The goal is to electrify most of the company's equipment to reduce GHG emissions associated with the combustion of wood pellets, coal or CNG. The rationale is that the emission factors of most electric grids are becoming greener over time. As emission factors of the grid decrease, the Group could benefit from the GHG emissions reduction even under business-as-usual scenarios.

The Group may face various challenges and obstacles during the implementation of electrification or other counterbalancing measures to reduce its carbon footprint, including but not limited to:

- 1) the availability of electrification solutions for some equipment;
- 2) the local electricity supply infrastructure at production sites may not meet the Group's electricity demand, particularly in rural areas with less developed electricity supply infrastructure; and
- 3) the cost of electrification may not yet be as competitive enough for the Group to shift.

Different production sites may have unique circumstances, including varying electricity supply infrastructures. Therefore, the Group may tailor its carbon offsetting policy to meet the specific needs of its subsidiaries.

The Group will strive to:

- 1) reduce GHG emissions through different actions and benchmark with sectoral best practices, as guided by the attainment of the preset Environmental KPIs approved by the Board of Directors, before resorting to carbon offsetting;
- 2) explore actively the sourcing of carbon credits from various sources to reduce our carbon footprint. Given the significant turbulence and uncertainty in ESG development as well as our Group's continued rapid expansion, this approach will be pursued as long as it adheres to listing rules, statutory ordinances, Science Based Targets Initiative ("SBTi"), and other relevant sectoral and industry guidelines. The Group will not limit the sourcing of carbon credits or the magnitude of using carbon credits to offset our GHG emissions; and
- 3) conduct due diligence to identify the most cost-effective carbon credit in the voluntary carbon market before making procurement decisions. Upon completion of the carbon credit procurement and offsetting, the Group will make a disclosure in its annual ESG report for stakeholders' attention.

The Group will review this Carbon Footprint Reduction and Offsetting Policy periodically, and in any event, once every three years.

Water, Sewage and Greywater Policy

As a knitwear manufacturer, the Group uses water in the cleaning and drying procedures within our manufacturing operations. The Group has established water reclamation facilities in our production sites in Huizhou and Vietnam to filter and treat the sewage, allowing better utilisation of the greywater for flushing and watering our trees and plants within these sites.

For our Hebei factory, the dyeing of cashmere also requires significant water usage and sewage treatment. The same procedures adopted at our Huizhou and Vietnam factories are also implemented in our Hebei factory.

The Group strives to:

- 1) ensure the availability of clean water for our production use;
- 2) identify and mitigate potential risks that could negatively affect the availability and sustainable sourcing of clean water;
- 3) ensure our water reclamation facilities and sewage discharge quotas are designed to handle our production volume;
- 4) reduce water consumption by adopting more efficient machinery;
- 5) conduct regular checks of the water pipes to prevent leakage and wastage;
- 6) promote the use of greywater and minimise the unnecessary use of clean water;
- 7) comply with water and sewage discharge policies imposed by the local government;
- 8) explore additional water-saving techniques in dyeing and other production procedures; and
- 9) ensure the discharged sewage is treated to remove organic pollutants, preventing negative impacts on the biodiversity of the environment.

The Group will review this Water, Sewage and Greywater Policy periodically, and in any event, once every three years.

Waste Management Policy

As a manufacturer, it is unavoidable to produce various kinds of waste during the manufacturing process. The Group strives to minimise defective products and utilise our materials wisely to reduce the monetary and the environmental impact.

Given the differences between sweater manufacturing and cashmere yarn manufacturing, the types of waste generated and hence the procedures of handling waste could vary materially across subsidiaries. Despite these differences, we adhere to a shared philosophy outlined below.

