

EVERGREEN/FLATIRON/DABU

SUSTAINABILITY REPORT 2024

Jan 1, 2024 ~ Dec 31, 2024



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About This Report

INTRODUCTION

Evergreen is honored to present its First Sustainability Report for the calendar year 2024. As our first attempt at compiling such a comprehensive disclosure, we recognize there may be areas for improvement in both content and presentation. We sincerely welcome feedback and guidance from our valued stakeholders, industry peers and experts to help us enhance future reporting.

This report encompasses Environmental, Social and Governance (ESG) initiatives, operational updates and management practices undertaken by Evergreen and its subsidiaries during the reporting period from January 1 to December 31, 2024. This report has been developed by the Evergreen Sustainability Team through cross-departmental collaboration, reflecting our collective commitment to sustainable development. This report is aligned with GRI 2 – General Disclosures.

REPORTING SCOPE

The ESG policies and management measures outlined in this Report apply to the Company and all its wholly-owned subsidiaries (collectively referred to as "the Group"). Unless otherwise specified, the reported information covers textile and garment manufacturing operations in China, Cambodia, Bangladesh, Myanmar, Vietnam and Poland.

The reporting scope includes Evergreen Industry Headquarters and representative offices in Ningbo (China), Canada, South Africa and the UK, with corresponding focus on ESG performance metrics and related disclosures from these locations.

Evergreen/Flatiron / Dabu Sustainability Report 2024

Overview

Environment

People

Social

Supply Chain

Governance

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Message From Our Founder



As a family-owned corporation, we are continually striving to enhance our sustainability journey alongside our customers and partners. Catching up with the growth rate of leading industry players is challenging; however, we are pleased and determined to improve our sustainability performance. I would like to extend my gratitude to all our customers, suppliers, and stakeholders for their unwavering support and understanding in the past and future.

This is our first sustainability report, and we are eagerly anticipating greater achievements in the years to come. Currently, I am proud to share Evergreen's accomplishments in our 2024 sustainability journey. In 2024, we have bolstered our efforts in managing quality assurance, environmental, traceability, and sustainability aspects by increasing manpower and establishing a robust supplier performance management system to enhance the comprehensive capabilities of our supply chain, as well as the transparency.

In 2024, we launched our official website, where we will transparently share our updated sustainability policy, ESG activities, certification status, ESG vision, product and factory updates, and more. A significant highlight this year was our commitment to reducing greenhouse gas (GHG) emissions, including our goal of achieving net-zero emissions by 2050. Our workforce is the cornerstone of our success. In 2024, across our ten key cooperating factories, we implemented the EHS project to elevate health and safety standards, fostering a safer and more transparent supply chain.

This sustainability report reflects the dedication of our employees, supply chain partners, customers, and stakeholders. Together, we are driving towards being a competitive garment manufacturer and striving to contribute to a more sustainable and responsible production industry.

Thank you for your continued trust and support,

Frank Zhu

The Founder of Evergreen

Message From Our CEO



I am honored to present Evergreen First Sustainability Report and our commitment to responsible and sustainable practices in the apparel industry. In Evergreen, we are dedicated to excelling in design and intelligent manufacturing for branded apparel. Our vision is to deepen and strengthen our capabilities to become a leading force in the industry. We strive to create products that are not only stylish and innovative but also manufactured with the highest standards of sustainability and efficiency.

Our mission is to enable the people who work with us to lead happy lives. We are committed to fostering a culture of well-being, growth, and mutual respect within our organization. This means providing safe, fair, and sustainable employment practices that go hand-in-hand with our broader environmental goals. We are resolute in our commitment to making every product comfortable, safe, and valuable, striving to meet and exceed expectations through quality and innovation.

In collaboration with our major stakeholders, we have achieved significant milestones, including the commissioning of a new knitted and woven garment factory in Cambodia, which installed nine sewing lines in 2024, with plans for a total of 22 knitted sewing lines and 20 woven sewing lines by 2025. Additionally, we have established a seamless garment factory in Cambodia, with a planned monthly capacity of 450,000 pieces across five sewing lines. In China, we organized an R&D workshop to develop various products, including woven outerwear, active wear, yoga apparel, jackets, and uniforms. All the efforts at the purpose of better customer satisfaction.

