



EMBRY HOLDINGS LIMITED
安莉芳控股有限公司

Incorporated in the Cayman Islands with limited liability

Stock Code : 1388

Striving For
Excellence
追求卓越

2023 ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT



TABLE OF CONTENTS

02	About this Report
03	About Embry
05	Sustainable Development Governance
11	Sustainable Development Feature — Beautiful Green Industrial Parks
13	Beautiful Environment — Our Green Operations
21	Beautiful Service — Our commitment to Customers
23	Beautiful Team — Our Caring and Love
30	Beautiful Operation — Our Ethical Practices
31	Beautiful Action — Safeguarding Women’s Beauty
33	Summary of Data Performance
39	Hong Kong Stock Exchange “Environmental, Social, and Governance (ESG) Guide” Index



About this Report

Report Guidelines

This report complies with all mandatory disclosure requirements and “comply or explain” provisions of “Environmental, Social, and Governance Reporting Guide” under Appendix C2 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange Limited (“HKEx”).

Principles of the Report

The group enhances internal information gathering to improve sustainability performance and disclosure. During the reporting process, we adhere to HKEX’s principles of materiality, quantitative, balance, and consistency.

Materiality:

Identified through stakeholder communication and substantive issue assessment. Refer to “material topics for Embry” in this report.

Quantitative:

Standards, methods, assumptions, and tools for calculating key performance indicators (KPIs) are detailed in the “Data Performance Summary” of this report.

Balance:

The group presents sustainable development aspects in a fair, transparent, and unbiased manner.

Consistency:

Data calculation methods and assumptions remain consistent for meaningful future comparisons; any changes are explained for stakeholder interpretation.

Data and cases in this report originate from internal reports and relevant documents. The company assures the absence of false or misleading statements, taking responsibility for the truthfulness, accuracy, and completeness of the content.

Scope and Reporting period

This report covers the sustainable development performance of the group during the fiscal year from January 1, 2023, to December 31, 2023 (“reporting period”). It includes the group’s core business, consistent with the annual report scope. Unless specified, the organizational scope covers the company and all subsidiaries. The report, confirmed by management, received board approval on March 21, 2024.

About Embry

Embry Holdings Limited, along with its subsidiaries ("Embry," "Group," "Company," "We"), is a leading women's lingerie and retail enterprise in China. Founded in 1975 in Hong Kong, Embry has evolved into a modern, large-scale business over 48 years. With a business focus of "rooted in Hong Kong, looking to China, and eyeing the world," the group is headquartered in the Hong Kong Special Administrative Region, with a self-owned office space of 5,000 square meters. In the 21st century, leveraging the development strategy of the national Bohai Bay Economic Circle, Embry established a green ecological industrial park in Mingshui Economic Development Zone Shandong Province in 2006, following the third decade of reform and opening up. In 2010, Embry's Shanghai headquarters building was officially completed and put into use.

The group's product categories include bras, underwear, sleepwear, swimwear, cotton sweaters, shapewear, sports bras, stockings, and maternity nursing lingerie. These are sold mainly in China and the Greater China region. In China, Embry's retail business spans over 300 cities, with 1,007 retail outlets.

Key Performance for the Year

Environmental

▽ 19.6%

Total carbon emissions (compared to 2022)

▽ 16.3%

Carbon emission intensity (compared to 2022)

100%

Hazardous waste recovery rate

31.1%

Non-hazardous waste recovery rate

19.6%

Renewable energy usage rate

▽ 20.6%

Scope 2 emissions (compared to 2022)

About Embry (Continued)

Employee

▽ **56.6%**

Injury rate (compared to 2022)

0%

Injury fatality rate

97%

Employee training rate

60+

employee training programs

Operational

100%

Customer satisfaction rate on
retrun telephone complaint call

100%

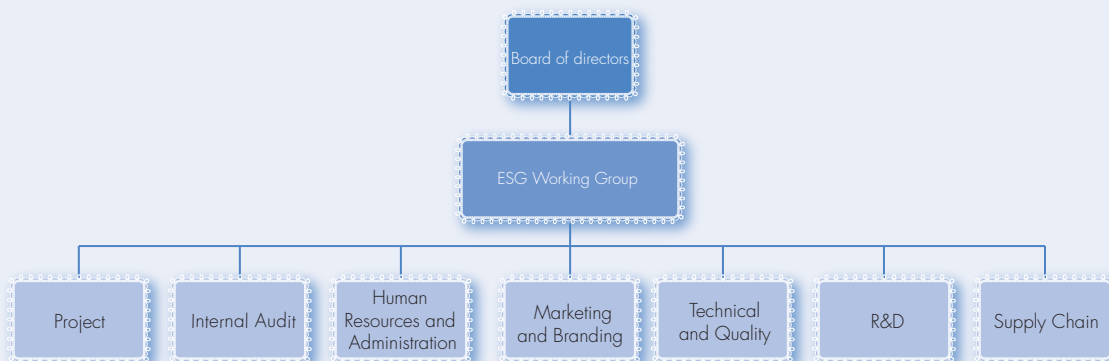
Supplier signs Anti-Bribery Agreement

Sustainable Development Governance

Board Statement

As the highest governance structure of the group, the board oversees the group's environmental, social, and governance (ESG) matters, including regular review of the group's ESG strategy, key performance indicators, and progress towards goals. The group established the ESG Working Group in 2021, responsible for assisting the board in managing:

- Environmental, social, and governance matters and related risks and opportunities
- Assessment and identification of the importance of ESG issues
- Continuous improvement and enhancement of the group's ESG performance



The ESG working group is led by the CEO, and the Assistant Internal Audit Director reporting to the Board of Directors every six months. The group comprises representatives from major departments, responsible for reviewing and confirming policies and goals related to key sustainable development matters.

Sustainable Development Governance (Continued)

Stakeholder Communication and Material Topics Identification

Throughout normal operations, the group uses various communication channels to understand stakeholders' needs and expectations. During this reporting period, the group conducted material topic assessments by inviting different stakeholders to participate through online survey questionnaires.

Stakeholder Communication Channels



Investors and Shareholders:

shareholders' meetings, annual and mid-term reports and announcements, sustainable development reports, company website, investor visits/presentations.



Employees:

welcome and training programs, recreational activities, reviews and performance assessments, intranet and email communications, employee newsletters, surveys, suggestion boxes.



Suppliers and Business Partners:

supplier evaluations, procurement platforms, supplier meetings, surveys.



Customers:

customer satisfaction surveys, customer service hotline, complaint handling mechanism, corporate publications, social media.



Government and Industry Associations:

regular meetings, surveys, press releases.



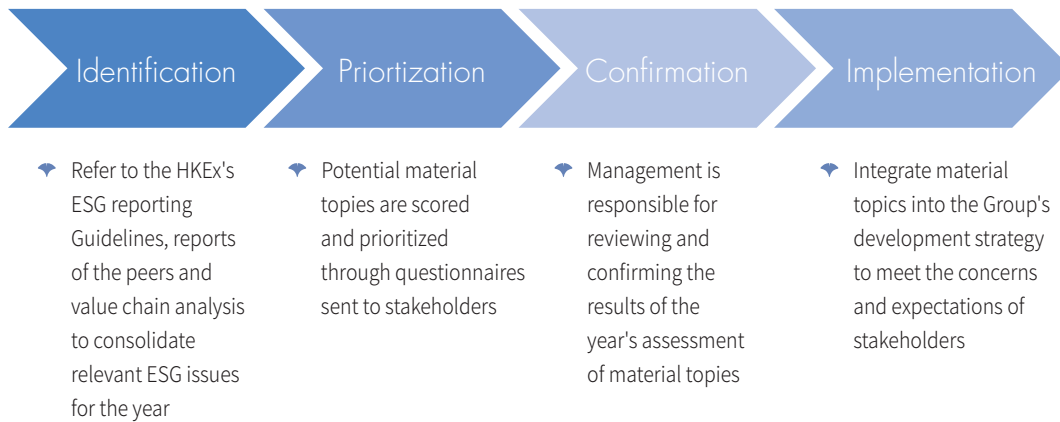
Local Communities:

community service programs, volunteer activities, newsletters, postal/email.

Sustainable Development Governance (Continued)

Material Topics

We follow a four-step process of identification, prioritization, confirmation, and implementation to determine ESG topics with significant impacts on the group and stakeholders, serving as crucial entry points for sustainable development. This involves integrating ESG topics for the current year based on HKEX ESG Reporting Guide, industry reports, and value chain analysis.