The Group strives to:

- 1) promote reduction, recycling and reuse of the production waste generated during the manufacturing process (e.g. packaging materials);
- 2) enable staff to classify different types of waste to facilitate easier recycling by the qualified recycler partners;
- 3) encourage staff to adopt environmentally friendly lifestyles (e.g. reduce the use of paper and reduce wastage of energy);
- 4) collaborate with qualified local recyclers to recycle and reuse materials including sludge, plastics, waste yarns, cardboard, papers, waste yarn bobbins, and defective products, thereby reducing the volume of domestic and non-hazardous production waste sent to landfill;
- 5) store and separate the hazardous waste from non-hazardous waste carefully, and work with authorised third parties to handle hazardous waste with due care;
- 6) comply with waste disposal and treatment regulations, guidelines and requirements imposed by the local government; and
- 7) promote environmental protection awareness, especially the principles of Reduce, Recycle and Reuse, among our employees in Hong Kong, Mainland China and Vietnam; and
- 8) reach the waste recycling target of 20% by FY2031 (Calculation basis: total recycled waste / total hazardous and non-hazardous waste generation in that reporting period).

The Group will review this Waste Management Policy periodically, and in any event, once every three years.

Occupational Health and Safety Policy

This policy is drafted in accordance with the Purposes section of the Chapter 509 Occupational Safety and Health Ordinance published by Hong Kong SAR Government and the Occupational Safety and Health Regulation published by Labour Department of Hong Kong². If this policy is not directly implemented in our factories operating in other jurisdictions, we will adjust it accordingly to fulfil local requirements. The main objectives of this policy is to prevent accidents, reduce the risks of fire, and provide a safe, hygienic and healthy working environment, both physically and mentally. We aim to ensure safe Standard Operating Procedures (“SOPs”) to reduce potential injury and fatality risk.

To achieve our objectives, the Group will:

- 1) provide comprehensive operation manuals to reduce the operating injury and fatality risks;
- 2) offer on job training, including fire drills, and cautionary signage to guide staff in handling hazardous materials, including sharp objects, chemicals, machinery;
- 3) ensure hygienic workspaces and dormitories for our workers to reduce the risks of spreading transmissible diseases;
- 4) provide first aid materials to ensure timely treatment in case of accidents;
- 5) offer first aid training to staff and make sure every floor has at least one designated first aider to handle accidents;
- 6) install fire extinguishers to fight fires if it breaks out;
- 7) ensure all exits are clear and properties are well-designed and maintained;
- 8) foster a harmonious working environment to encourage physical and mental support among peers;
- 9) maintain accurate records for first aid materials, sharp objects, chemicals, entries and exits of restricted area, fire extinguishers, etc; and
- 10) ensure all staff comply with the company's SOPs, applicable legal requirements and ISO 45001 standard in dedicated factories.

The Group will review this Occupational Health and Safety Policy periodically, and in any event, once every three years.

² <https://www.labour.gov.hk/eng/legislat/content4.htm>

Human Rights Policy

Adhering to the various treaties signed by the PRC, Hong Kong, Vietnam and the United Nations Office of the High Commissioner, the Group's Human Right Policy tries to incorporate the spirit of the following treaties:

- International Convention on the Elimination of All Forms of Racial Discrimination ("CERD");
- Convention on the Elimination of All Forms of Discrimination against Women ("CEDAW");
- Convention on the Rights of the Child ("CRC"); and
- Convention on the Rights of Persons with Disabilities ("CRPD").

As a labour-intensive manufacturer, labour is a valuable asset for our long-term success. Both skilled labour and management talents are very important. The Group not only needs to fulfil the compliance requirements of local governments and HKEx, but also the human rights requirements imposed by our brand customers.

The key objective of this policy is to ensure that none of our employees are subjected to discrimination, harassment or deprivation of relevant opportunities due to their gender, nationality, race, age, religion, marital status, family status, sexual orientation, disability, pregnancy, political stance, social status or other factors prohibited by relevant laws, regulations and treaties.

In this Human Right Policy, we aim to:

- 1) eliminate all forms of racial discrimination;
- 2) promote gender equality;
- 3) prohibit the use of child labour;
- 4) treat all people with disabilities, including both mental and physical, equally among our labour force;
- 5) prohibit the use of illegal workers;
- 6) prohibit any kinds of harassment or abuse of workers;
- 7) offer fair and reasonable salary packages, welfare and promotion opportunities to the right candidates;
- 8) offer suitable positions to talents without considering their ages, sex or disabilities;
- 9) prohibit any actions that coerce workers into mandatory overtime;
- 10) prohibit unlawful withholding or deduction of wages;
- 11) prohibit any other kinds of discrimination, including but not limited to their religious belief, political choices, sexual orientation, marital status, roles and participation in labour unions;
- 12) provide a safe and harmonious working environment for all employees;
- 13) comply with local laws, regulations, ordinances, guidelines and treaties regarding human rights;