In this report, you will find detailed insights into our sustainability initiatives, achievements, and ongoing efforts to reduce our ecological footprint. We believe that transparency is key, and we are committed to continually improving our practices and sharing our progress with all stakeholders. Thank you for your support and interest in our sustainability journey. Together, let us create a brighter, more sustainable future for the apparel industry and beyond.

Thank you for your support,

Samuel Xu

The CEO of Evergreen

ABOUT EVERGREEN



1993

Year of Evergreen founded



8

Wholly owned factories



7000⁺

Global Employees



6

Manufacturing countries
Sales Office



201

Total sewing lines



220 Million

2024 total turnover \$



2024 Produced 148 Million pieces

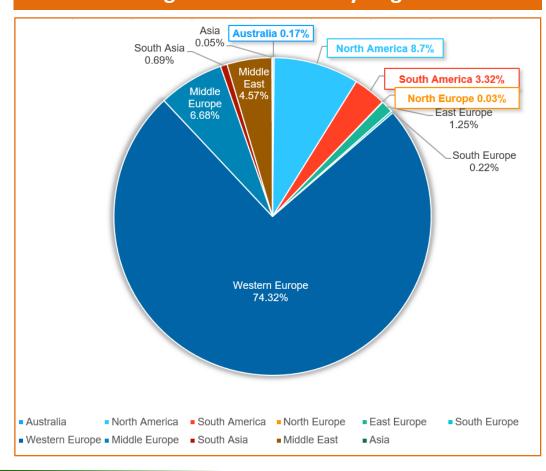








Evergreen 2024 Sales by Region



WHERE WE ARE



WHERE WE ARE

Country	Province/City	Entity	Function	Employees
China	Zhejiang - Ningbo	Evergreen Industry	Sales Office	268
		Evergreen Knitting	Manufacturing	350
		Ningbo Guotai		86
	Hubei - Jinzhou	Hubei Evergreen		248
Cambodia	Phnom Penh	G-Evergreat	Manufacturing	1220
		Chhang Sheng Long		431
		Yeetex Seamless		301
Myanmar	Yangon	Yangon	Manufacturing	2100
Vietnam	Ben Tre	Evergreen Vietnam	Manufacturing	850
Bangladesh	Gazipur	Bangladesh	Manufacturing	1050
Poland	Kętrzyn	Evergreen Poland	Manufacturing Sales Office	290
USA	New York Los Angeles	New York Los Angeles Office	Sales Office	6
UK	London	London Office	Design Office	25
Canada	Montreal	Montreal Office	Sales Office	12
South Africa	Cape Town	Cape Town Office	Sales Office	8













2024 ESG HIGHLIGHTS



Environmental



Social



Governance

10 Key strategic T1 garment factories completed the HIGG FEM

In 2024, this is the 1st year that Evergreen 10 Key T1 garment factories conducted HIGG FEM self-assessment and verified by 3rd Party

- 6 China factories with simple average score
 at 14%
- 4 Cambodia factories with simple average
 score at 36%



100% of our Key T1 factories paid employee's salary by bank

In 2024, Evergreen request all of our key T1 factories to push employees set up their own bank account and paid salary by bank which covers:

- China 6 garment factories
- Cambodia 4 garment factories



Evergreen VSC

Streamline the supply chain process and constructed the VSC

In 2024, EG streamlined the existing SCM system, and integrated the procedure and set up the vendor score card, which covers:

- Commercial
- Ethical
- QAQC
- Traceability
- Environment



STAKEHOLDER ENGAGEMENT

COMMUNICATION WITH STAKEHOLDERS

Establishing close communication with stakeholders is essential for a company's success. Evergreen is committed to actively seeking feedback from stakeholders through various communication channels, including shareholders, customers, employees, suppliers, government, communities and investors.

We prioritize protecting stakeholders' interests to guide the Group's long-term development and sustain strong relationships with them. Additionally, all stakeholders have access to our official website to stay informed about our updated information and policies via company official website:

www.fhguotai.com

Major Stakeholders	Communication Channels
Shareholders and investors	 Annual meeting Financial reports, announcements and corporate policies Company website Company enquiry email, call
Customers	 Daily communication Factory visits Customer assessment, meeting, webinar Company website
Employees	 Training and orientation Email, opinion box, complaints channels Regular meetings Employees activities Employees performance evaluation Company website
Suppliers	 Daily communication and regular meetings Supplier assessment and evaluation Satisfactory investigation Annual supplier conference
Government authorities and regulators	Document and information submission
Communities	Community activities

OUR ESG VISION



Carbon Emission

Peak Carbon Emissions By 2030. Net Zero Carbon Emission By 2060.



