

i.century Holding Limited 愛世紀集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8507

ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT

2024



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SUSTAINABLE DEVELOPMENT OBJECTIVES

i.century Holding Limited and its subsidiaries (collectively referred to as the “Group”) are principally engaged in apparel supply chain management services, encompassing product development, sourcing and procurement of raw materials, production management, quality control, and logistics arrangement.

The Board of Directors (the “Board”) of the Group recognizes the urgent need to address climate change and environmental degradation. The Board is resolute in its pursuit of sustainability, envisioning a future that creates long-term value for stakeholders, ensures a safe working environment for employees, and protects the environment and society as a whole. This Environmental, Social, and Governance (ESG) report (the “Report”) provides a comprehensive overview of the Board’s unwavering commitment to sustainable development practices and outlines its clear vision for addressing the challenges posed by climate change.

The Group has set ambitious sustainable development objectives, focusing on reducing environmental impact, promoting social responsibility, and achieving economic growth. The Group understands that by prioritizing these areas, it can contribute to a more sustainable world and secure its long-term success. The Group’s climate change vision includes:

1. **Carbon Neutrality:** The Group is committed to becoming carbon neutral by significantly reducing its greenhouse gas emissions through the adoption of renewable energy sources, energy-efficient technologies, and comprehensive climate risk management strategies to ensure business resilience.
2. **Sustainable Operations:** The Group will promote sustainable operations by implementing green energy practices, reducing waste, enhancing resource efficiency, and exploring circular economy models that focus on designing out waste and keeping products and materials in use for as long as possible.
3. **Sustainable Supply Chain:** The Group will collaborate with suppliers to promote sustainable practices throughout the supply chain, including responsible sourcing of materials and products, enhanced supply chain transparency through advanced tracking and reporting systems, and adherence to ethical sourcing and environmental compliance standards.
4. **Advocacy and Leadership:** The Group will leverage its influence and expertise to advocate for policies and practices that promote sustainability and address climate change. It will also work to raise awareness about the importance of sustainability among its stakeholders through increased engagement and regular consultations.

Sustainability Statement of the Board

The Board of Directors wholeheartedly embraces its responsibility to address climate change and environmental degradation. They are committed to driving sustainability in business operations, prioritizing environmental stewardship, and delivering exceptional apparel supply chain management services.

The Board aims to reduce the company’s environmental footprint and actively contribute to mitigating climate change. They prioritize greenhouse gas emission reduction through energy-efficient practices, optimized waste management, enhanced transportation efficiency, and the integration of climate risk management strategies into business operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Promoting social responsibility and upholding ethical standards are core values. The Board fosters diversity, equity, and inclusion across operations and supply chains, ensuring fair labour practices, worker rights, and supporting initiatives for social well-being. This commitment includes the adoption of circular economy practices to reduce waste and increase the use of recycled materials in production.

Recognizing the interdependence of economic growth and sustainability, the Board integrates sustainable principles into business strategies to drive innovation, reduce costs, and increase operational efficiency. They collaborate with industry partners, governmental organizations, and stakeholders to share knowledge, champion sustainable initiatives, and advocate for climate action. Investments in research and development are prioritized to drive sustainable innovation, including the development of eco-friendly materials and technologies.

Transparency and accountability are key commitments. The Board measures, monitors, and regularly reports progress, ensuring stakeholders are informed of sustainability efforts and their positive impact. Their sustainability statement reflects an unwavering commitment to addressing climate change, fostering social responsibility, and driving sustainable practices, with the aim of creating a more sustainable future for all.

By embedding the latest ESG and sustainability trends into our operations, the Group aims to stay at the forefront of sustainability in the apparel supply chain industry, ensuring long-term success and a positive impact on the environment and society.

ESG Approach and Commitment

The Group acknowledges the significance of ESG factors as key indicators of non-financial performance. A robust approach to ESG reporting has been adopted, including risk assessment, performance reporting, goal setting, management supervision, and compliance. Transparency and accountability are prioritized, with qualitative and quantitative information provided in reports to keep stakeholders informed of sustainability performance. The Group's commitment to ESG principles drives decision-making, risk management, and value creation for stakeholders.

Recognizing the link between ESG considerations and long-term success, the Group actively monitors ESG performance to manage risks, seize improvement opportunities, and ensure business strategies align with ethical and sustainable standards. This holistic approach fosters accountability, continuous improvement, and responsible corporate citizenship. Upholding ESG principles throughout the organization enables informed decision-making, positive change, and long-term value creation for stakeholders and society.

The Group is committed to integrating the latest ESG and sustainability trends into its practices. This includes adopting circular economy models, enhancing supply chain transparency, integrating climate risk management, and driving sustainable innovation. Regular evaluation and refinement of ESG practices drive excellence across operations, setting industry benchmarks and contributing to sustainable development goals.

In summary, the Group's comprehensive ESG reporting framework reflects a commitment to transparency, accountability, and sustainable business practices. Stakeholders gain a comprehensive understanding of sustainability performance, joining the Group on its journey toward a more sustainable and prosperous future.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

The Report showcases the Group's commitment to sustainable development practices and its clear vision for addressing climate change. It serves as a valuable tool for stakeholders to understand the Group's sustainability performance and efforts to build a more sustainable future. The Group has ensured consistency between the Chinese and English versions of the Report.

Reporting Scope

Headquartered in Hong Kong, the People's Republic of China (PRC), with representative offices in Ningbo, PRC, France, and Australia, the Group is committed to transparency and accountability in reporting. The preparation of the Report adheres to the principles of 'Materiality,' 'Quantitative,' 'Balance,' and 'Consistency.' The Group continuously strives to enhance its reporting process, ensuring comprehensive disclosure of its corporate social responsibility initiatives. This involves meticulous data collection, policy formulation, implementation, and ongoing monitoring to optimize its reporting and expand its commitment to sustainability.