Stakeholder Communication Results are analyzed and ranked based on "Management's Score of the Importance of Embry's ESG Topics" and "Stakeholder's Score of the Importance of Embry's ESG Topics," resulting in a matrix of substantive issues.

 **Questionnaires**
received **2,900+** replies

For 2023, there are 12 material topics, including "Chemical Safety", "Talent Management", "Ensuring Employee Occupational Safety and Health", "Employee Training and Development", "Preventing Child Labour and Forced Labour", "Compliance with Labour Laws", "Corporate Governance", "Supply Chain Management", "Ensuring Product and Service Quality", "Information Security", "Respecting Intellectual Property Rights", and "Anti-Corruption and Integrity". The report will disclose measures taken for material topics, including new ones like "Chemical Safety," "Talent Management," "Employee Training and Development," "Corporate Governance," and "Supply Chain Management."

Sustainable Development Governance (Continued)

Material Topic Matrix



Level 1: Material topics for the current year. Level 2: Emerging topics that might impact the group in the future.

12	Chemical Safety	1	Environmental impact of Raw Materials
13	Talent Management	2	Environmental Management System
14	Ensuring Employee Occupational Safety and Health	3	Environmental Impact of Packaging Materials
15	Employee Training and Development	4	Use of Sustainable Materials
18	Preventing Child Labour and Forced Labour	5	Tackling Climate Change
19	Compliance with Labour Laws	6	Wastewater & Waste Management
20	Corporate Governance	7	Water Resources management
21	Supply Chain Management	9	Exhaust gas Management
23	Ensuring Product and Service Quality	11	Product Carbon Footprint
25	Information Security	16	Employee Compensation and Benefits
26	Respecting Intellectual Property Rights	17	Diversity & Equal Opportunity
27	Anti-Corruption and Integrity	22	Selecting Suppliers with Good ESG Performance
		24	Responsible Sales and Marketing
		28	Whistleblowing System
		30	Localized Operations

Level 3: Topics that are important but have a lower impact. Level 4: Topics of limited impact or low importance.

8	Resources Management	29	Localized Operation
10	Community Investment		

Sustainable Development Governance (Continued)

Management initiatives on material topics

Management Measures for Material Topics	Material Topics	ESG Key Risks and Opportunities	Management Measures in 2023
Environmental Topics	Chemical Safety	Employee safety incidents can lead to operational disruptions, legal cases, and reputation loss.	<ul style="list-style-type: none"> • New employees receive comprehensive safety training before onboarding. • Established standard procedures for handling safety incidents and a "Quality, Environmental Risk, and Opportunity Management Procedure." • Formulate and implement the "Chemicals Management Regulations" and "Hazardous Chemicals Management System"
Labour and Employment Regulatory Topics	Talent Management	Strategies to attract and retain talent enhance competitiveness.	<ul style="list-style-type: none"> • Improved salary policies and welfare systems to maintain employee well-being. • Established fair, just, and transparent recruitment processes. • Regular performance assessments with corresponding bonuses.
	Ensuring Employee Occupational Safety and Health	Establishing an employee safety policy reduces the risk of employee accidents, increases employee job satisfaction, and strengthens the company's image. Lack of policies can put employee safety and health at risk, leading to operational disruption, legal action, and reputational damage.	<ul style="list-style-type: none"> • Established and improved a series of safety guidelines and policies. • Safety officers conduct regular inspections and supervision in the factory. • Employees receive three-level safety training before joining. • Provided personal protective equipment for production equipment staff. • Arranged special health checks for female employees of marriageable age.
	Employee Training and Development	Investing in employee training to adapt to a changing business environment.	<ul style="list-style-type: none"> • Optimized the "Employee Job Promotion Management Measures," outlining career development paths. • Adopted on-the-job training with experienced employees mentoring newcomers. • Provided relevant skill training courses for employees in different departments.
	Preventing Child Labour and Forced Labour	Illegal employment of child labour or forced labour can result in legal consequences and reputation damage.	<ul style="list-style-type: none"> • Verified age through certified identity information during the recruitment process. • Immediate protective measures, investigation, and accountability if child labour is discovered.
	Compliance with Labour Laws	Untimely or improper handling can lead to labour problems, disputes and reputation damage.	<ul style="list-style-type: none"> • No labour violations reported this year. • Strict adherence to and maintenance of legal employment rights according to local laws. • Improved complaint mechanism for anonymous employee reporting, followed by investigations.

Sustainable Development Governance (Continued)

Management Measures for Material Topics	Material Topics	ESG Key Risks and Opportunities	Management Measures in 2023
Operational Management Topics	Corporate Governance	Enhancing corporate governance attracts more investors and increases company value.	<ul style="list-style-type: none"> • Board responsible for reviewing and confirming policies and goals for sustainable development. • The ESG Working Group, led by the CEO and Deputy Internal Audit Director, reports to the board semi-annually.
	Supply Chain Management	Supply chain disruptions can lead to production delays, operational impacts, and decreased customer satisfaction.	<ul style="list-style-type: none"> • Regular factory inspections for major suppliers to strengthen cooperation. • Established supplier selection criteria.
	Ensuring Product and Service Quality	Continuous improvement of service processes enhances customer satisfaction and brand loyalty.	<ul style="list-style-type: none"> • Required all material suppliers to provide Oeko-tex or equivalent qualification proofs to ensure material quality. • Strict material testing for all materials to ensure quality and safety. • Signed the “Quality and Safety Commitment for the Underwear Industry” to ensure product quality meets national and industry standards.
	Information Security	Data breaches lead to legal liability and loss of consumer trust.	<ul style="list-style-type: none"> • Established a series of operational codes. • Data transmitted in encrypted form. • Quarterly system checks and audits.
	Respecting Intellectual Property Rights	Infringement of others’ intellectual property rights leads to legal lawsuits.	<ul style="list-style-type: none"> • Market research to understand market dynamics and avoid design duplication. • Signed confidentiality agreements with suppliers to ensure designs are not leaked.
	Anti-Corruption and Integrity	Corruption can result in legal sanctions and reputation damage.	<ul style="list-style-type: none"> • Implemented a reporting mechanism, providing an anonymous channel for reporting individual cases. • Provided anti-corruption training for the board and management.

Sustainable Development Feature — Beautiful Green Industrial Parks



The environment of our Shangdong (Left) and Changzhou (Right) Factory

Embry's main production processes include molding, raw material cutting, stitching, and packaging. The operations involve no activities that have a significant impact on the environment like dyeing or washing. Embry (Shandong) Garments Limited and Embry (Changzhou) Garments Limited hold ISO 14001 environmental management system certification, and internally follows "Rules for Environmental Factors Identification and Evaluation Management" to identify potential environmental impacts and establish goals, indicators, and guidelines for environmental management. Additionally, the company has a "Green Factory Medium to Long-term Planning and Implementation Plan" to enhance its green competitiveness, adopting an efficient, clean, low-carbon, and circular development approach. The Green Factory Leadership Team oversees the system construction, implementation, assessment, and incentive work, establishing a target responsibility system.

Aligned with the concept "Beneficial to Nature", Embry has been environmentally conscious, planning a green industrial park since 2006. The environmental footprint primarily results from the industrial park's operation and production processes.

In Shandong and Changzhou industrial parks, meticulous planning emphasizes energy efficiency. The parks integrate natural waterways, artificial wetlands, and extensive vegetation for environmental harmony. Implementing geothermal pump technology and smart energy-saving engineering, the parks focus on floor heating, external wall insulation, and skylights. Embry (Shandong) is recognized as a "National Green Factory" and a AAA-rated tourist area. The Shandong factory earned the title of "Jinan City Green Supply Chain Management Enterprise" in 2023, acknowledging its commitment to sustainability throughout the supply chain.

◆ What is Green Factory Certification?

A Green Factory achieves land intensification, harmless raw materials, clean production, waste resource utilization, and low-carbon energy. The certification acknowledges industry-leading practices in occupational health and safety, energy management, and greenhouse gas management.

Embry (Changzhou) is recommended as a "Jiangsu Provincial Green Factory," signifying both factories' commitment to ongoing green and low-carbon upgrades, green development reports, and sharing experiences to enhance environmental management standards.