Care About Our Planet

Caring For The Planet, And Promote Harmonious Coexistence With Nature. 50% Energy From Renewable Sources By 2030.



Care About Our People

Inspiring Inclusive Growth For All Our Staffs.

100% Staffs Gain Decent Living Wage And Fully Paid By
Bank Transfer By 2028.



Social Responsibility

Committed To Be A Responsible And Accountable Enterprise With Healthy, Safe And Human Rights Respected Working Condition.



Sustainable Materials

Committed To Eco Friendly Raw Materials.

Achieving 100% Sustainable Materials By 2030.



Care About Our Products

Integrating The Full Lifecycle Concept Into Product Design And Development Phase.

Extend Product Lifespan And Recyclability.



Transparent & Traceability

100% Transparent Supply Chain By 2025. 100% Traceable Supply Chain By 2030.



Supply Chain Governance

Omote Self-Management, Set Up Systematic Supply Chain Management And Supervision. Achieve 100% Supply Chain Compliance With COC Audit Standards By 2030. Realize 100% Wet-Processing Supply Chain Compliance With Environmental Standards By 2030.

ENERGY AND CARBON MANAGEMENT

As part of our commitment to environmental responsibility, Evergreen has taken significant steps toward a sustainable future.

We operate our own *solar power generation* company, with the solar energy system producing a *monthly* average of **90,000 kWh** of clean electricity to support production needs.



While we are still in the early stages of carbon emission tracking, we are firmly committed to *reducing GHG emissions* and have set clear emission reduction *targets*. Additionally, we actively monitor our supply chain's GHG emissions to ensure alignment with global sustainability standards.

To deepen our understanding, we participate in *seminars* and *professional training* on climate action. In line with the Paris Agreement, we continue to make measurable efforts for a green future, reinforcing our pledge to protect the planet through responsible business practices.

In 2024, Evergreen officially disclosed the statement to promise on Tier 1 & tier 2 supply chain *carbon emission reduction* covering the *manufacturing sites' scope 1& 2 emission*.

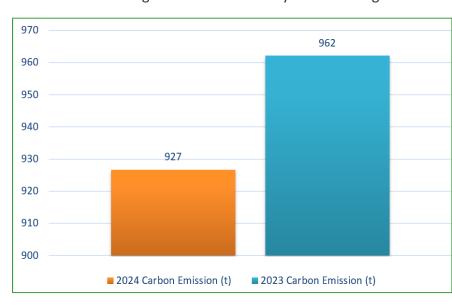


Evergreen aims to reduce the carbon footprint across the supply chain by implementing various sustainable practices and technologies.

6 of our Garment Factories Committed to. **3060 Carbon Emission Reduction** target



Based on HIGG FEM data statistics, the total emissions in 2024 *decreased by -3.7%* compared to the year 2023. Evergreen will implement further carbon emission and target management by statistical accounting in 2025 to effectively achieve our goals.



People

WASTE MANAGEMENT

Our facility primarily generates solid waste such as fabric scraps and cardboard boxes, while with a very minor hazardous waste. In 2024, while comprehensive waste data monitoring was not yet fully implemented, but we had initiated a waste management program in our Cambodia factories to improve tracking and reduction practices.

The factory has constructed waste storage room separately such Textile waste, paper, Plastic, Domestic waste and Hazardous waste and appointed responsible persons to track waste day record to input in the factory waste management system. All trash bins of waste type are labeled to identify and able to be communicated to all workers to aware about each type of trash bin. And continuous training was conducted to each factory.

Moving forward in 2025, we commit to:

- Full-scale monitoring of all waste streams.
- Enhanced accountability through data-driven reporting.
- Continued optimization of recycling and disposal processes.

This phased approach ensures alignment with our broader sustainability goals.







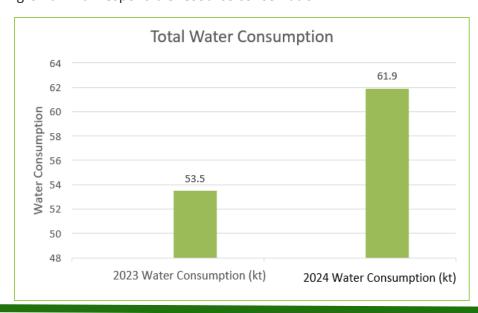
WATER MANAGEMENT

At Evergreen, our water consumption is limited to domestic purposes, without wet processing included in our garment. Compared with 2023, despite a 2024 increase in water consumption due to capacity expansion, we remain steadfast in our commitment to sustainable water stewardship.