Reporting Period

The Report provides a comprehensive overview and summary of the Group's environmental and social performance during the reporting period spanning from 1 April 2023 to 31 March 2024 (the "Reporting Period"). It offers insights into the Group's achievements, initiatives, and progress in these areas, showcasing the Group's commitment to sustainability and responsible business practices.

Reporting Framework

The Report has been prepared in adherence to the Environmental, Social, and Governance Reporting Guide (the "ESG Reporting Guide") outlined in Appendix 20 of the GEM Listing Rules, as published by the Hong Kong Exchanges and Clearing Limited (HKEX). It fully complies with the "comply or explain" provisions specified in the ESG Reporting Guide. For ease of reference, a comprehensive list of ESG aspects, accompanied by their respective key performance indicators (KPIs), is included at the end of the Report. This ensures transparency and facilitates a thorough understanding of the Group's ESG performance.

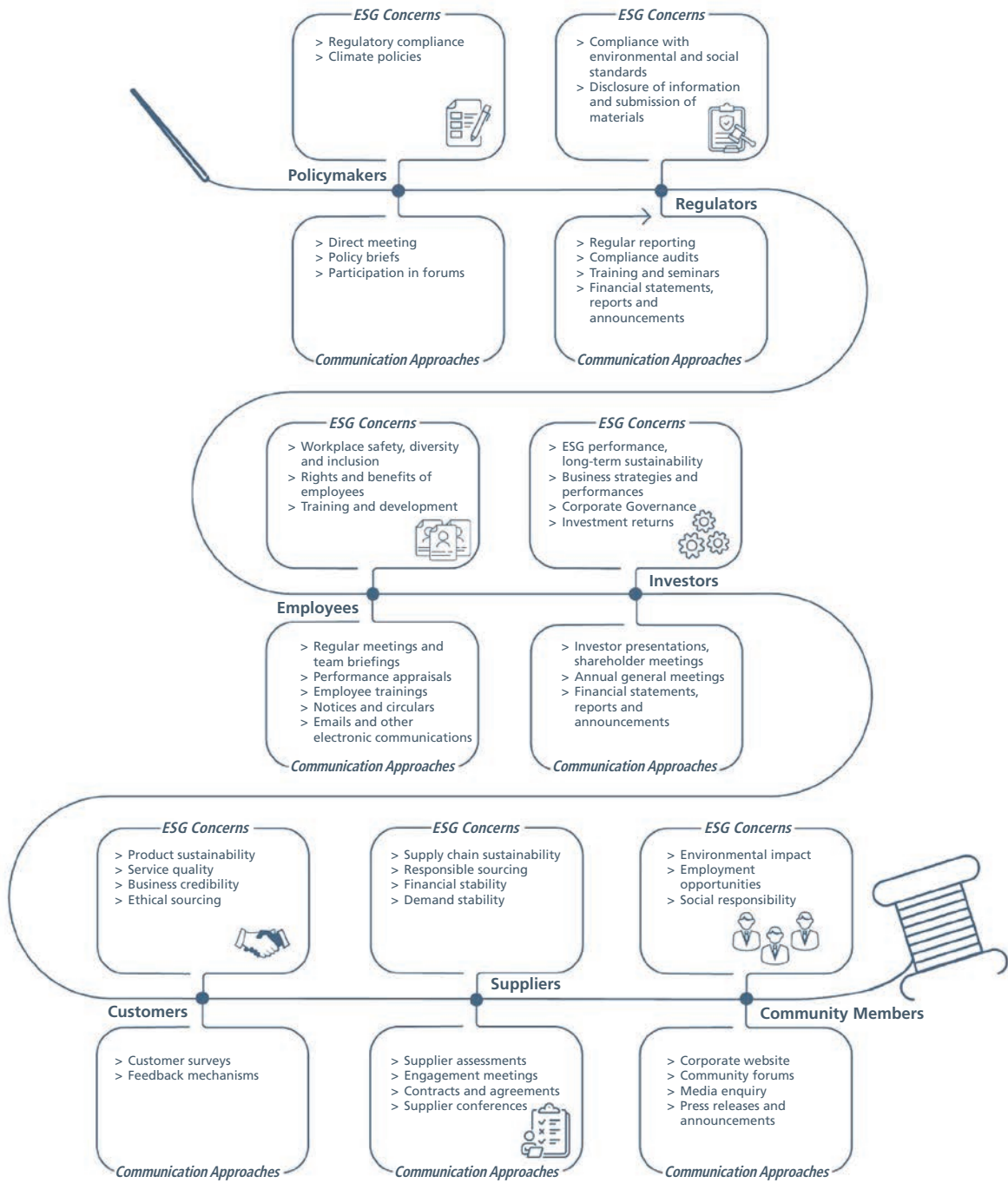
Stakeholder Engagement

Stakeholder engagement is crucial to the Group's success as a responsible and sustainable business. By embracing diverse engagement approaches, such as ongoing dialogues and consultations, the Group cultivates deeper collaboration with stakeholders. Policymakers, regulators, employees, investors, customers, suppliers, and community members contribute valuable insights that inform the Group's ESG objectives and long-term growth plans. The Group's commitment to stakeholder engagement establishes a culture of trust and mutual respect, crucial for achieving sustainable development goals. This commitment is evident in the ESG Report and will continue to serve as a foundation for the Group's ongoing sustainability efforts.