Sustainable Development Feature — Beautiful Green Industrial Parks (Continued)



Embry (Shandong) Garments Limited



Embry (Changzhou) Garments Limited

Last year, Shandong industrial park has implemented a solar photovoltaic project on about 16,000 square meters roof of existing factory buildings, producing 2.6MWp distributed solar power. The project not only contributes 2.37 million kWh of electricity to the company's own consumption, but also reduces 1,354 tonnes of carbon dioxide equivalent, that is equivalent to planting 1,541 trees. Shandong is positioned as a carbon-neutral pilot factory, investing in renewable energy to gradually expand carbon neutrality efforts.



Shandong photovoltaic power generation system

Beautiful Environment — Our Green Operations

Tackling Climate Change

Embry actively responds to the national calls for peaking carbon emissions by 2030 and achieving carbon neutrality by 2060. Since last year, we have reported the climate-related disclosures focus on governance, strategy, risk management, and indicators and goals followed by a comprehensive assessment analyzes climate-related risks and opportunities, aligning with stakeholder expectations.

Governance

The board of directors oversees climate-related risk management, reviewing major risks and opportunities. Management reports regularly to the board on climate-related considerations and mitigation measures. The ESG working group, composed of department representatives, participates in carbon reduction efforts, reporting quarterly progress to the board.

Strategy and Risk Management

Climate change could impact the group’s business and operations. The group takes preventive measures and identifies potential physical and transitional risks. Mitigation strategies include increased investment in energy-efficient equipment, staying informed on regulations, energy planning, and transitioning to green technologies.

Climate-Related Risks and Opportunities	Potential Impact	Mitigation Measures	
Physical Risks	Harm from extreme weather events, increasing maintenance costs.	<ul style="list-style-type: none"> • Damage facilities in the industrial parks and affect the normal production procedure, increased maintenance costs. • Increase in capital investment to prevent the damage caused by extreme weather. 	<ul style="list-style-type: none"> • Maintain the lightning protection system in a good condition and ensure all the equipment and facilities are in good condition. • Clean sewage pipes regularly to make sure sewage facilities are in a normal operation. To maintain sufficient materials supply as preventive measures for the rainy season. • Reinforce outdoor trees, rain sheds, roof equipment and facilities in advance, and perform regular check to ensure the doors and windows are closed, and the smoke exhaust system for fire prevention is normal.
	Global climate change leads increase in the number of extreme hot or cold weather days in the year.	<ul style="list-style-type: none"> • Increase the factory’s energy demand due to the use of centralized geothermal heat pumps for temperature control in warming and cooling. • Frequent use of equipment increased in costs of maintenance. 	<ul style="list-style-type: none"> • Monitor the electricity consumption in production and plan production schedule to reduce the production time and decrease the energy consumption and carbon emissions. • Increase in green coverage rate in the industrial park to absorb the carbon emissions and realize the carbon neutrality. • Skylight vents are installed on the roof of the building to increase the use of daylighting and reduce the consumption of electricity.
Transition Risks	More environment protection policies and regulations are introduced to meet the target published by the State Council about carbon dioxide emissions reach the peak before 2030.	<ul style="list-style-type: none"> • Additional investment is required to upgrade the existing equipment to reduce carbon emissions. 	<ul style="list-style-type: none"> • Keep up-to-date with newly released regulations and guidelines on the carbon emissions reduction and to analyze and update our corresponding company policy; • Develop and practice energy-saving plans in order to enhance energy efficiency of existing buildings; • Gradually reduce the high energy-consuming facilities and equipment, and replace them with the environmental friendly equipment; • Incorporate environmental friendly design elements into our industrial park design.

Beautiful Environment — Our Green Operations (Continued)

Indicators

This year, the group consumed 12,117 MWh of energy. Energy consumption intensity stands at 9.45 MWh per million revenue.

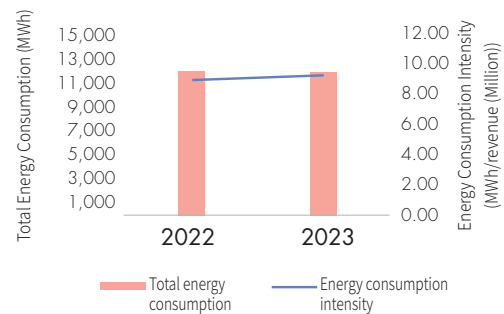
Greenhouse gas emissions for the reporting year were 5,352 tonnes of CO₂ equivalent, a 19.6% reduction comparing with last year. Scope 1 emissions were 140 tonnes, Scope 2 emissions were 5,212 tonnes, with a carbon intensity of 4.18 CO₂e/million revenue. Calculations follow the Hong Kong Stock Exchange’s “Appendix C2 — Environmental, Social, and Governance Reporting Guide.”

Embry’s carbon emissions primarily come from its own fleet and the consumption of diesel, petrol, liquefied petroleum gas, and natural gas in its operations (Scope 1), as well as purchased electricity (Scope 2). Scope 2 emissions constitute over 97% of total emissions, primarily from factory electricity usage. The group plans to pilot carbon neutrality in Shandong, gradually expanding carbon neutrality efforts. Research on innovative energy-saving initiatives continues to propel the company towards green, low-carbon development.

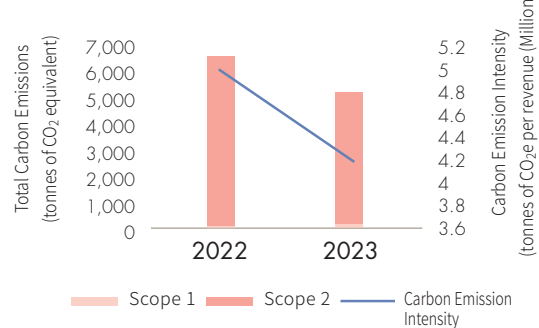
Targets

In response to the UNFCCC’s Fashion Industry Climate Action Charter and national carbon peak and neutrality goals, Embry aims to achieve its carbon peak by 2026, disclose 100% of product carbon footprints by 2035, and achieve carbon neutrality and near-zero value chain emissions by 2045. Environmental goals are being established for the company and the value chain.

Total Energy Consumption and Energy Consumption Intensity



Carbon Emissions



Beautiful Environment — Our Green Operations (Continued)

Energy Conservation and Emission Reduction

Aligned with the “Resource and Energy Conservation Control Program” and “Resource and Energy Conservation Management Regulations”, Embry is committed to energy conservation and emission reduction throughout its production process. The company implements cost-saving measures and enhances employees’ awareness of water and electricity conservation. Each department monitors the consumption of various resources and energy to ensure effective utilization in compliance with relevant laws and regulations.



Employee in Changzhou monitoring the plant’s energy consumption and air conditioning operation

Embry has established an Energy Management Center, implementing an online data collection system and statistical analysis system for electricity and water usage. This enhances energy control for existing equipment, resulting in both energy savings and improved management efficiency.



A geothermal heat pump air conditioning system in Shandong plant

The company uses geothermal heat pump air conditioning systems for heating and cooling in its factory buildings, leading to significant electricity savings of 760,000 kWh annually. According to the electricity price of 0.92 yuan/KWh, this translates to a cost reduction of 700,000 yuan with additional environmental benefits such as annual CO₂ reduction by 433 tonnes.

Beautiful Environment — Our Green Operations (Continued)



An emphasis on natural lighting in the factory buildings is supported by electricity usage guidelines to achieve energy-efficient lighting.

Natural lighting in Changzhou workshop

Carbon Emission Reduction and Sustainable Practices

Embry actively reduces industrial carbon emissions through technological innovation, environmentally friendly fabric procurement, and optimized production processes. Key initiatives include:

R&D	<ul style="list-style-type: none"> ☑ Technological advancements have resulted in the development of four patented technologies reducing product carbon emissions. ☑ Innovative manufacturing techniques, such as ultrasonic cutting for eight cotton cup products, aim to decrease carbon emissions. ☑ The company also focuses on using zero-carbon modal, bio-based, and recycled materials in its products, emphasizing pre-production analysis to minimize resource usage.
Purchasing	<ul style="list-style-type: none"> ☑ Embry is committed to low-carbon product selection during development and procurement.
Production	<ul style="list-style-type: none"> ☑ Emphasizing automation and reduced personnel in production to improve material utilization and efficiency. ☑ Green and low-carbon promotion within the factory includes measures such as turning off lights, closing equipment after use, and paper conservation.
Sales and Marketing	<ul style="list-style-type: none"> ☑ The company's efforts in promoting low-carbon products have resulted in the sale of 26,000 items with carbon labels and 230,000 items made from zero-carbon materials. ☑ Development of eco-friendly accessories, including 11 items using bio-based materials and recycled fibers, demonstrates Embry's dedication to sustainable practices.