To uphold this pledge, we've implemented proactive measures:

- Awareness training for staff to foster water-conscious practices.
- Rigorous maintenance of infrastructure to prevent leaks.
- Monthly tap inspections to ensure efficient usage.

These steps reflect our long-term dedication to balancing operational growth with responsible resource conservation.



Social

SUSTAINABLE RAW MATERIALS

As a forward-thinking garment corporate, Evergreen recognizes that *responsible material* selection is crucial to minimizing environmental impact. We are aimed to *use more sustainable materials* across our supply chain to *reduce our product footprint* significantly.

Currently, we integrate **recycled polyester**, which help offset GHG emissions significantly compared to conventional fibers.

55% Recycle Polyester



In 2024, the recycle polyester used in our product occupied by 55% of total order quantity.

Our commitment includes actively sourcing and promoting sustainable materials, with a clear target to achieve eco friendly raw materials, and achieving **100%** sustainable material usage by the year of **2030**.







In 2024, *cotton or cotton blended* raw material occupied our *38%* order volume, in which *certified cotton occupied 20%*. Evergreen cotton use strategy, we prioritized three certified sustainable sources: *BCI Cotton* for its reduced water and pesticide footprint, *US Cotton* for its verifiable sustainability credentials and lower carbon intensity, and *Organic Cotton* for its chemical-free cultivation benefits.

Building on this foundation, our 2025 roadmap includes developing CMIA Cotton through strategic African partnerships, featuring drought-resistant varieties that require 30% less irrigation while implementing closed-loop systems achieving 85% farm waste recycling. This dual approach of maintaining certified conventional sources while pioneering innovative alternatives positions us to meet both immediate sustainability targets and long-term circular economy goals.







ENVIRONMENT REPORTING AND TRACEABILITY

Worldly - HIGG FEM & IPE

In 2024, Evergreen sustainability strategy is powered by *Worldly*, the leading analytics platform for ethical supply chains, which centralizes data from our *Higg Facility Environmental Module (FEM) assessments*.

The Higg FEM enables us to evaluate our facilities *across 7 key areas* including energy use, GHG emissions, water management, wastewater, waste, chemical management, and air emissions, which providing standardized metrics for environment comparison and improvement. By adopting this tool, we ensure the *transparency* (all Tier 1–2 facilities scored in 2024), *traceability* (raw material origins linked to blockchain records), and *accountability* (third-party verified data). The platform's dashboard also allows us to *share verified progress* with clients effortlessly, strengthens stakeholder trust while driving operational upgrades.

Since 2019, Evergreen have leveraged the **IPE platform** to systematically monitor and evaluate our suppliers' environmental performance. Through real-time data tracking, we promptly identify non-compliance issues (e.g., wastewater discharge violations) and collaborate with suppliers to implement corrective actions, achieving a 100% resolution rate within 60 days in 2024. Concurrently, we mandate **PRTR** and carbon footprint, which has strengthened our responsible sourcing framework.

2024 marked Evergreen the inaugural year of *FIGG FEM certification*, with *100% participation* from our *core factories* in *China and Cambodia*. While this first-step achievement reflects our commitment to standardized environmental metrics, we recognize this as merely the foundation of a longer journey.

Through collaborative training with Worldly's platform, we've identified key improvement areas like energy use, GHG emissions. Moving forward, we pledge to deepen internal expertise via joining more trainings; and align with client roadmaps; and transparently disclose annual progress, beginning with this report's baseline data.

China Factory	Cindyle	Yunxin	Xiangluo	Shenghao	Shun Ying	Yale
Verification	16%	14%	11%	15%	15%	14%
2024 Average	14%					
2025 Average Target				40%		

Cambodia Factory	Xin Haitong	G Evergreat	Sew Good	Orient Hongye
Verification	31%	39%	41%	48%
2024 Average	40%			
2025 Average Target	42%			







People

CHEMICAL MANAGEMENT

We rigorously monitor chemical safety among Tier 2 suppliers, mandating that all printing & dyeing factories register with the ZDHC In-Check Report program and meet wastewater testing standards. These measures ensure chemical compliance, mitigate environmental risks, and align with our chemical management goals.