To stay ahead, the Group integrates circular economy principles, prioritizes eco-friendly materials, ensures ethical labour practices, and reduces carbon footprint. The Group participates in industry collaborations and enhance transparency across its supply chain, aligning with global sustainability initiatives.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

This proactive approach and dedication to the latest ESG trends demonstrate the Group’s commitment to positive environmental and social impact while driving long-term business success.



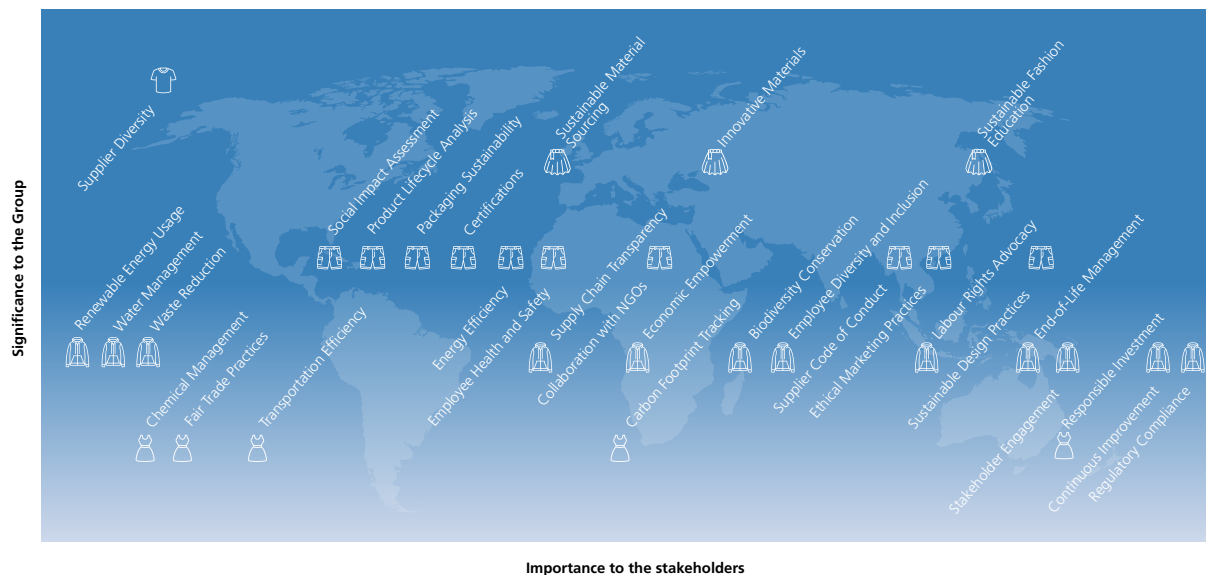
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Materiality Assessment

Materiality analysis is a crucial component of the Group's ESG strategy, prioritizing risks and opportunities that significantly impact long-term financial performance, reputation, and value creation. It involves assessing the importance of ESG issues based on their potential impact on the Group and stakeholder concerns.

Through engagement with internal and external stakeholders, including policymakers, regulators, employees, customers, shareholders, investors, business partners, suppliers, and community members, the Group identifies ESG issues that affect its sustainable development and addresses stakeholder concerns. An annual materiality assessment is conducted to understand stakeholder views and expectations regarding ESG performance, identifying risks and opportunities.

The Group determines the significance of potential ESG issues by evaluating their importance to stakeholders through ongoing dialogues, consultations, and other communication approaches. This process ensures that the Group's ESG priorities are aligned with stakeholder expectations and are responsive to evolving trends in sustainability and corporate responsibility.



Stakeholder Feedback

The Group highly values input from stakeholders concerning its ESG approach and performance, as it contributes to continuous improvement and sustainable development. If you have any inquiries, suggestions, or recommendations for the Group, we encourage you to reach out to the Group at:

Address: 6/F., Orient International Tower, 1018 Tai Nan West Street, Lai Chi Kok, Kowloon, Hong Kong.

Email: info@icenturyholding.com

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL PERFORMANCE

The Group's primary focus revolves around the design, sourcing, procurement, production management, quality control, and logistics coordination of garment products. Across its operations, the Group diligently adheres to all relevant environmental protection laws and regulations, ensuring compliance and abstaining from activities that contribute to air, water, or noise pollution. The Group's administrative, research and development, and trading activities primarily occur indoors, resulting in minimal environmental impact stemming from office-based work.

Emissions Policy

With a steadfast commitment to long-term environmental sustainability, the Group actively cultivates environmental awareness among its employees and upholds sustainable practices throughout its operations. Emphasizing environmental management, the Group incorporates energy-efficient technologies and environmentally sustainable materials, while taking preventive measures to minimize pollution and waste. By closely monitoring emissions and waste generation in collaboration with employees and suppliers, the Group maintains stringent control over these factors.

Emissions Target

To join the global efforts in combating climate change, the Group formulated a series of environmental targets that aim to reduce its operational impact on the environment. The Group's progress in achieving these environmental targets will be communicated and evaluated by the Board on an annual basis, and the disclosed targets may be revised to reflect operational changes. The Group shall consider establishing emissions related targets in the future upon which emissions management is considered to be a material topic.