Beautiful Environment — Our Green Operations (Continued)

Summary table on 2023 Embry's development of eco-friendly accessory

Type	2022	2023	Yearly increase
Zero carbon fiber (item)	2	2	0.00%
Bio-based materials (item)	24	31	29.17%
Reinvigorated fiber (item)	2	6	200.00%
Total	28	39	39.29%

Carbon footprint throughout the product lifecycle

Transparent management of product carbon emissions by tracking the carbon footprint throughout the product lifecycle.

Solar photovoltaic power project

Construction of a 2.6 MWp solar project on the factory roof to produce harness renewable energy.

Carbon Neutrality

Comprehensive integration of processes, green supply chains, and green manufacturing to align with carbon reduction goals.

Environmental Management System

Embry adheres to a green ecological concept, integrating low-carbon, energy-saving, and health considerations across various aspects. The environmental management system of Embry (China) Garment Limited, Embry (Shandong) Garment Limited, Embry (Changzhou) Garment Limited have received ISO 14001 certification. The Green Development Management Committee oversees the establishment, implementation, assessment, and reward aspects of green manufacturing.

Relevant policies and guidelines:

- "Procedures for quality, environmental risk, and opportunity management"
- "Rules for the identification and evaluation of environmental factors"
- "Procedures for the identification, evaluation and control of environmental factors"
- "Regulations on the management of solid waste disposal"
- "Regulations on the management of pollutant discharge"
- "Pollutant disposal management procedures"

Green Ecological Textile Products

Being certified as a "Ten-Ring" green production textile enterprise, Embry ensures its underwear products meet international environmental protection standards during production, usage, and disposal. Internal guidelines and policies monitor and manage pollutant emissions within the company's production and living areas. Compared to similar products, they have environmental advantages such as low toxicity, minimal harm, and resource conservation.



Beautiful Environment — Our Green Operations (Continued)

Water Resource Management

Embry's production processes are designed to eliminate the need for water resources. The company's water usage is divided into domestic and green water categories. In 2023, the total water consumption was 125,941 cubic meters, with a water intensity of 98.3 cubic meters per million dollar in revenue.

A water recovery rate of 41% was achieved through a sewage treatment station, utilizing a biochemical method to treat domestic wastewater, greening of the factory area, artificial lake landscape and other purposes, and achieving a 100% water recovery rate.

Packaging Material Management

Embry primarily uses packaging bags for its products. Since 2016, the packaging bags used for all products are made of anaerobic degradable plastics and can begin decomposing when buried. In addition, customers are provided with paper bags instead of plastic ones at sales counters, encouraging direct recycling. The company aims to reduce cardboard usage, promoting repeated utilization and recycling of all cardboard boxes. In 2023, Embry used 243.9 tonnes of packaging materials. Among them, the consumption of anaerobic degradable plastic is 48.9 tonnes, while the consumption of cartons is 195.0 tonnes.

Waste Management

Embry is dedicated to minimizing waste during the production process, promoting reuse and recycling of leftover materials to comply with relevant laws and regulations.

The company engages in the annual recovery and processing of harmful waste gases from discarded computers and fluorescent lamps by third-party entities. Harmless waste includes fabric scraps, such as cloth and sponge, waste paper boxes, minimal household waste within factories, and packaging bags from sales, all of which are collected and recycled by third-party entities. The recycling rate is 100%. Biodegradable materials are exclusively used for packaging bags, contributing to natural decomposition.

Embry prioritizes high-material utilization in fabric cutting schemes, achieving a material utilization rate of 82%. Ongoing research explores various material-saving strategies, ensuring each production style undergoes thorough analysis to reduce working hours and material waste.

 **Harmful Waste Recycling Rate:**
100%

Throughout the year, the company generated 0.6 tonnes of harmful waste and 1,549.6 tonnes of harmless waste, of which 0.6 tonnes of harmful waste and 481.9 tonnes of harmless waste were recycled.

Beautiful Environment — Our Green Operations

(Continued)

Air Emission Management

Air pollutants emitted by Embry primarily originate from the combustion of gasoline and diesel in its fleet. In 2023, the Group generated 152.2 kg of nitrogen oxides, 0.5 kg of sulfur oxides, and 14.6 kg of particulate matter. To advance its green development goals, Embry has established a green information platform on its official website, regularly publishing green manufacturing information. The company actively implements and publishes “Product Carbon Lifecycle Reports” to achieve information and transparency management of product carbon lifecycles.

Supplier Management

Management Method

Embry has established rigorous compliance policies to ensure the quality of suppliers’ raw materials and manage operational risks. The Supplier Verification Team, consisting of Procurement, Quality Control, Design and Technical Centers, and Branding Center, follows fair, transparent and impartial principles in auditing new suppliers for material quality and operational risks. The company emphasizes carbon footprint testing for materials, chooses low-carbon materials, and adheres to legal and environmental requirements. Suppliers must sign the company’s integrity policy agreement before formal procurement contracts to ensure understanding and compliance. As of December 31, 2023, Embry has 128 suppliers from China, Hong Kong, other Asian regions, and Europe.

Geographical region	Number of suppliers
China & Hong Kong	118
Other Asia areas	4
Europe	6
Total	128

Regular factory inspections are conducted for key suppliers to deepen relationships and inspect their environmental, social, and governance performance. The company emphasizes appropriate wastewater treatment measures, terminating cooperation with suppliers failing to meet environmental requirements. All provided raw materials must meet international safety standards or equivalent certifications like Oeko-tex to ensure quality and safety.

Beautiful Environment — Our Green Operations

(Continued)

Selection and Evaluation

Embry implements strict processes and standards for supplier selection and evaluation. We have established systems such as “Supplier Evaluation and Performance Monitoring Program” and “Qualified Supplier Re-evaluation Procedures” to clarify the criteria for selecting and evaluating suppliers. For new suppliers, the Supplier Audit team conducts a comprehensive audit to ensure compliance with the company’s quality and environmental standards, including an assessment of the new supplier’s raw material quality and operational risks, as well as a review of its environmental and social performance. In addition, Embry has clear requirements for raw materials, covering material quality, operational risks, and environmental and social performance. Embry specifies requirements for materials, including quality, energy efficiency, safety, environmental protection, and recyclability. Supplier evaluations consider overall performance in quality management, environmental responsibility, and social sustainability to ensure alignment with Embry’s values.

Regular factory visits are conducted for key suppliers, deepens cooperative relationships and pays attention to their environmental, social and corporate management, emphasizing appropriate wastewater treatment measures in the industry and terminating cooperation with non-compliant suppliers. All provided production materials must meet international safety standards like Oeko-tex “Product Environmental Quality Certificate”, product REACH certification, etc., to ensure the quality and safety of raw materials.

Supplier Training

Embry provides regular training to suppliers, covering material quality and environmental requirements, ethical standards, anti-bribery, intellectual property protection, and asset protection. After training, suppliers undergo performance assessments based on company standards, evaluating quality, efficiency, as well as supervise the quality pass rate, product improvement and recovery rate. We have signed “Anti-Bribery Letters” and “Confidentiality Agreements” with suppliers to ensure effective management.

Beautiful Service — Our commitment to Customers

Listening to Our Customers

Embry has always put the opinions of our customers first. Customers can call Embry's customer service hotline to provide feedback or complaints about the quality of relevant products and services. We will effectively classify and process the opinions received and communicate, solve or improve them in a timely manner. For example, if customer feedback shows that service quality falls short, Embry will take corrective action, such as retraining employees to improve their service awareness and quality.

Embry conducts annual customer satisfaction surveys to assess product and service from multiple dimensions such as quality, fashion image, function, timeliness, price, and service, and evaluates and adjusts the brand's strategic planning in a timely manner. In FY2023, a total of 4,700 questionnaires were collected and analyzed, and the overall satisfaction score of the six brands was 96, and the overall satisfaction score was basically the same as that in 2022.

In addition, Embry offers unconditional return and exchange services for products with confirmed quality defects. Customer complaints undergo analysis and identification within one working day, ensuring timely feedback to customers. When the Sales Department receives a complaint regarding our products, the case will be passed to our complaint investigator of the Quality Assurance (QA) Department. The investigator will complete the analysis and investigation of defective product. Customers will get our response and result of the investigation from our customer service staff. Telephone follow-ups confirm customer satisfaction with case resolutions. In 2023, Embry's customer satisfaction with case handling is 100% through the telephone return visit mechanism.