In 2025, we will intensify efforts to:

- Enhance supply chain transparency through expanded chemical audits.
- Reduce environmental footprints by optimizing chemical usage and wastewater treatment.
- Collaborate with suppliers to adopt greener alternatives.
- Involved more training with suppliers to strengthen the knowledge on chemical management.

This proactive approach underscores our commitment to sustainable production ecosystems.





ECO-DESIGN – 3D TECHNOLOGY

Since 2020, Evergreen integrated 3D design into our product development process delivers significant environmental advantages by reimagining traditional workflows.

Waste Elimination: Virtual prototyping replaces physical samples, reducing material waste (e.g., fabric, paper, plastic) by up to 85%. Zero physical mock-ups = lower landfill contribution.

Carbon Footprint Reduction: Digital collaboration eliminates sample shipping, cutting transportation emissions. Remote adjustments reduce travel between designers, suppliers, and factories.

Resource Conservation: Water-intensive sampling (e.g., dye tests, washes) minimized via simulation. Accurate material forecasting prevents overproduction and deadstock.

Circularity Enablement: Optimized pattern-making reduces fabric cut waste. Digital "try-ons" extend product lifespan through precise fit customization.

Supply Chain Efficiency: Faster iterations accelerate time-to-market, lowering energy use across R&D. Digital inventory replaces physical storage, reducing warehousing footprints.

Style 3D New Development Recommendation





Social

COMMITMENT TO OUR PEOPLE

At Evergreen, our *employees* are the *foundation* of our long-term development and success. We are dedicated to fostering a workplace that prioritizes social compliance, career development, health and safety, and environmental responsibility to ensure *sustainable growth* for both our people and the organization.

We uphold the highest standards of **social compliance**, adhering to local and international **labor laws** while promoting **fair wages**, **diversity**, **and inclusion**. Our policies ensure ethical treatment across all operations, reinforcing our commitment to **human rights** and **equitable opportunities**.

While investing in our *employees' growth* is vital to our mission. Through targeted *training programs*, mentorship initiatives, and clear advancement pathways, we empower individuals to build fulfilling careers. By aligning personal aspirations with organizational goals, we cultivate a culture of continuous improvement.

A *safe and healthy* work environment is non-negotiable. Rigorous safety protocols, regular audits, and wellness programs protect our teams physically and mentally. We actively mitigate workplace risks and encourage work-life balance to sustain long-term productivity.

Our commitment extends to *minimizing our ecological footprint*. From *reducing energy consumption* in offices and factories to promoting sustainable practices among staff, we integrate *environmental awareness* into daily operations. Employee-led green initiatives further amplify our collective impact.

Through these efforts, we strive to create a *resilient, motivated workforce* that drives innovation while upholding our shared values.



WHO ARE OUR PEOPLE



37

Average Age of Evergreen's employees



2:1

Female / male ratio of employees in 2024



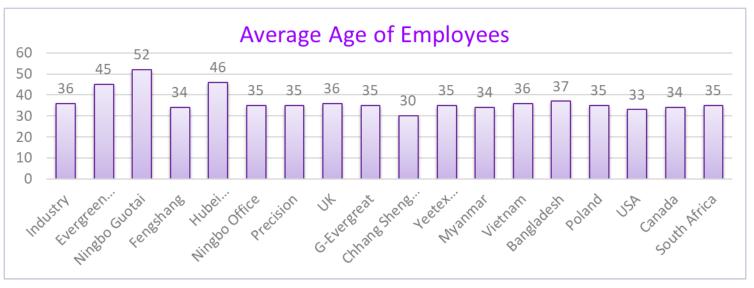
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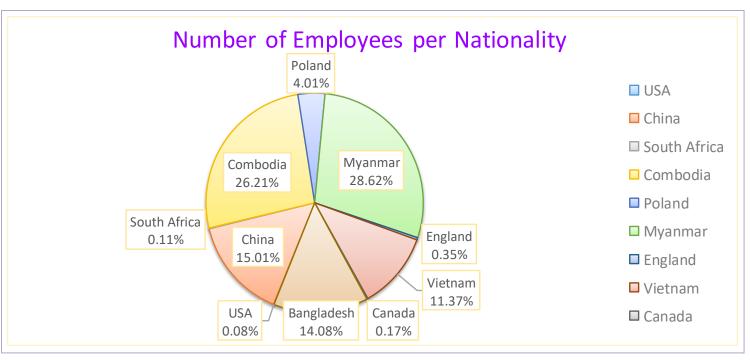
Female / male management ratio of employees in 2024