- 14) educate and train our human resources and recruitment personnel according to this Human Rights Policy and the human right requirements imposed by our brand customers; and
- 15) report to the board of directors or regulators if any wrongdoings, including human trafficking (please refer to Anti-Modern Slavery and Trafficking Policy for details) or non-compliance actions, are discovered, and be a good socially responsible corporate citizen.

For details, please refer to the Policy and Procedures formulated by our Corporate Social Responsibility Department (updated in March 2023). Please contact the ESG department for details if necessary.

The Group will review this Human Rights Policy periodically, and in any event, once every three years.

Staff Diversity and Inclusion Policy and Harmony Environment in the Workplace Act

As a leading knitwear manufacturer, innovative and creative ideas are central to the Group's sustainable growth. Staff diversity contributes different knowledge, understanding, creative ideas and technological advancements within the Group. Therefore, on top of the Human Rights Policy, the Group is dedicated to recruiting diverse talents with various academic, professional and knowledge backgrounds.

As the Group operates in Chinese Mainland and some parts of Southeast Asia, an open and diverse corporate culture is essential to incorporating talents with different cultural and knowledge backgrounds. With increasing production sites in Vietnam, we aim to be the region's local knitwear manufacturer. In the mid-2010s, we sent human resources and administrative personnel, as well as technical experts to Vietnam as the management. Once settled, we replaced some of these positions with local talent.

Operating in two countries with four production sites, we strive to create a harmonious working environment and cater to employees from different cultures.

To achieve these objectives, we:

- 1) recruit employees with different cultures, nationalities, academic and professional backgrounds according to the Human Rights Policy and Human Resources Recruitment Policy and Procedure Guideline;
- 2) promote cross-business line cooperation for client pitching;
- 3) encourage our employees to work and communicate closely with other internal departments;
- 4) conduct team-building activities and celebrations during different festivals;
- 5) participate in local and regional sports competitions;
- 6) organise volunteer services and participate in fundraising events with our employees and their families; and
- 7) understand our employees' satisfaction towards their current working environment, through a regular employee satisfactory survey once every 3 years.

The Group will review this Staff Diversity and Inclusion Policy and Harmony Environment in the Workplace Act periodically, and in any event, once every three years.

Remuneration and Employee Welfare Policy

The Group presently employs tens of thousands of employees in Hong Kong, Huizhou, Hebei and various production sites in Vietnam. Labour is one of the most important assets. Apart from providing non-monetary motivation, including self-actualisation and job satisfaction; monetary rewards, compensation and promotion are extremely important for motivating and retaining talents.

To determine the salary, remuneration, welfare packages and promotion, the Group follows a set of rules and regimes aimed at fostering employee growth. On top of the non-discrimination principles stated in the Human Rights Policy, the Group adheres to an effort-based remuneration system to reward and compensate our employees according to the following principles:

- 1) Equity and Fairness: Treat every employee fairly and ensure any form of reward is based solely on their performance.
- 2) Reward good performance: A sound KPI and evaluation system, such as a bonus and commission-based system, is in place to motivate our employees to work for the benefit of the Company.
- 3) Promotion: Through promotion, the Group empowers our employees with higher autonomy or grants them with more authority to direct their team and department towards the direction set by senior management.
- 4) Self-realisation: The Group listens to employees' recommendations and empowers them to lead the projects they proposed.

For details of our salary standards and structure, salary adjustments, benefits, overtime pay, annual leaves and maternity leave etc, please refer to our Salary and Welfare Policy and Procedure. Please contact the Human Resources department or ESG department for details of our Salary and Welfare Policy and Procedure.

The Group will review this Remuneration and Employee Welfare Policy periodically, and in any event, once every three years.