Customer Privacy Protection

The company has a series of operational guidelines to protect customer privacy, such as the "Users' personal data management and protection procedures", the "Data Security violation activities handling guidelines" etc. The terminals at the retail outlets do not store any member data, and data is saved on headquarters servers. The transmission of personal information between the server and the terminal at retail outlets is encrypted. Employees with access to member data undergo personal information protection training and sign data security responsibility agreements. Regular system checks ensure customer privacy security, and any misuse leads to internal penalties. Criminal actions are pursued for privacy violations.

Beautiful Service — Our commitment to Customers (Continued)

Quality Control and Assurance

Quality and safety-related compliance policies and systems

Embry, the first Chinese women's underwear company with ISO management certification and "Ten Rings" ecological textile certification, adheres to quality and environmental system operation procedures. The company commits to inspecting raw materials to ensure product quality complies with national and industry standards. A "Quality Incident Handling Management Code" addresses batch quality issues, initiating deep inspections and product recalls. The company conducts rigorous testing on lingerie materials, ensuring environmental friendliness, safety, comfort, and durability.

In 2023, Embry did not recall products due to safety and health issues, and recalled 11,745 products due to product quality issues.



Laboratories are conducting pH and formaldehyde tests, as well as elasticity and strength tests

Material testing

Embry is committed to providing high-quality underwear products, and rigorously controls the formaldehyde content and pH value of the fabrics. The Group also requires lingerie parts from lace, cotton cups, linings and the shoulder straps to be light, soft, breathable, eco-friendly that the good functionality care women's health. All raw materials must undergo a total of more than 30 rigorous material tests before they can be marketed. These tests cover environmental protection, safety, comfort, functionality and durability. Through these rigorous tests, we ensure that Embry's lingerie products not only meet high quality standards, but are also able to provide safe, comfortable and eco-friendly wearing experience for women.

Beautiful Team — Our Caring and Love

Labour Management

Embry complies with Labour Contract Law of the People's Republic of China and the Employment Ordinance of the Hong Kong Administrative Region, respecting and safeguarding employees' legal rights. The company establishes regulations, including employee codes of conduct, handbooks, welfare matters, and performance assessment management, updated as needed. The company strictly prohibits child and forced labour, verifying age during recruitment and providing support and protection for any cases of improper child labour use. The company has not received any cases of non-compliance with labour standards.

Employee Rights Protection

Embry strictly adheres to the local laws and regulations concerning the prevention of child labour and forced labour in the regions where we operate. We vehemently prohibit the employment of child labour and forced labour. During the recruitment process, we verify the age of applicants through their identification documents, strictly prohibiting the recruitment and utilization of child labour. In the event of any identified instance of child labour misuse, we promptly cease the employment of the individual involved, providing appropriate support and protective measures, and conducting investigations to hold responsible parties accountable.

All human resources policies within the group are developed following labour contracts, covering employee selection and development, salary distribution, provision of occupational injury and sick leave benefits, termination of employment relationships, and other aspects in accordance with labour contract regulations. Employees who observe behaviors inconsistent with labour standards or violations of labour laws can file complaints through named or anonymous channels such as email, employee suggestion boxes, etc., directed to their supervisors, the Human Resources Department, Internal Audit Center, or the Labour Union. Upon receiving a complaint, we follow internal regulations to investigate and address the issue in accordance with established procedures.

During this reporting period, the group did not receive any cases of non-compliance with labour standards.

Beautiful Team — Our Caring and Love (Continued)

Talent Management and Recruitment:

Embry actively recruits talents through various channels, ensuring a fair, just, and transparent process free from discrimination based on age, race, gender, religion, pregnancy, disability, or marital status. The company follows equal and voluntary principles, signing labour contracts with employees according to national regulations. Competitive salaries, statutory benefits, and additional welfare are provided, including performance bonuses and employee benefits.

Compensation and Benefits

We actively prioritize employee well-being, and the group has established comprehensive compensation policies to ensure fair pay for all employees. Employees at production sites and offices in mainland China adhere to the “Standard Working Hours System,” with a maximum weekly working time of 40 hours. In cases where extended working hours are necessary due to production requirements, we negotiate with union and employees, ensuring the extension is under conditions safeguarding workers’ health, and provide corresponding overtime pay or compensatory time off.

We provide all employees with salaries and benefits exceeding the statutory minimum wage standards. The group conducts quarterly performance evaluations of employees and company, granting bonuses to those who demonstrate outstanding performance. In addition to statutory benefits such as the insurance and housing fund for employees in mainland China, we offer a range of additional benefits, including housing subsidies, attendance bonuses, performance bonuses, paid annual leave, employee health check-ups, holiday gifts, birthday wishes, and assistance for workers facing difficulties. For employees in Hong Kong, we have optimized the employee medical allowance system and also flexibly adjusted working hours based on operational needs. To prioritize women’s health, we arrange annual specialized health check-ups for married women of childbearing age among our employees.



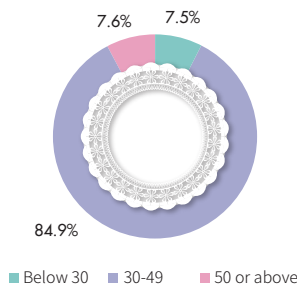
Campus Career Fair Activity

Beautiful Team — Our Caring and Love (Continued)

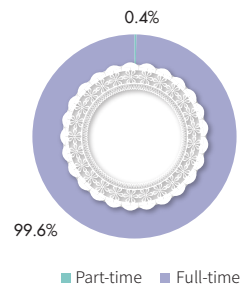
Employee Composition

Employees are one of our most crucial assets, and their professional competence, creativity, and enthusiasm are vital for the long-term development of the company. During this reporting period, we had a total of 4,400 full-time employees and 17 part-time employees from diverse backgrounds and professional fields. Among them, 295 were male, accounting for 6.7%, and 4,122 were female, constituting 93.3%. Employees aged 30 and below numbered 329, making up 7.5%, while those aged 30-49 were 3,752, representing 84.9%. Employees aged 50 and above totaled 336, with a percentage of 7.6%. This diverse group of employees forms the creative and dynamic team at Embry.

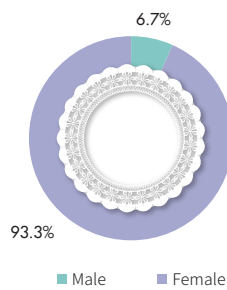
Headcount by age group



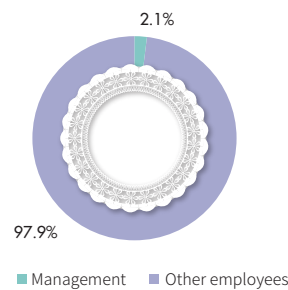
Headcount by type



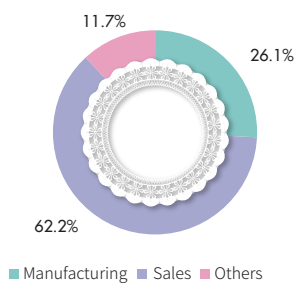
Headcount by gender



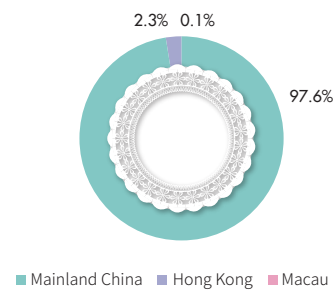
Headcount by seniority



Headcount by nature of department



Headcount by geographical location



Beautiful Team — Our Caring and Love (Continued)

Employee Training:

Embry is committed to providing comprehensive training and development opportunities to enhance employees' professional skills and competence. The company establishes training systems to meet the learning needs of employees at different levels and positions. The "Employee Promotion Management Measures" have been optimized to help employees achieve personal and career goals.



French designer Jos Berry trains designers



Marketing & Branding staff learn about the trends in store development

Our group's training programs are categorized as follows:

New Employee Training

Provides new hires with training on group regulations, job descriptions, professional ethics, corporate culture, brand core values, ISO quality and environmental systems, and fire safety knowledge.

Annual Training Plan

Develops department-based annual training plans to provide all employees with professional skills and knowledge training.

Promotion and Transfer Training

Based on talent assessment results, arranges courses for employees, addressing their knowledge, skills, and attitudes.