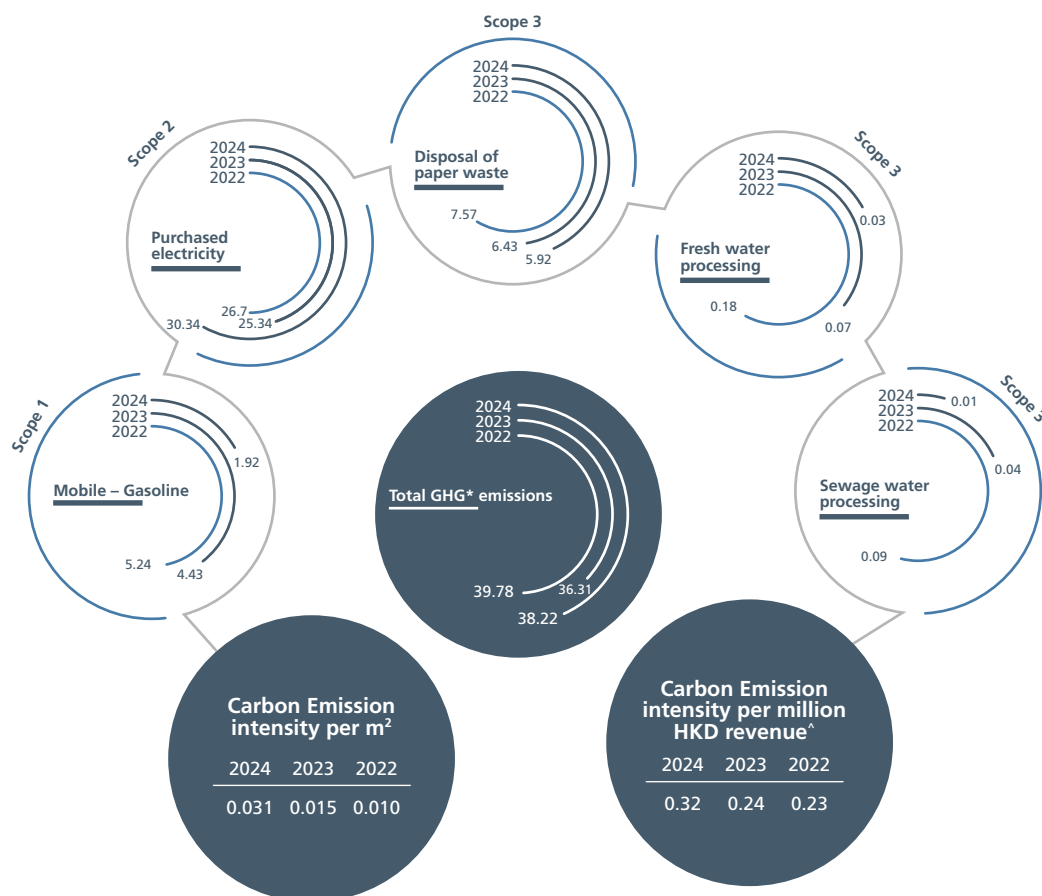
Carbon Footprint - Greenhouse Gas Emissions

The carbon footprint is defined as the total amount of direct and indirect greenhouse gas (GHG) emissions expressed in terms of carbon dioxide equivalent (CO₂-e) emissions. During the reporting period, the Group's total operational area, including headquarters and offices, was 1,232.07 square meters (m²)(2023: 2,418.50 m²), accounting for 100% of its GHG emissions.

Total net GHG emissions generated by the Group increases by approximately 5.26% year-over-year to 38.22 tonnes of CO₂-e (2023: 36.31 tCO₂-e), the increase was primarily due to the enlarged office space in Hong Kong, which led to higher electricity consumption. The carbon emission intensity was 0.32 tCO₂-e per million HKD revenue (2023: 0.24 tCO₂-e per million HKD revenue). The decrease in revenue was mainly due to the decrease in sales volume.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group has implemented significant measures to control emissions and resource consumption. Energy conservation practices include deploying energy-efficient lighting, monitoring and reducing water consumption, using digital technology and recycled paper, encouraging the use of public transport, and promoting teleconferencing as an alternative to business travel.



* The GHG is calculated according to the “Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong” jointly published by Environmental Protection Department and Electrical and Mechanical Services Department.

^ During the Reporting Period, the total revenue of the Group was HKD118,829,000.00 (2023: HKD149,745,000.00, 2022: HKD 170,570,000.00).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Air emissions

Air emissions are generated by employees using gasoline and diesel-powered motor vehicles for commuting and transportation, leading to environmental air pollution. These vehicles emit air pollutants during fuel combustion in their engines. To minimize the Group's impact on air quality, the Group promotes the use of public transportation among employees whenever possible. By encouraging more sustainable modes of transportation, such as public transit, carpooling, and cycling, the Group aims to reduce its overall carbon footprint and contribute to environmental preservation.

Types of Pollutants	Emission Data (in kg)		
	2024	2023	2022
Nitrogen Oxides (NO _x)	0.57 [#]	1.36 [#]	1.68 [#]
Sulphur Dioxide (SO ₂)	0.01	0.02	0.03
Particulate Matter	0.04 [#]	0.10 [#]	0.12 [#]

[#] Estimated mileage driven during the Reporting Period

Reducing Hazardous and Non-hazardous Waste

Throughout the Reporting Period, the Group's operating activities were free from hazardous waste that could harm the environment. However, non-hazardous waste, specifically paper and related printed materials, were generated as part of the Group's operations.

To address this, the Group implemented various paper reduction initiatives, such as duplex printing, utilizing recycled papers, and leveraging electronic and online technologies. The Group ensures proper disposal and recycling of paper waste by collaborating with property management in commercial buildings.

Furthermore, municipal solid waste generated by employees during work was appropriately categorized based on recyclability and collected for recycling and disposal measures.

Promoting Sustainable Use of Resources

The Group actively fosters a culture of resource efficiency among its employees, emphasizing environmental consciousness and sustainability. During the Reporting Period, the Group primarily consumed electricity, gasoline, water, and paper. Given the nature of the Group's operations, packaging materials were not employed. The Group is committed to integrating sustainable practices across its entire supply chain.