10

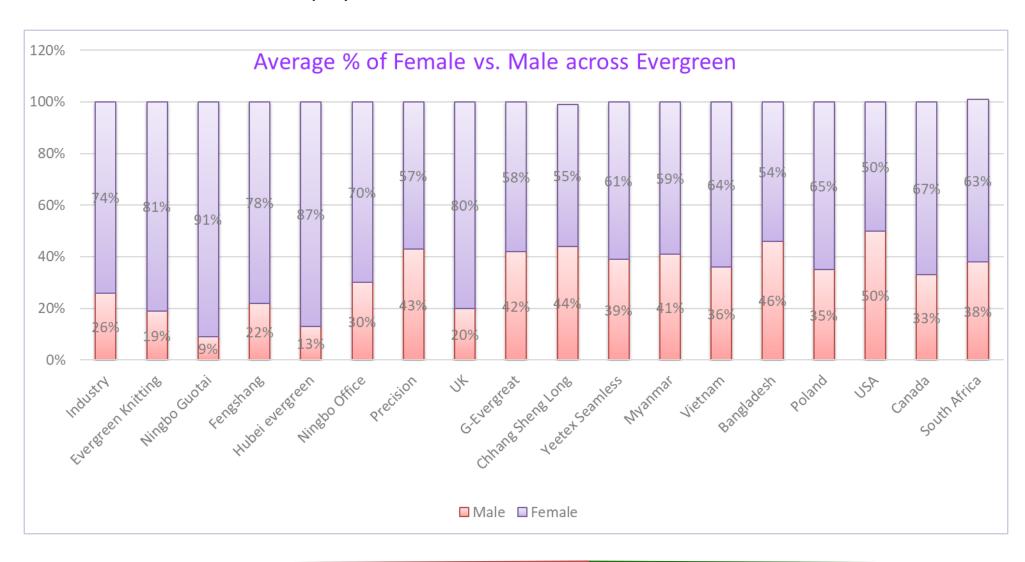
Nationalities including Production site & Office





GENDOR PORTION OF OUR PEOPLE

2:1 Female / male ratio of employees in 2024



WORKING HOURS

Evergreen effectively manages working hours to meet employees' and manufacturing needs, laws and customer's expectations.

China Factories

Factory Name	Average weekly working hours	Average number of days off per month
Evergreen Knitting	65	3
Ningbo Guotai	62	3
Hubei Evergreen	70	3
Yunxin	65	2
Cindyle	67.5	2
Zhenluo	68	2
Shenghao	58.5	3
Yale	58.5	2
Shunying	58.5	2

Oversea Factories

Country	Factory Name	Average working hours per month	Average rest days per month
Cambodia	Skytex	58	4
Cambodia	Orient Hongye	58	4
Cambodia	Jin Feng Da	58	4
Cambodia	Xin Haitong	58	4
Cambodia	G Evergreat	56	4
Cambodia	Sew Good	58	4
Cambodia	Bohua	58	4
Cambodia	Chhang Sheng Long	58	4
Myanmar	Evergreen Myanmar	58	4
Poland	Evergreen Poland	58	4
Vietnam	Evergreen Vietnam	58	4
Bangladesh	Evergreen Bangladesh	58	4

WAGES AND COMPENSATION

100% Transparency

Evergreen uphold *full transparency* in wage structures, ensuring all employees clearly understand their compensation, benefits, and payroll policies.

Regular wage disclosures and open communication channels reinforce our commitment to transparency in remuneration practices.

100% Legal Compliance

Overview

Our wage policies strictly adhere to *local labor laws and international standards*, ensuring *full compliance* with minimum wage and overtime regulations.

Through *continuous internal and 3rd*party audits, we maintain compliance with legal wage requirements across all supply chain partners.

100% Decent Living Wage

We are committed to providing a *decent living wage* that enables employees to meet their basic needs and support their families. Beyond legal minimums, we benchmark wages against industry standards to ensure a decent living wage for all workers.



100% Own Account & Paid by bank transfer

All of our employees have their *own bank accounts*. This practice not only facilitates seamless financial transactions but also ensures that each employee maintains *financial independence and security*.