Beautiful Team — Our Caring and Love (Continued)

We emphasize employee learning and growth, implementing a mentorship approach for new employees to learn and grow on the job. For production department employees, we offer training in areas such as fire safety, occupational health and safety, special job safety, emergency response, quality and environmental systems, and job skills improvement. Front-line sales and grassroots management positions receive training in product knowledge, resource management, business-level courses, and regular sales skills training. Moving forward, we will continue to integrate resources, establish a talent development system, and provide different training programs for employees at various stages.

In the reporting year, the Group has 4,315 employees underwent training, with an average training duration of 39 hours.

	Employee training (%)	Average training hours (hour)
<i>According to gender</i>		
Male	6.5	15.4
Female	93.5	40.7
<i>According to departmental nature</i>		
Manufacturing Department	26.3	9.3
Sales Department	62.2	57.0
Other Departments	11.5	10.0

Beautiful Team — Our Caring and Love (Continued)

Employee Care

To enhance job satisfaction, foster a sense of belonging, and enrich employees' leisure activities, we provide spacious recreational and sports facilities in our industrial parks in Shandong and Changzhou. These include ping pong tables, fitness squares, multifunctional courts, basketball courts, gyms, and aerobics rooms. We encourage employees to engage in sports activities for physical well-being. Additionally, we regularly organize various cultural activities, such as employee birthday celebrations, factory anniversary events, employee family open days, annual meetings, dinners, and sports competitions within the factory premises, offering diverse entertainment and social opportunities.



2023 Chinese New Year Event



Employee birthday party



Women's Day flower arrangement



Factory Anniversary Outing

Employee Communication

To promote teamwork and interdepartmental communication, we encourage employees to express their ideas, strengthening communication between employees and their supervisors. Channels for communication between the HR department and employees include employee suggestion boxes, WeChat platforms, employee exit interviews, quarterly administrative interviews, surveys of new hires, and training issue summaries, annual employee satisfaction surveys, and satisfaction surveys related to corporate culture events.

Beautiful Team — Our Caring and Love (Continued)

Health and Safety

An overview of the policies and systems related to occupational safety and health

We strictly adhere to local safety and health regulations and have internal safety management documents. These include “Regulations on Safety Production Management”, “Workplace management procedures”, and “Emergency Response Plans”, ensuring the establishment and implementation of internal safety standards. With a dedicated Safety Department, we prioritize employee safety, striving to provide a comfortable, safe, and harm-free working environment.

Health and Safety Risk Management

We actively manage health and safety risks for employees, conducting comprehensive safety inspections across the factory premises. We establish “Safety Hazard Rectification Records” and supervise departments to rectify and inspect effectively. Personal protective equipment, such as goggles, cut-resistant gloves, dust masks, and earplugs, is provided to employees operating production equipment.

We post risk notices, fire hydrant warning signs, and use labels in risk areas and workstations to enhance employee safety awareness. Evacuation route diagrams are posted at key points, and we conduct emergency drills and corresponding measures to ensure employees can calmly handle emergencies.

Safety Training

Employees undergo three levels of safety training — plant level, workshop level, and team level — to ensure they understand relevant safety knowledge and regulations. Production workshop employees must pass position-specific training before starting work. Safety operation procedures are established for each operation position and clearly labeled for employee reference. Regular fire safety and evacuation drills are organized to ensure employees possess the “Four Abilities”: fire hazard inspection, initial fire extinguishing, organizing personnel evacuation, and fire safety education.

Four abilities

1. Ability to check and eliminate fire hazards
2. Ability to extinguish initial fires
3. Ability to organize personnel evacuation and escape
4. Fire protection publicity, education and training capabilities.

Safety Incident Response

Internally, if a work-related injury incident occurs, departments are required to maintain complete records, including the location, date, and information of injured employees, for regular monitoring of the injury rate. The company reports work-related injuries to the social security bureau, and based on circumstances, takes appropriate actions to protect employees’ rights. The main causes of work-related accidents are identified as a lack of safety awareness and insufficient preventive measures. Going forward, we will continue to strengthen relevant training to enhance employee safety awareness and prevent accidents.

	2023	2022	2021
The number of people who died as a result of work (person)	0	0	0
The rate of work-related fatalities (%)	0	0	0
Loss of working days due to work-related injuries (day)	504	161	NA
Worker injury rate ² (%)	0.23	0.525	0.72

¹ Recordable incident refers to incidents of employee injury and occupational disease as a result of occupational activities or occupational-related activities. For such injuries, the Group will register cases with the Social Security Bureau, and considers them as recorded incidents for the Group. If the Social Security Bureau does not consider the case as an injury, the Group will be responsible for the medical expense.

² The recordable incident rate is calculated by this formula: (Number of recordable incidents ÷ annual total working hours × 200,000).

Beautiful Operation — Our Ethical Practices

Ethical Business Conduct

We are committed to fostering a clean business environment in the lingerie industry, adhering to anti-corruption principles and strictly complying with relevant anti-bribery regulations and laws. We have established an “Anti-Bribery Agreement,” outlining a zero-tolerance policy for bribery and specifying procedures for dealing with bribery. All employees and suppliers are required to sign this agreement to ensure everyone understands the company’s anti-corruption policies. The audit center regularly conducts checks to ensure all suppliers strictly adhere to the agreement, collectively maintaining integrity and transparency in the industry.

We conduct regular training for suppliers to enhance their management quality and ensure the quality of raw materials and products. Training covers quality and environmental requirements for raw materials, ethical norms, anti-bribery practices, intellectual property rights and confidentiality, and company asset protection. After training, suppliers undergo performance assessments based on company standards, evaluating factors such as quality and efficiency, supervising the qualification rate, product improvement, and recycling rate. After completing annual training, relevant documents are signed with suppliers to ensure effective management, including an “Anti-Bribery Letter” and a “Confidentiality Agreement,” among others.

We value each report, conducting rigorous investigations and handling reported cases to establish a clean, fair, and transparent business environment. In accordance with the Group’s reporting management regulations, we will report to the internal audit department and report the progress and results to the audit committee and the chief executive. If an employee is confirmed to be involved in bribery, they will be immediately dismissed according to internal “Administrative Penalty Management Regulations.” In cases of severe wrongdoing constituting a crime, the matter will be referred to judicial authorities for criminal responsibility.

In addition, the board of directors and senior management receive anti-corruption training from the Independent Commission Against Corruption (ICAC) to raise awareness of corruption and fraud. In the past year, all employees in the group underwent relevant anti-corruption training. Through training on anti-corruption laws, we aim to establish a healthy corporate culture, consolidate employees’ integrity values, and raise internal ethical standards; 4,360 participants and 4,379 hours of anti-corruption training were attended. During the year, the Group received an anonymous complaint email about suspected improper receipt of kickbacks by an employee. Follow-up procedures have been initiated immediately and no preliminary findings have been found.

Respecting Intellectual Property

We adhere to the principles of independent innovation and original design, refraining from imitation and counterfeiting. Our professional research and development team focuses on developing new functional equipment, technologies, materials, etc., applied to lingerie products, with patents filed to protect new technologies. In 2023, the group obtained 21 new utility model patents, design patents, and invention patents, bringing our total patents to 125.

To reduce the risk of infringing on others’ copyrights, we regularly conduct market research, understand market dynamics, and avoid similar designs. When selecting material suppliers, we carefully investigate the market situation from merchants to ensure the avoidance of products similar to those of other companies. We avoid directly using patterns obtained from open channels to prevent sharing the same pattern with other companies. Moreover, to protect our independently designed styles, materials, and patterns, we sign confidentiality agreements with cooperating suppliers to ensure designs remain confidential. These measures ensure the uniqueness and competitive advantage of our brand in the lingerie market.

Beautiful Action — Safeguarding Women’s Beauty

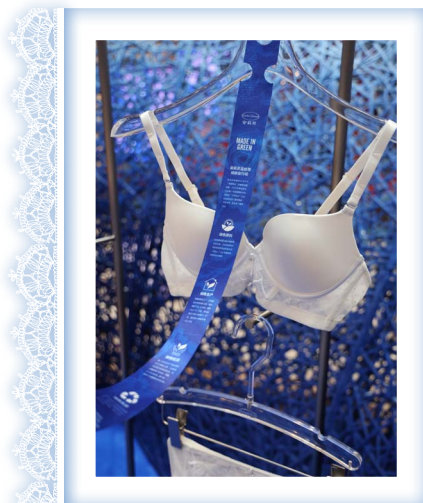
Advancing Industry Development

Embry focuses on elevating industry standards, actively identifying emerging talents, and holds positions as Vice President of the China Association for Quality Inspection and President of the Shenzhen Underwear Industry Association. Embry consistently collaborates with industry associations, governmental bodies, and academic professionals, nurturing potential brands and promoting the entire industry’s transformation and upgrade. Aimer’s unwavering determination and commitment to product quality are evident in this process. As of 2023, Embry is a significant member of various industry associations, including the China Association for Quality Inspection, China National Textile and Apparel Council, China National Garment Association, China Knitting Industrial Association, Shenzhen Garment Industry Association, Shanghai Garment Trade Association, Hong Kong, Shanghai, Yangpu and Macao Federation, Shandong Textile and Apparel Association, Shenzhen Association of Enterprises with Foreign Investment.