Mental Health Care Policy

The Mental Health Care Policy emphasises mental well-being in the workplace by creating a respectful and positive environment. The Group advocates for active listening and communication, and encourages employees to seek help and ensure the early identification and treatment of mental distress. We also aim to establish an inclusive and supportive workplace for employees experiencing mental health challenges.

To meet our objectives, we:

- 1) organise family and employees gatherings to promote sharing, enjoyment, and a sense of community;
- 2) conduct talks, workshops, and activities to foster a respectful and positive work environment;
- 3) increase awareness about common mental health issues such as anxiety and depression through regular sharing of information;
- 4) provide information on mental health support services to encourage employees to seek help when needed;
- 5) encourage employees to share and listen to each other about mental health related experiences and coping strategies;
- 6) foster communication with employees to understand their individual needs;
- 7) avoid generating work outside office hours unless absolutely necessary;
- 8) offer job opportunities to persons recovered or recovering from mental health issues;
- 9) arrange suitable position or work condition for employees with mental health needs;
- 10) adjust work arrangements to facilitate employees with mental health needs to return to work; and
- 11) maintain our signatory to the Joyful@Healthy Workplace Charter and Mental Health Workplace Charter.

The Group will review this Mental Health Care Policy periodically, and in any event, once every three years.

Training and Development Policy

We strive to equip our employees with the most up-to-date market trends, skills and knowledge to help them overcome the obstacles and challenges they might face in the workplace. In addition, we educate the newcomers through induction training and activities to facilitate their adaptation to the new working environment, workflow and corporate culture. By investing in our people through training, we harness their full potential and focus their energies on the needs of the Group while fulfilling their desire for personal development and job satisfaction.

As the early mover in addressing the Conceptual Foundation proposed by Taskforce on Inequity and Social-related Financial Disclosures (“TISFD”) on Human Capital, we invest in our human resources through regular training and development programmes and activities. These programmes and activities include induction training to newcomers, management development, professional and technical training, computer training, occupational health and safety training and compliance related training.

The administration and human resources departments are responsible for arranging these training, development and team building activities at our Huizhou, Hebei and two Vietnam production sites. Meanwhile, the ESG department is responsible for arranging these training sessions in Hong Kong Headquarter. The responsible departments submit the annual activities, training and development plan in the first quarter of each calendar year to the ESG department.

To meet our objectives, we:

- 1) collaborate with internal departments or external experts to provide suitable training programmes and activities to equip our employees with suitable skills and knowledge;
- 2) deploy external resources to develop customised training materials to meet compliance and/or internal needs;
- 3) assess our employees’ understanding upon completion of courses or training through quizzes;
- 4) ensure that training aligns with the demands of the corporate and the interests of our employees; and
- 5) ensure our training and development programmes fulfil the “SMART” philosophy, which should be Specific, Measurable, Attainable, Relevant and Timely in nature.

The Group will review this Training and Development Policy periodically, and in any event, once every three years.

Anti-Modern Slavery and Trafficking Policy

The Group is an alliance member of the Taskforce on Inequity and Social-related Financial Disclosures (“TISFD”), alongside with the Group’s Human Right Policy adopted in August 2024, this Policy further shows the Group’s commitment to enhancing the social and employee well-being across all our business entities. This Policy is structured with reference to the Modern Slavery Act enacted by different jurisdictions.

The aim of this Policy is to combat modern slavery, which encompasses enslavement, servitude, forced and compulsory labour, and human trafficking. These practices deprive individuals of their freedom and exploit them for commercial or personal benefit.

The Group is committed to preventing and eliminating the aforementioned activities in all aspects of its business operations. The Group has zero tolerance on physical punishment, violence or any other forms of physical, sexual, psychological or verbal abuse in our working environment. We strive to promote anti-modern slavery and human trafficking to all our counterparts, including suppliers, customers and other business partners.

To achieve these commitments, the Group strive to implement the following measures:

- 1) Improve the awareness of our human resources personnel and operational management regarding modern slavery and human trafficking related issues;
- 2) Conduct regular due diligence on business partners, with a particular focus on suppliers;
- 3) Require business partners to sign and maintain ongoing compliance with the Group’s Code of Conduct for Business Cooperation;
- 4) Place business partners on a watchlist or terminate the business relationship if they fail to fulfill the requirements laid down in this Policy or the Code of Conduct for Business Cooperation;
- 5) Ensure that any concerns regarding modern slavery and human trafficking are reported in accordance with the Group’s Whistle-Blowing Policy and Procedures.