Fossil Fuel Consumption – Gasoline

The Group acknowledges the environmental impact of vehicle emissions on local communities. During the reporting period, the Group consumed 710.68 litres of gasoline, accounting for approximately 5.0% of its overall carbon footprint. To mitigate these effects, the Group prioritizes regular vehicle maintenance to optimize performance and fuel efficiency, minimizing emissions and maximizing fuel economy. Additionally, the Group has transitioned towards sustainability by replacing one of its vehicles with an electric vehicle (EV), further reducing its carbon footprint and supporting cleaner technologies.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Energy Consumption - Electricity

During the reporting period, the Group's electricity consumption totalled 77,039.00 kilowatt-hours (kWh), representing 79.4% of its total carbon footprint. This consumption primarily stemmed from lighting, air-conditioning, and the use of electrical appliances and equipment. To enhance energy efficiency, the Group implemented measures such as using window blinds to insulate against heat during the summer. The Group remains committed to monitoring and improving its energy conservation efforts.

Water Consumption

Throughout the Reporting Period, the Group successfully sourced water to meet its operational needs without encountering any issues. The total freshwater consumption amounted to 66.00 cubic meters (m³). However, this figure does not fully capture the Group's actual water usage. As some of the Group's offices are located in buildings where water usage is included in the property management fees, the reported water consumption may appear relatively low. Despite this, the Group is committed to valuing and conserving water resources. Special care is taken to avoid unnecessary wastage, and initiatives to promote water efficiency are continuously implemented. The Group remains dedicated to environmental stewardship and aims to enhance its water management practices to contribute to sustainable resource usage.

Paper and Printed Matters Consumption

During the Reporting Period, the Group utilized 1,232.38 kg of paper for administrative, marketing, and report publication purposes, with associated GHG emissions accounting for 15.5% of the total carbon footprint. Recognizing the importance of reducing paper consumption, the Group has set an environmental objective to minimize paper usage within its offices. Employees are actively engaged in reusing and recycling paper to reduce waste and promote sustainability. The Group is also transitioning to digital solutions, such as electronic invoicing and digital communication, to further decrease paper use and enhance operational efficiency.

Scope	Sources of GHG emissions	2024		2023		2022	
		Consumption	Intensity	Consumption	Intensity	Consumption	Intensity
1	Mobile – Gasoline	710.68 L	0.05 tCO ₂ -e/ employee	1,635.67 L	0.10 tCO ₂ -e/ employee	1,935.99 L	0.12 tCO ₂ -e/ employee
2	Purchased electricity	77,039.00 kWh	62.53 kWh/m ²	64,330.00 kWh	26.60 kWh/m ²	67,940.40 kWh	16.43 kWh/m ²
3	Disposal of paper waste	1,232.38 kg	0.14 tCO ₂ -e/ employee	1,340.87 kg	0.15 tCO ₂ -e/ employee	1,577.37 kg	0.18 tCO ₂ -e/ employee
	Water processing	66.00 m ³	0.001 tCO ₂ -e/ employee	173.00 m ³	0.003 tCO ₂ -e/ employee	413.00 m ³	0.006 tCO ₂ -e/ employee

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Protecting the Environment and Natural Resources

While benefiting from natural resources and the environment, the Group recognizes its responsibility to protect them and ensure their appropriate use. The Group considers environmental risks in its business development and adheres to industry standards, complies with relevant environmental laws and regulations, uses energy and resources efficiently, and reduces emissions and waste during operations.

Addressing Climate Change

The Group is dedicated to addressing climate change and proactively manages climate-related risks through a systematic approach. As an apparel supply chain management company, the Group acknowledges the importance of integrating climate resilience into its operations. Key steps taken by the Group include:

1. **Identifying Climate-Related Hazards:** The Group conducts comprehensive assessments to identify potential physical and transitional risks associated with climate change. These include extreme weather events, sea-level rise, and policy changes related to climate mitigation and adaptation.
2. **Evaluating Exposure and Vulnerability:** The Group evaluates its exposure and vulnerability to these climate-related hazards, considering factors such as its supply chain, operations, assets, and financial performance. This assessment includes the impact on sourcing of raw materials, production schedules, and logistical arrangements.
3. **Analysing Potential Impacts:** A thorough analysis is conducted to understand the potential impacts of climate change on the Group's operations, financial performance, and reputation. This includes assessing consequences like disruptions in the supply chain due to extreme weather events, changes in resource availability affecting production, and shifts in customer demand towards sustainable products.
4. **Developing Risk Management Strategies:** The Group proactively develops and implements risk management strategies to effectively manage and mitigate climate-related risks. These strategies include:
 - **Reducing Greenhouse Gas Emissions:** Implementing energy-efficient technologies, optimizing transportation routes, and using sustainable materials.
 - **Diversifying Supply Chains:** Sourcing materials from multiple suppliers and regions to mitigate the risk of disruption.
 - **Engaging Stakeholders:** Raising awareness and encouraging action on climate risks among suppliers, customers, and employees.
 - **Integrating Climate Risk into Decision-Making:** Ensuring that climate risk considerations are factored into strategic and operational decisions.
5. **Monitoring and Review:** The Group remains vigilant and regularly monitors and reviews its risk management strategies to ensure they remain effective in addressing evolving climate risks. This ongoing process ensures that the Group adapts to new information and changing conditions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

EMPLOYMENT AND LABOUR PRACTICES

Employment Policy - Talent Development and Employee Support

The Group recognizes human capital as a critical asset in managing its supply chain and meeting customer expectations. By recruiting and nurturing dedicated and skilled individuals, the Group ensures the delivery of high-quality and reliable services. The Group's employee handbook outlines its employment policy, adhering to principles of fair compensation and compliance with employment regulations, such as the Employment Ordinance and the Minimum Wage Ordinance in Hong Kong, PRC, and related regulations in the countries where the Group operates.