Blue Ribbon Public Welfare Action

The “Blue Ribbon Public Welfare Action” is a charity initiative initiated by the Embry Group, caring for women and giving back to society. It’s a beautiful project within the Embry Group, creating beauty, conveying beauty, and helping Chinese women achieve beautiful transformations. With the aim of “caring for breast health and creating physical and mental balance,” Aimer’s Blue Ribbon Charity Action has a history of 17 years, spanning 21 provinces and autonomous regions in China, donating to impoverished women in various minority ethnic regions.

This year, the Group organized “MADE IN GREEN” environmental theme pop-up shop events nationwide. The events showcased the Embry Blue Ribbon Action, urged the public to sign the green declaration, jointly advocated for a new trend of green health, and dedicated efforts to protect the ocean and the environment, contributing to sustainable development as part of Aimer’s beautiful project.



Beautiful Action — Safeguarding Women’s Beauty (Continued)

Cultural Arts

Over the years, Embry has supported the Hong Kong Dragon Dance Competition, actively promoting the development of international standard dance and providing a platform for more international dance talents. In 2023, Embry participated as a sponsor in the 18th World Cup International Standard Dance Open held in Shenzhen, recognized in the dance community as one of the most prestigious events after the world’s top three ballroom dance competitions.



Summary of Data Performance

Environment

Air Emissions	Unit	2023	2022 ¹
Sulphur Oxides	kg	0.5	NA
Nitrogen Oxides	kg	152.2	NA
Particulate Matter	kg	14.6	NA
Greenhouse Gas Emissions and Intensity	Unit	2023	2022
Total Carbon Emissions ³	tonnes of CO ₂ equivalent	5,352	6,655
Scope 1 Emissions ⁵	tonnes of CO ₂ equivalent	140	88
Scope 2 Emissions ⁶	tonnes of CO ₂ equivalent	5,212	6,567
Carbon Emission Intensity	tonnes of CO ₂ e per million revenue	4.18	4.99
Waste	Unit	2023	2022
Non-hazardous waste generation	tonnes	1,549.6	NA
Hazardous waste generation	tonnes	0.6	NA
Non-hazardous waste recycling	tonnes	481.9	370
Hazardous waste recycling	tonnes	0.6	NA
Non-hazardous waste density	tonnes per million revenue	1.21	NA
Hazardous waste density	tonnes per million revenue	0.00⁴	NA

¹ The data of NA is due to Embry's improved data collection and disclosure methods in 2023, some data from 2022 could not be collected and disclosed according to the new standards. Therefore, this data is not available in this report.

² Referenced from the Hong Kong Stock Exchange's "How to Prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental Key Performance Indicators")*

³ The CO₂ emission quantification methodology mainly refer to the local and the international standards, including the "Baseline Emission Factor for Average Power Grids in China 2022", as well as the emission factors information published in the "2022 Sustainability report of China Light and Power (CLP)" and the "2022 Sustainability report of Hong Kong Electric Company".

⁴ The official data is 0.0005, which is expressed as 0.00 for the consistency of data disclosure.

⁵ "Scope 1" covers direct emissions mainly from fuel used by our own corporate vehicles (excluding the vehicle fleets of our contractors).

⁶ "Scope 2" covers "energy indirect" emissions (excluding electricity consumed in some retail outlets in departmental stores and/or shopping malls where electricity is not separately charged).

Summary of Data Performance (Continued)

Environment (Continued)

Energy	Unit	2023	2022¹
Total Energy Consumption	MWh	12,117	12,183
Energy Consumption Intensity	MWh per million revenue	9.45	9.13
Petrol	litres	29,670	16,084
Diesel	litres	6,173	4,094
LPG	kg	9,066	7,771
Natural Gas	kg	5,386	5,377
Purchased Electricity	kWh	9,224,418	11,822,247
Photovoltaic Power Generation (Own Use)	kWh	2,373,902	N/A
Water	Unit	2023	2022
Total Water Consumption ²	cubic meters	125,941	107,593
Total Water Recycling	cubic meters	51,600	40,767
Water Consumption Intensity	cubic meters per million revenue	98.3	80.64
Use of Packaging Materials	Unit	2023	2022
Packaging Material Consumption	tonnes	243.9	N/A
Biodegradable Plastic Bags	tonnes	48.9	60
Cardboard Boxes	tonnes	195.0	NA

¹ The data of NA is due to Embry's improved data collection and disclosure methods in 2023, some data from 2022 could not be collected and disclosed according to the new standards. Therefore, this data is not available in this report.

² Some retail outlets are located in department stores or shopping malls where the water supply and discharge are directly managed and controlled by the building. Thus, Embry is unable to retrieve the relevant data.

Summary of Data Performance (Continued)

Social

Employment	Unit	2023	2022
Total Employees	person	4,417	4,582
Gender Distribution			
Male	person	295	284
Female	person	4,122	4,298
Age Distribution			
Below 30	person	329	310
30–49	person	3,752	4,023
50 and above	person	336	249
Departmental Distribution			
Production	person	1,152	1,108
Sales	person	2,746	2,977
Other Departments	person	519	497
Management Distribution			
Management ¹	person	51	40
Other Employees	person	4,326	4,542
Regional Distribution			
Mainland China	person	4,313	4,484
Hong Kong	person	101	95
Macau	person	3	3
Employment Type			
Full-time	person	4,400	4,566
Part-time	person	17	16

¹ "Management" refers to the Company's executive directors, all functional directors of the Group.

Summary of Data Performance (Continued)

Social (Continued)

Employment	Unit	2023	2022
Total Employee Turnover Rate¹	%	20.7	29.6
Turnover Breakdown			
Male	%	11.2	22.2
Female	%	21.4	30.0
Age Groups			
Below 30	%	39.8	88.4
30–49	%	17.2	23.6
50 and above	%	40.1	51.4
Regional Turnover			
Mainland China	%	20.9	29.8
Hong Kong	%	13.9	19.4
Macau	%	0	0
Occupational Safety and Health			
Lost Working Days due to Occupational Accidents	Days	504	161
Occupational Injury Rate	%	0.23	0.53
Number of Occupational Fatalities	Cases	0	0
Occupational Fatality Rate	%	0	0

¹ The employee turnover rate calculation method has been updated to the following method: number of employees leaving/total number of employees * 100

Summary of Data Performance (Continued)

Social (Continued)

Employee Training	Unit	2023	2022
Total Training Hours	Hours	172,449.5	115,162.0
Average Training Hours per Employee¹	Hours	39.0	25.4
Training Hours by Gender			
Male	Hours	15.4	7.8
Female	Hours	40.7	26.2
Training Hours by Employee Category			
Production Department	Hours	9.3	6.0
Sales Department	Hours	57.0	35.1
Other Departments	Hours	10.0	9.7
Total Number of Employees in Training	person	4,315	4,543
Number of Employees in Training by Gender			
Male	person	281	210
Female	person	4,034	4,333
Number of Employees in Training by Employee Category			
Production Department	person	1,137	1,111
Sales Department	person	2,682	2,958
Other Departments	person	496	474
Percentage of Employees in Training	%	97.7	99.1
Percentage of Employees in Training by Gender			
Male	%	6.5	4.6
Female	%	93.5	95.4
Percentage of Employees in Training by Employee Category			
Production Department	%	26.3	24.5
Sales Department	%	62.2	65.1
Other Departments	%	11.5	10.4

¹ The average number of hours of employee training has been updated and is calculated as number of hours of training / number of employees trained of this type.