The Group will review this Anti-Modern Slavery and Trafficking Policy periodically, and in any event, once every three years.

Sustainable Sourcing Policy

As one of the leading knitwear manufacturers, the Group regularly procures various organic and inorganic materials, including cotton yarns, cashmere yarns, accessories and various consumables. Recognising that the availability of most raw materials could be impacted by climate change, the Company integrates ESG elements into its procurement procedures and decisions to mitigate the climate risks impacts on both the logistics and material availability.

The Group considers to:

- 1) persuade more of our suppliers to establish their manufacturing bases close to our production sites. This could reduce the production lead time and mitigate late deliveries due to transportation disruptions caused by extreme weather;
- 2) increase our procurement from suppliers that offer traceable materials and consumables. Given intense geopolitical tensions, traceability could reduce political risks and reduce the substandard quality of our materials;
- 3) encourage our suppliers to adopt well recognised production and environmental protection standards and to obtain certifications (e.g. SGS, ISO). The Group encourages our suppliers to start their GHG emission calculations to facilitate our Scope 3 emissions calculations as requested by our brand customers;
- 4) promote products that are fully traceable and sourced from sustainable sources once 1) – 3) mentioned above are well established;
- 5) utilise the Chain of Custody, a chronological document chain detailing when, how and by whom an item is handled;
- 6) conduct regular or scheduled audits to ensure our procurement and sourcing procedures, as part of our Standard Operating Procedures (“SOPs”), incorporated sustainable features;
- 7) conduct irregular or unscheduled audits of our suppliers to ensure that the materials supplied are traceable and/or fulfil our internal sustainable procurement policy; and
- 8) educate and provide regular training to our staff and management about the importance of sustainable sourcing.

The Group will review this Sustainable Sourcing Policy periodically, and in any event, once every three years.

Code of Conduct for Business Cooperation

The Group strictly abides by national laws, regulations and social norms in all its business activities. In establishing and developing business relationships with suppliers and service providers, we expect to obtain competitive products and services. Similarly, we are willing to establish fair, just and mutually beneficial relationships with our suppliers and service providers. To this end, we specifically require suppliers and service providers to comply with the following business practices.

I. Business Conduct Guidelines for Suppliers and Service Providers

- 1) Do not violate national laws, regulations, business practices, good customs or the rules and regulations of the Group.
- 2) You may not pay kickbacks, information fees, commissions, benefits, valuable securities, valuable items, etc. to our staff (including their family members, relatives and friends) for the purpose of seeking improper benefits or for any other reasons.
- 3) You are not allowed to invite our staff to dine at mid-to high-end restaurants, arrange entertainment activities, or invite our staff to participate in celebrations, annual meetings, travel and other activities without the Group's consent.
- 4) Any unfair competition shall not be adopted, which may damage the interests of both parties to the transaction or infringe upon the legitimate rights and interests of a third party.

II. Suppliers and service providers are responsible for reporting violations of the Code of Conduct by our personnel

Any supplier or service provider has the right and obligation to report to the Group any misbehaviour of our personnel who take advantage of their positions to solicit or accept bribes or other improper gains, including but not limited to the following:

- 1) Taking advantage of one's position to solicit kickbacks and various benefits from suppliers and service providers.
- 2) Accepting gifts and valuables (including borrowed or occupied items) from suppliers and service providers.
- 3) Requesting suppliers or service providers to treat you meals, entertainment, or any other benefits.
- 4) Our staff members are inefficient, uncooperative, deliberately make things difficult, have bad attitudes and other bad behaviours during the cooperation process.
- 5) If any of our staff has any of the above behaviours, please send an email to compliance@nameson.com.hk.

III. Liability of suppliers and service providers for violating the Code of Business Conduct

If suppliers or service providers violate the Code of Conduct, it will be defined as a serious breach of contract. The Group has the right to suspend all ongoing cooperative projects and refuse to pay all fees required for all cooperative projects (including unpaid fees for previously completed projects) and has the right to pursue relevant legal actions.