We pay our employees exclusively through *bank transfers*. This method ensures that payments are *accurate, timely, and traceable*. Meanwhile it *eliminates the risks* associated with cash payments, such as theft, loss, or mismanagement. This enable us established a system that is both financially *secure and transparent*.

This approach aligns with our commitment to sustainability and employee welfare.

Wage Incentive

Evergreen has established an employee *incentive policy* to distribute different types of bonuses based on employee performance and achievements, aiming to enhance *employee motivation* and attract and retain talented individuals. Meanwhile, Evergreen evaluates employee salaries annually to determine *salary increments* according to market conditions, company operation performance, and employee contributions.

COMMUNITY, CAMPAIGN, ACTIVITIES

New Year Operation Ceremony & Team Motivation

Each New Year marks a new beginning, inspiring us to renew our sustainability commitments. We celebrate achievements and use these moments to motivate our team, fostering a culture of hope and shared purpose. These traditions strengthen the link between employee wellbeing and organizational resilience.





Overview





Birthday Party & Responsible Growth

Monthly birthday party events recognize individual team members, fostering camaraderie and work-life balance. By investing in workplace happiness, we create a virtuous cycle where employee wellbeing fuels organizational resilience and responsible growth.







COMMUNITY, CAMPAIGN, ACTIVITIES

Traditional Festival Celebration & Cultural Heritage

Evergreen deeply values traditional culture as a cornerstone of workplace harmony. Through diverse festive celebrations (e.g., Lantern Festival, Dragon Boat Festival, Mid-Autumn Festival etc.), we honor heritage while strengthening employee sentiment. These activities — from team-based ritual recreations to eco-friendly decoration workshops — create shared memories that foster a sense of belonging. By blending cultural preservation with modern sustainability practices, we build an inclusive community where every employee feels valued.









Team Building & Sustainable Wellbeing

Our team-building initiatives cultivate teamwork spirit and group cohesion through collaborative challenges and employee cares. Activities are designed to promote a positive mindset, from outdoor adventures to indoor sports match that nurture physical health which emphasizing work-life balance. By blending productivity with the joy of leisure, we empower employees to experience life's beauty. These efforts create a workplace where professional growth and personal fulfillment coexist harmoniously.









COMMUNITY, CAMPAIGN, ACTIVITIES

Employee Caring & Belonging

Evergreen prioritize holistic employee care through initiatives like summer "Cooling Relief" programs. Gender equality is championed via Women's Day celebrations (e.g., floral tributes and party) that advance women's rights). Milestone events like work anniversaries foster appreciation, to recognize the efforts and dedication of the employees. These efforts create a culture where employees feel corporate warmth and love, directly enhancing happiness and belonging.









Employee-Led Social & Environmental Stewardship

Evergreen positively fulfill social responsibilities by caring for vulnerable groups, including regular visits to children's welfare centers to deliver warmth and companionship. Meanwhile, Evergreen launches environmental progress through employee-driven initiatives like green hiking and trash-collection campaigns, promoting low-carbon awareness and planetary protection. These efforts reflect our dual pledge to corporate environmental commitments and compassionate action.









COMMUNITY, CAMPAIGN, ACTIVITIES

New Year Party & Cultural Celebration Initiatives

Recognizing the universal significance of the New, Evergreen global factories host vibrant New Year parties featuring gift exchanges, lucky draws, cultural performances, group dancing, and blessing ceremonies. These events honor employees' annual dedication while extending heartfelt wishes to their families. Through these traditions, we express gratitude and foster unity across borders—whether in China or overseas, "One World, One Family". Our celebrations also carry forward-looking aspirations: for healthier lives in the coming year and shared prosperity between our workforce and company growth.





















Social

EMPLOYMENT COMPLIANCE

In Evergreen, we understand that human resources are crucial for *sustainable development* and maintaining the growth momentum of the Company's business.

Evergreen strictly adheres to *legal requirements* to safeguard employee rights and obligations. The Group *prohibits forced labor* and implements a voluntary work system to protect human rights and dignity. Additionally, the Group explicitly *bans child employment*, emphasizing preventive measures in the workplace. We have established a *recruitment management system* to ensure that all candidates meet the legal working age requirements.

Evergreen has been dedicated to ensuring *fair treatment* for all employees. We respect *personal freedom*, foster a *diverse culture*, and embrace employees of *various races*, *skin colors*, *ages*,



genders, sexual orientations, ethnicities, disabilities, pregnancies, beliefs, and marital statuses.