As of 31 March 2024, the Group had a total workforce of 44 employees. The Group is committed to creating a stimulating and harmonious work environment, fostering a culture of business ownership among its employees.

Employee Structure		2024	2023	2022
Total number of employees		43	44	43
By gender	Male	23.3%	22.7%	23.3%
	Female	76.7%	77.3%	76.7%
By age	18-25	4.6%	4.5%	2.3%
	26-35	0%	4.5%	2.3%
	36-45	27.9%	22.7%	27.9%
	46-55	51.2%	59.1%	62.8%
	56 or above	16.3%	9.1%	4.7%
By employee category	Directors and senior management	7.0%	11.4%	11.6%
	Middle management	9.3%	6.8%	4.7%
	General employee	83.7%	81.8%	83.7%
By ethnic background	Chinese	97.7%	93.2%	95.3%
	Australian	0%	4.5%	2.3%
	French	2.3%	2.3%	2.3%

To cultivate a team of dedicated and professional individuals, the Group offers equal opportunities in recruitment, training and development, career advancement, and compensation and benefits. The Group's experienced employees support business expansion strategies. Employee remuneration is structured to promote a sustainable workforce and incentivize retention and motivation. The Group conducts annual performance appraisals to assess employees' work performance, skills, and accomplishments.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The employee handbook serves as a valuable resource, conveying important policies, company culture, employment standards, business conduct, ethics, occupational health and safety guidelines, training and development opportunities, and details regarding remuneration and benefits. It helps set expectations, protect employees from unfair treatment and discrimination, and foster a cohesive work environment.

Employee Retention and Wellbeing

The Group is committed to maintaining a highly skilled and dedicated workforce for its long-term success. Emphasizing employee retention, the Group implements strategies to manage turnover, such as enhancing employee engagement, providing exceptional training and development opportunities, offering competitive compensation and benefits, and fostering seamless communication between management and employees. These initiatives aim to boost satisfaction and foster a positive work culture that encourages long-term commitment.

Employee Turnover Rate		2024	2023
By gender	Male	9.5%	0%
	Female	24.2%	53.3%
By age	18-25	0%	0%
	26-35	200%	6.7%
	36-45	9.1%	15.6%
	46-55	20.0%	22.2%
	56 or above	22.2%	8.9%
By employee category	Directors and senior management	28.5%	0%
	Middle management	0%	0%
	General employee	22.2%	53.3%

Employee Health and Safety

The Group places the utmost importance on the health and safety of its employees, recognizing that a safe working environment is fundamental to operational excellence and employee well-being. The Group's commitment to health and safety is embedded in its comprehensive Occupational Health and Safety (OHS) program, which is designed to prevent workplace accidents and promote a culture of safety across all levels of the organization. This program includes regular safety briefings, risk assessments, and the implementation of stringent safety protocols tailored to ensure employees are well-informed about potential hazards and preventive measures.

Employees are provided with the necessary personal protective equipment (PPE) and are encouraged to participate in safety drills and health initiatives. The Group also ensures compliance with all relevant health and safety regulations and continuously monitors and improves its practices through employee feedback and safety audits. By prioritizing health and safety, the Group not only protects its workforce but also enhances productivity and fosters a positive, secure working environment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Throughout the Reporting Period, the Group had no instances of non-compliance with health and safety regulations.

Occupational Health and Safety Data	2024	2023	2022
Number of work injury cases	0	0	0
Number of work-related fatalities	0	0	0
Lost days due to work injury	0	0	0
Work injury rate	0	0	0

Human Capital Development and Training

Understanding the value of human capital, the Group emphasizes developing employees' knowledge, experience, and skills. To promote continuous improvement and excellence, both management and employees can initiate training needs and engage external professional training institutions. The Group offers educational grants and promotes various training opportunities, including job induction, job rotation, on-the-job training, and secondments. This approach helps employees strengthen their skills and progress in their careers.

The Group believes that continuous learning and professional development are key to building a talented and resilient team capable of overcoming challenges and seizing new opportunities. By investing in human capital, the Group aims to cultivate a skilled and motivated workforce that drives innovation and contributes to overall growth and success.

Training Hours	2024	2023	2022
Total	121.0	163.3	99
Average (per employee)	2.8	3.7	2.3
By gender (Average training hours per employee)			
Male	6.5	14.6	8.1
Female	1.5	0.5	0.5
By employee category (Average training hours per employee and percentage of employees who received training)			
Directors and senior management	18.1	2.5	2.0
	75.0%	100%	100%
Middle management	4.1	36.1	12.7
	25.0%	100%	100%
General employee	0.9	0	0
	22.2%	0	0

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Labour Practices and Compliance

During the Reporting Period, the Group remained committed to complying with applicable laws and regulations on employment, child, and forced labour practices. The employee handbook outlines ground rules and regulations concerning employment and labour standards, remuneration and benefits, leave and holidays, training and development, business conduct and ethics, and occupational health and safety.

Recruitment of employees is guided by the Group's recruitment policy to ensure suitable candidates are recruited in accordance with relevant laws and job requirements. Throughout the Reporting Period, the Group complied with all applicable laws and regulations, including those related to compensation and dismissal, recruitment or promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, and other benefits and welfare.