Summary of Data Performance (Continued)

Social (Continued)

Supply Chain Management	Unit	2023	2022 ¹
Total Number of Suppliers	Count	128	171
Supplier Distribution by Region			
Mainland China and Hong Kong:	Count	118	164
Other Asian Regions (Excluding China and Hong Kong)	Count	4	2
Europe	Count	6	5
Product Responsibility	Unit		
Number of Complaints related to Products and Services	Cases	2,427	2,306
Number of Phone Callbacks	Count	1,831	1,724
Phone Callback Satisfaction Rate	%	100	100%
Anti-Corruption Training	Unit		
Total Number of Employees Trained	person	4,360	NA
Number of Employees Trained by Employee Category			
Production Department	person	1,132	NA
Sales Department	person	2,745	NA
Other Departments	person	483	NA
Total Training Hours	Hours	4,379	NA
Training Hours by Employee Category			
Production Department	Hours	1,132	NA
Sales Department	Hours	2,745	NA
Other Departments	Hours	502	NA

¹ The data of NA is due to Embry's improvement in data collection and disclosure methods in 2023, some data from 2022 could not be collected and disclosed according to the new standards. Therefore, this data is not available in this report.

Hong Kong Stock Exchange “Environmental, Social, and Governance (ESG) Guide” Index

Mandatory Disclosure Requirements	Disclosure Paragraphs	
Governance Structure	Sustainable Development Statement — Board Statement	
Reporting Principles	About this Report — Reporting Principles	
Reporting Scope	About this Report — Reporting Scope and Period	
Aspects, General Disclosures, and Key Performance Indicators	Descriptions	Related chapters in this report
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Beautiful Environment — Our Green Operations: Environmental Management System, Green Ecological Textiles (Page 17)
Key Performance Indicators A1.1	The types of emissions and respective emissions data.	Beautiful Environment — Our Green Operations: Summary of Data Performance on Air emission (Page 33)
Key Performance Indicators A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Beautiful Environment — Our Green Operations: Summary of Data Performance on Greenhouse Gas Emissions and Intensity (Page 33)
Key Performance Indicators A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Beautiful Environment — Our Green Operations: Summary of Data Performance on Waste (Page 33)
Key Performance Indicators A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity. (e.g. per unit of production volume, per facility).	Beautiful Environment — Our Green Operations: Summary of Data Performance on Waste (Page 33)
Key Performance Indicators A1.5	Description emissions target(s) set and steps taken to achieve them.	Beautiful Environment — Our Green Operations: Tackling climate change (Page 13)
Key Performance Indicators A1.6	Description of how hazardous and non-hazardous waste is handled, and a description of reduction target(s) set and steps taken to achieve them.	Beautiful Environment — Our Green Operations (Page 18)

Hong Kong Stock Exchange “Environmental, Social, and Governance (ESG) Guide” Index (Continued)

Aspects, General Disclosures, and Key Performance Indicators	Descriptions	Related chapters in this report
Aspect A2: Use of Resources		
General Disclosure	Policies for efficient use of resources (energy, water, and other raw materials).	Beautiful Environment — Green Operations (Page 13-20)
Key Performance Indicators A2.1	Direct and/or indirect energy consumption by type in total and intensity (e.g. per unit of production volume, per facility).	Summary of Data Performance (Page 34)
Key Performance Indicators A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Summary of Data Performance (Page 34)
Key Performance Indicators A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Beautiful Environment — Our Green Operations: Energy Conservation and Emission Reduction (Page 15)
Key Performance Indicators A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Beautiful Environment — Our Green Operations: Water Management (Page 18)
Key Performance Indicators A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Beautiful Environment — Our Green Operations: Packaging Material Management (Page 18)
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer’s significant impact on the environment and natural resources.	Sustainable Development Feature — Beautiful Green Industrial Parks (Page 11-12)
Key Performance Indicator A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Sustainable Development Feature — Beautiful Green Industrial Parks (Page 11-12)

Hong Kong Stock Exchange “Environmental, Social, and Governance (ESG) Guide” Index (Continued)

Aspects, General Disclosures, and Key Performance Indicators	Descriptions	Related chapters in this report
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Beautiful Environment — Our Green Operations: Tackling climate change (Page 13-14)
Key Performance Indicator A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Beautiful Environment — Our Green Operations: Tackling climate change (Page 13-14)
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Beautiful Team — Our Caring and Love: Labour Management (Page 23-24)
Key Performance Indicators B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Beautiful Team — Our Caring and Love: Labour Management (Page 25-29)
Key Performance Indicators B1.2	Employee turnover rate by gender, age group and geographical region.	Summary of Data Performance (Page 36)
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Beautiful Team — Our Caring and Love: Health and Safety (Page 29)
Key Performance Indicators B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Beautiful Team — Our Caring and Love: Health and Safety (Page 29)
Key Performance Indicators B2.2	Lost days due to work injury.	Beautiful Team — Our Caring and Love: Health and Safety (Page 29)
Key Performance Indicators B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Beautiful Team — Our Caring and Love: Health and Safety (Page 29)

Hong Kong Stock Exchange “Environmental, Social, and Governance (ESG) Guide” Index (Continued)

Aspects, General Disclosures, and Key Performance Indicators	Descriptions	Related chapters in this report
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	Beautiful Team — Our Caring and Love: Employee Training (Page 26-27)
Key Performance Indicators B3.1	The percentage of employees trained by gender and employee category (e.g. per senior management, middle management).	Summary of Data Performance (Page 37)
Key Performance Indicators B3.2	The average training hours completed per employee by gender and employee category.	Summary of Data Performance (Page 37)
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Beautiful Team — Our Caring and Love: Labour Management (Page 23)
Key Performance Indicators B4.1	Description of measures to review employment practices to avoid child and forced labour.	Beautiful Team — Our Caring and Love: Labour Management (Page 23)
Key Performance Indicators B4.2	Description of steps taken to eliminate such practices when discovered.	Beautiful Team — Our Caring and Love: Labour Management (Page 23)

Hong Kong Stock Exchange “Environmental, Social, and Governance (ESG) Guide” Index (Continued)

Aspects, General Disclosures, and Key Performance Indicators	Descriptions	Related chapters in this report
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Beautiful Environment — Our Green Operations: Supplier Management (Page 19-20)
Key Performance Indicators B5.1	Number of suppliers by geographical region.	Beautiful Environment — Our Green Operations: Supplier Management (Page 19)
Key Performance Indicators B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Beautiful Environment — Our Green Operations: Supplier Management (Page 19-20)
Key Performance Indicators B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Beautiful Environment — Our Green Operations: Supplier Management (Page 19-20)
Key Performance Indicators B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Beautiful Environment — Our Green Operations: Supplier Management (Page 20)
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Beautiful Service — Our commitment to Customers (Page 21-22) Beautiful Operation — Our Ethical Practices (Page 30)
Key Performance Indicators B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Beautiful Service — Our commitment to Customers: Quality Control and Assurance (Page 22)
Key Performance Indicators B6.2	Number of product and service related complaints received and how they are dealt with.	Beautiful Service — Our commitment to Customers: Listening to Our Customers (Page 21); Quality Control and Assurance (Page 22)

Hong Kong Stock Exchange “Environmental, Social, and Governance (ESG) Guide” Index (Continued)

Aspects, General Disclosures, and Key Performance Indicators	Descriptions	Related chapters in this report
Key Performance Indicators B6.3	Description of practices relating to observing and protecting intellectual property rights.	Beautiful Operation — Our Ethical Practices: Respecting Intellectual Property (Page 30)
Key Performance Indicators B6.4	Description of quality assurance process and recall procedures.	Beautiful Service — Our commitment to Customers: Quality Control and Assurance (Page 22)
Key Performance Indicators B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Beautiful Service — Our commitment to Customers: Customer Privacy Protection (Page 21)
Aspect B7: Anti-Corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Beautiful Operation — Our Ethical Practices: Ethical Business Conduct (Page 30)
Key Performance Indicators B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Beautiful Operation — Our Ethical Practices: Ethical Business Conduct (Page 30)
Key Performance Indicators B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Beautiful Operation — Our Ethical Practices: Ethical Business Conduct (Page 30)
Key Performance Indicators B7.3	Description of anti-corruption training provided to directors and staff.	Beautiful Operation — Our Ethical Practices: Ethical Business Conduct (Page 30)
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities’ interests.	Beautiful Action — Safeguarding Women’s Beauty (Page 31)
Key Performance Indicators B8.1	Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport).	Beautiful Action — Safeguarding Women’s Beauty (Page 31-32)
Key Performance Indicators B8.2	Resources contributed (e.g., money or time) to the focus area.	Beautiful Action — Safeguarding Women’s Beauty (Page 31-32)

EMBRY HOLDINGS LIMITED
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