IV. Suppliers and service providers must comply with the following codes of conduct regarding social responsibility

In order to comply with the environmental, social and governance compliance requirements of the Group, its customers, suppliers and service providers should abide by the following codes of compliance, human rights, environmental protection, production safety, etc.:

A. Compliance

- 1) Comply with local national laws and regulations of the place of production
 - Ensure that the factory always has the latest laws and regulations mentioned above and actually implements them.
- 2) Comply with customs security regulations
 - Factories must comply with applicable customs laws and, in particular, must establish and maintain procedures to prevent the illegal transshipment of sewn products.
 - Monitor the production process of each batch of products.
 - All input materials can be traced back to their origin through production, shipping, quality control and work card records.
 - Verify the product manufacturing process on site.
 - Prepare an equipment inventory list and update it annually.
 - Report any possible illegal transshipment incident in real time and notify local customs.
 - Develop a safety system manual to ensure that finished products are not modified, tampered with, or replaced during storage and shipment.

B. Human Rights

- 1) Prohibition of the use of illegal forced labour
 - Factories are prohibited from using involuntary or forced labour, including the use of indentures, collateral, etc. to force others to work.
 - All relevant personnel are prohibited from forcing employees in any form or unnecessarily restricting employees' freedom of movement.
- 2) Prohibition of child labour
 - Factories are prohibited from employing child labour. Child labour refers to teenagers and children who are under the local legal working age, have a

labour relationship with an organisation or individual, and are engaged in labour with economic income or individual labour.

3) No harassment or abuse of workers

- Factories must provide a work environment free from any form of harassment, abuse or corporal punishment. Respect the dignity of employees.

4) Comply with salary and benefits regulations

- Factories must pay employees reasonable wages and provide appropriate welfare benefits in accordance with local legal requirements.
- Wages should not be lower than the local statutory minimum wage.

5) Comply with working time regulations

- Factories must reasonably arrange employees' working hours and appropriately limit employees' overtime hours so that they do not exceed legal requirements.

6) Prohibition of discrimination

- Factories should hire, compensate, promote, and dismiss employees based on their ability to do the job, not on their personal characteristics or beliefs.

7) Ensure freedom of association and collective bargaining

- Factories should recognise and respect employees' freedom of association and collective bargaining.
- There shall be no discrimination against employees who organise or join lawful groups or engage in collective bargaining.
- Do not discriminate against employees who refuse to join legal groups or engage in collective bargaining.
- Employees who have previously legally exercised their rights to freedom of association and collective bargaining shall not be discriminated against, such as by blacklisting them.

C. Environmental Protection

1) Comply with environmental protection requirements

- Factories must comply with environmental protection rules, regulations and standards applicable to factory operations and follow local practices required to protect the environment.
- Factories must keep records to comply with all government agencies' annual inspections of the factory's adherence to environmental management laws and regulations.
- Report any violations of environmental protection laws and regulations promptly.
- Make every effort to minimise the impact of violations of environmental protection laws and regulations.
- Make every effort to reduce pollution to the environment.

D. Production Safety

1) Comply with safety regulations of production and service units

- Factories must maintain facility security procedures to prevent the export of unauthorised goods (e.g., drugs, explosives, bio-hazardous materials, and contraband).
- Work with appropriate local, national, and foreign customs departments and drug control agencies to prevent illegal drug shipments.
- Once illegal items are discovered or suspected in products shipped to the United States, the relevant national authorities or U.S. Customs must be notified in a timely manner.

2) Comply with health and safety standards

- Factories must provide a healthy and safe working and living environment.
- Keep records of all health and safety matters
- Factories must maintain documentation of all government agency inspections of the factory's health and safety issues each year.

V. Basis of the Document

This document is based on the internal control procedures and codes published by the Corporate Social Responsibility Department of the Group and the laws and regulations of the People's Republic of China. If there is any discrepancy between this document and the laws and regulations of the People's Republic of China, Socialist Republic of Vietnam and the code of conduct of the industry, the provisions listed in the local laws and regulations shall prevail.