OPERATING PRACTICES

Supply Chain Transparency and Integrity

The Group places a strong emphasis on maintaining transparency and integrity across its supply chains. A stringent procurement policy has been established to ensure the honest, competitive, fair, and ethical procurement of goods and services, delivering the highest cost performance. The Group engages with various material suppliers and garment manufacturers throughout its supply chain, ensuring responsible sourcing of resources and materials, as well as effective waste management. The Group's position in the middle stream of the apparel industry's value chain highlights the paramount importance of quality compliance and performance from upstream manufacturers. Rigorous tendering processes, documented procedures, and due diligence checks are implemented to select business partners who can meet the Group's strict criteria, ensuring product quality and standards are upheld.

Supplier Engagement and Quality Assurance

The Group believes that cultivating strong cooperative relationships with its suppliers enhances the effectiveness of its supply chain and ensures the quality of its garments. By engaging strategic material suppliers and manufacturers who offer high quality, reliable, safe, environmentally friendly, and technologically advanced products, the Group ensures the superior quality of its garments. The Group maintains an approved suppliers list, which is periodically reviewed and updated to ensure quality and compliance. As of the most recent update, the list includes 146 suppliers (2023: 118) from Australia, France, and Hong Kong and Ningbo, the PRC. This careful selection and regular assessment of suppliers help the Group maintain high standards in product quality, ethical sourcing, and sustainability. The Group actively monitors, audits, and manages processes across the supply chain, from materials selection and production to labour standards, quality management systems, environmental consciousness, and logistics arrangements. This comprehensive approach guarantees the effective and efficient operation of the supply chain, thereby upholding the quality and standard of the Group's garments.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Certifications and Product Compliance

The Group is proud to announce that it has been audited and found to be in conformity with the Global Recycled Standard (GRS). This prestigious certification underscores the Group's commitment to sustainable practices and responsible sourcing within the apparel supply chain. The GRS certification verifies the recycled content of products and ensures that stringent environmental and social criteria are met throughout the production process. By adhering to GRS standards, the Group not only promotes the use of recycled materials but also enhances its transparency and credibility with stakeholders. This achievement reflects the Group's dedication to reducing its environmental footprint and fostering a more sustainable future for the industry.

The Group is also actively pursuing additional certifications to further validate its commitment to sustainability. The Group is in the process of applying for the Global Organic Textile Standard (GOTS), the Organic Content Standard (OCS), and the Recycled Claim Standard (RCS). These certifications will bolster the Group's efforts in responsible sourcing, ensuring organic and recycled content in its products, and maintaining high environmental and social standards throughout its supply chain.

In addition to its commitment to sustainability, the Group prioritizes delivering high-quality, stylish, and fashionable garments. To ensure garments are manufactured according to customer design specifications, the Group conducts pre-production meetings to understand budget, expectations, and brand requirements. This collaborative approach allows for quality assurance and ongoing cooperation. Prototype and salesman samples are created for customer approval, and pre-production samples are developed for final approval before bulk production. This meticulous process ensures that the final products not only meet the highest standards of quality and style but also align with the Group's sustainability goals.

By continuously seeking and maintaining these certifications, the Group demonstrates its unwavering commitment to sustainable and ethical practices in apparel supply chain management, encompassing product development, sourcing and procurement of raw materials, production management, quality control, and logistics arrangement.

Performance Assessment and Customer Satisfaction

The Group conducts annual assessments to evaluate the overall performance of its suppliers and manufacturers, maintaining detailed reports to drive continuous improvement and ensure proper record-keeping. Throughout the Reporting Period, the Group successfully shipped a total of 937,441 garments (2023: 1,237,488 pieces) distributed to over 15 countries (2023: 27), including Australia, Canada, France, Japan, and United States. Notably, the Group received no significant complaints regarding garment quality or delivery commitments, reflecting the high level of customer satisfaction achieved.

Data protection and Intellectual Property Rights

The Group is committed to managing and safeguarding the data of its employees, customers, suppliers, and manufacturers, ensuring privacy and confidentiality. Compliance with the Personal Data (Privacy) Ordinance and adherence to a code of conduct on document confidentiality and computer security form the basis of the Group's data protection practices. Employees receive clear instructions regarding their responsibility to uphold the safety of personal data, trade secrets, and proprietary information acquired during business activities. The Group employs access passwords to protect its servers and computers, with employees held accountable for maintaining data integrity and confidentiality during all data processing activities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Protection of intellectual property rights is deemed critical within the apparel industry. The Group has dedicated significant effort to securing necessary approvals and consents to manufacture garments, thereby safeguarding its customers' intellectual property rights. Throughout the Reporting Period, no significant infringements of intellectual property rights were reported. The Group remains confident that it has taken all reasonable measures to prevent infringement of both its own intellectual property rights and those of its customers and third parties.

Professionalism, Business Ethics, and Compliance

The Group maintains a steadfast commitment to conducting business with the utmost standards of ethics, integrity, and professionalism. This commitment is essential for establishing trust and cultivating sustainable relationships with stakeholders. All employees, including Directors, are obligated to comply with the Group's code of conduct, which provides clear guidelines for ethical business practices. Compliance with applicable laws and regulations regarding corruption, extortion, fraud, and conflicts of interest is mandatory. The Group strictly adheres to the Prevention of Bribery Ordinance and employees are personally responsible for upholding the highest standards of integrity and conduct in all interactions related to the Group's business. Any non-compliance with the code of conduct or engagement in fraudulent activities, including offering, providing, obtaining, or receiving advantages to avoid obligations, is strictly prohibited.