The Group will review this Code of Conduct for Business Cooperation periodically, and in any event, once every three years.

Quality Assurance Policy

The Group is known for our production quality. Production quality is the most important pillar for our success. To continue our successful story, a sound quality assurance policy is of utmost importance.

During our production procedures, the Warehouse, Testing Laboratory, Production Workshop and Quality Control Department actively manage the quality of our raw materials, semi-finished products (Work-in-Progress), and the finished products.

In our Standard Operating Procedures (“SOPs”), there are seven steps to ensure our production quality. Among these, some procedures require quality checks, while others implement remedies, corrective and preventive measures. These steps are:

- Incoming material inspection
- Product inspection during production
- QC sampling
- Handling of defective products
- Analysing the rationale for defective products
- Notification, corrective actions, and preventive measures for the responsible departments
- Data analysis and ongoing review of the effectiveness of our quality assurance procedures

*Please contact our ESG department for detailed actions throughout our production cycle.

To uphold our product and production quality, we strive to:

- 1) provide training to all newcomers to make sure quality is the top priority of the Group;
- 2) provide in-house and arrange ongoing training by our brand customers to our Quality Assurance (“QA”) and Quality Control (“QC”) staffs to make sure the products meet customers’ quality standards;
- 3) consistently review our SOPs to fulfil the requirements laid down by our management, certification organisations (e.g. ISO, OEKO-TEX) and our brand customers;
- 4) document and constant review the defect rate and its reasons to facilitate both our management and customers in rectifying such problems and minimising defects in the future; and
- 5) communicate with our suppliers if the defects are brought by them. This ensures suppliers are aware of such problems and minimise repetitive errors in the future.

There are 3 key pillars of our Quality Assurance Policy, which are quality management system certification, cultivation of skilled labour and continued recognition of our QA and QC personnel. Details of our measures are described as follows:

A. Quality Management System Certification

Three major production sites of the Group, including Huizhou Factory, Vietnam First Team Factory, and Hebei Nanguan Factory, have acquired ISO 9001:2015 Quality Management Systems certification, demonstrating the Group's dedication to improving and emphasising our product and production quality.

B. Cultivation of Skilled Labour to Achieve Superior Quality

Skilled labour ensures consistency of product quality. Training, motivation, and a balance between incentive and punishment are key to achieving superior quality. The Group provides sufficient training to newcomers to make sure the quality standard is well propagated to them. Corporate culture is also important to maintain our well-praised quality. The Group never sacrifices quality for speedy delivery. The COO and Production Director strike a balance to ensure the delivery time of quick response orders is reasonable and manageable.

C. Certification and Recognition of our QA and QC Personnel

Skilled QA and QC personnel are as important as skilled labour, QA and QC staff need to understand the product quality standards of our brand customers. The Group and our brand customers provide regular training to our QA and QC personnel, laying a solid foundation for our quality recognition and also positioning us as top suppliers among our brand clients.

The Group will review this Quality Assurance Policy periodically, and in any event, once every three years.

Social Responsibility Policy

The Social Responsibility Policy mainly focuses on the social aspects of our overall ESG strategy. Other aspects have been covered by other sub-sections of our ESG strategy. The Group could not sustain and develop on its own; with the assistance of our suppliers, customers and society, it has shaped the success of the Group. The Group regularly contributes and gives back to our society in various ways, including donating to the NGOs that help the marginalised groups as well as developing our next generation talents through education and promotion of health awareness of the society.

The Group coordinates our Corporate Social Responsibility (CSR) events in a top-down manner through our headquarters, but all our subsidiaries also proactively contribute and initiate CSR events from a bottom-up perspective.

To meet the Group's objectives, we:

- 1) contribute and donate necessities to the victims of natural disasters in all jurisdictions that we operate;
- 2) offer internships, mentoring programmes for secondary school students to prepare them for future job roles within a corporate setting;
- 3) promote our societal care objectives to our local management and employees, hoping to extend this philosophy to their friends and families;
- 4) partner with various NGOs to donate and offer our care to the minority groups; and
- 5) motivate our employees to serve and donate to the local community.

The Group will review this Society Responsibility Policy periodically, and in any event, once every three years.