Conflict of Interest and Disclosure

The Group requires its employees to avoid any conflicts between personal and financial interests and their professional duties, ensuring actions are taken in the best interests of the Group. Engaging in situations where employees exercise authority, influence decisions, gain access to valuable information, or use their professional roles to achieve personal or financial gain is strictly prohibited. The Group's code of conduct mandates employees to disclose any potential conflicts of interest by completing an annual disclosure form provided to the company secretary.

Whistleblowing and Risk Management

The Group actively encourages whistleblowing, providing employees and third parties with a confidential channel to report any suspicions of corruption, misconduct, fraudulent activities, or conflicts of interest to the company secretary. Incidents, allegations, or suspected fraud are thoroughly assessed and investigated. The Group conducts periodic and systematic risk assessments and regularly communicates anti-fraud policies and procedures to employees. Throughout the Reporting Period, the Group had no knowledge of any significant non-compliance with relevant laws and regulations or corruption litigation involving the Group or its employees.

COMMUNITY INVESTMENT

Community Investment and Corporate Social Responsibility

The Group's Community Investment Policy is driven by a commitment to conducting business in a sustainable manner that benefits customers and shareholders while minimizing environmental and social impacts on stakeholders. A significant aspect of this policy is the active support for charitable and non-profit organizations through donations and community care programs. In line with this commitment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, the Group demonstrated this commitment by donating computers and equipment to Caritas Computer Workshop. This initiative not only supported the organization's mission but also contributed to reducing electronic waste by repurposing used equipment.

The Group remains dedicated to exploring additional opportunities to contribute to the community by supporting various charity projects and participating in community events. By actively engaging in such initiatives, the Group aims to make a positive difference and create lasting social impact. This approach aligns with the Group's overarching goal of fostering a sustainable and socially responsible business environment.

KEY PERFORMANCE INDEXES REFERENCE TABLE

Reference KPIs of the ESG Reporting Guide		Corresponding KPIs in the sections of the Report
A. Environment		
A1: Emissions Policies and compliance	A1.1: Emissions Data	– Emissions Policy
	A1.2: Greenhouse gas emissions	– Emissions Target
	A1.3: Total hazardous waste	– Carbon Footprint – Greenhouse
	A1.4: Total non-hazardous waste	Gas Emissions
	A1.5: Measures to mitigate emissions	– Air Emissions
	A1.6: How hazardous and non-hazardous waste are handled	– Reducing Hazardous and Non-hazardous Waste
A2: Use of Resources Policies	A2.1: Direct and/or indirect energy consumption	– Promoting Sustainable Resources Use
	A2.2: Water consumption	– Fossil Fuel Consumption – Gasoline
	A2.3: Energy use efficiency	– Energy Consumption – Electricity
	A2.4: Issue in sourcing water	– Water Consumption
	A2.5: Total packaging materials used	– Paper and Printed Matters Consumption
A3: The Environment and Natural Resources Policies	A3.1: Significant impacts of activities on the environment and natural resources	– Emissions Policy
		– Reducing Hazardous and Non-hazardous Waste
		– Promoting Sustainable Use of Resources
		– Protecting The Environment and Natural Resources
A4: Climate Change Policies	A4.1: Significant climate-related issues	– Addressing Climate Change

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Reference KPIs of the ESG Reporting Guide		Corresponding KPIs in the sections of the Report	
B. Social			
Employment and Labour Practices			
B1: Employment Policies and compliance	B1.1: Total workforce	–	Employment Policy – Talent Development and Employee Support
	B1.2: Employee Turnover	–	Employee Retention and Wellbeing
		–	Labour Practices and Compliance
B2: Health and Safety Policies and compliance	B2.1: Work-related fatalities	–	Employee Health and Safety
	B2.2: Lost days due to work injury		
	B2.3: Occupational health and safety measures adopted		
B3: Development and Training Policies	B3.1: Employees trained	–	Human Capital Development and Training
	B3.2: Average training hours completed per employee		
B4: Labour Standards Policies and compliance	B4.1: Measures to review employment practices to avoid child and forced labour	–	Employment Policy – Talent Development and Employee Support
	B4.2: Steps taken to eliminate such practices when discovered	–	Labour Practices and Compliance
Operating Practices			
B5: Supply Chain Management Policies	B5.1: Suppliers by geographical region	–	Supply Chain Transparency and Integrity
	B5.2: Practices relating to engaging suppliers	–	Supplier Engagement and Quality Assurance
	B5.3: Practices used to identify environmental and social risks	–	Addressing Climate Change
	B5.4: Practices used to promote environmentally preferable products and services when selecting suppliers	–	Certifications and Product Compliance
		–	Performance Assessment and Customer Satisfaction

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Reference KPIs of the ESG Reporting Guide		Corresponding KPIs in the sections of the Report
B6: Product Responsibility Policies and compliance	B6.1: Percentage of total products sold or shipped subject to recalls	– Certifications and Product Compliance
	B6.2: Products and service related complaints received	– Performance Assessment and Customer Satisfaction
	B6.3: Practices relating to observing and protecting intellectual property rights	– Data protection and Intellectual Property Rights
	B6.4: Quality assurance process and recall procedures	
	B6.5: Consumer data protection and privacy policies	
B7: Anti-corruption Policies and compliance	B7.1: Concluded legal cases regarding corrupt practices	– Professionalism, Business Ethics, and Compliance
	B7.2: Preventive measures and whistleblowing procedures	– Conflict of Interest and Disclosure
	B7.3: Anti-corruption training provided to directors and staff	– Whistleblowing and Risk Management
Community Investment		
B8: Community Investment Policies	B8.1: Focus areas of contribution	– Community Investment and Corporate Social Responsibility
	B8.2: Resources contributed	