To further this commitment, we have formulated *anti-discrimination* management measures and have never interfered with employees' rights to comply with above conducts. Consequently, employees have never faced discrimination based on these factors, and their personal privacy is protected.

Evergreen has formulated a series of employment policies and measures in accordance with applicable laws and regulations to ensure that employees receive fair and reasonable treatment. At the same time, we provide employees with benefits such as paid annual leave, maternity leave, sick leave, marriage and death leave, social insurance, housing provident fund, and excellent employee awards etc..

The group also provides an *Employee Handbook* for employees to reference relevant regulations. We comply with all local regulations applicable by law and update employees when necessary. *In 2024, the company did not identify any non-compliance* with relevant laws and regulations within the scope of the report.

HEALTHY AND SAFETY

Employees are the cornerstone of enterprise development, and Evergreen places great importance on employee safety. We have a comprehensive occupational *health and safety policy* to ensure that employees work safely in a protected environment. Each factory set up the EHS committee and emergency procedure to monitor the healthy and safety performance.

To enhance employees' safety awareness, the company regularly organizes *fire drills* and trains employees on the use of fire-fighting equipment and emergency evacuation procedures. Evergreen strives to improve the employee's working environment by enhancing air quality, water quality, and *lighting systems*. For instance, we have added air purifiers, installed water purifiers, replaced lighting systems with energysaving LED lights, and regularly clean air conditioning equipment.

Cambodia Factories Fire Drills





Overview

Environment

Evergreen has also issued an occupational hazard prevention and control plan, which includes regular pest control in the factory environment, monitoring, and recording of results.

For factory employees, *personal protective equipment (PPE)* is distributed and recorded according to the "PPE Management System." For the daily occupational health supervision and management team is responsible for inspecting the factory environment and employee work conditions, reporting findings, and requiring rectifications. Regular EHS Training also conducted to employees.

In 2024, there was **0** *Work-related injury incident*.

China Factories Fire Drills





Evergreen ensures compliance with relevant regulations by equipping factories with *medical rooms* and *physicians* to provide timely basic medical care and advice.

Additionally, all production facilities are staffed with certified first aid personnel trained by the Red Cross or designated institutions. These personnel undergo *regular refresher training* to maintain necessary updated knowledge and skills.

Factory Medical Room



Environment

DEVELOPMENT AND TRAINING

Evergreen places great importance on employee *career development*, fully understanding their significance to business growth and future success. We are committed to enhancing employees' *skills and knowledge*, establishing a comprehensive on-the-job training system to facilitate the smooth realization of business objectives. The Group supports *continuous learning* for employees. Additionally, we encourage employees to regularly update their industry knowledge and delve deeper into personal development opportunities.

Overview

In 2024, the training covered **100%** Owned factory and strategic suppliers, worldly total training hours up to **40k hours**!

Female "Breast and Cervical Cancer" Lecture



Evergreen offer the *annual training* for employees includes new employee orientation training, safety knowledge and skills training, management knowledge and skills training, professional quality and literacy training, job-specific skills training, legal knowledge training. Except the training related to career development, Evergreen cares about *woman healthy*, and offering *health knowledge* training, and organize *activities*.



Garment Technical Knowledge Training



SGS – QC Technical Knowledge Training



Factory QC Technical Knowledge Training



Environment

Overview

EVERGREEN CHARITY FUND

The Evergreen Group Charity Fund was established in 2012 and has a history of 13 years to date. This fund aims to provide necessary financial assistance to employees and their immediate family members within the company who encounter *financial* difficulties due to illnesses, natural disasters, major accidents, and other reasons, in order to alleviate their *living pressures*, enhance *corporate cohesion*, and demonstrate the company's *care and support* for our employees.

For **subsidy standards**, we offer **medical subsidy** up to 10% with a maximum limit of RMB 100,000. For *natural disaster* relief, offer the with a maximum limit of RMB 20,000 for the employee and RMB 10,000 for immediate family members. For educational assistance, children of employees who are exceptionally talented but financially difficult may apply for an additional one-time scholarship of up to RMB 5,000.

How to apply: The applicant unit is responsible for submitting the application report and application form. The Group Office reviews the application materials and verify.

Approval Decision: Based on the review results, the Fund Management Committee discusses and decides whether to provide assistance and the amount of assistance.

Fund Disbursement: Upon approval, the Financial Department is responsible for withdrawing the assistance funds and, together with the Fund Management Committee, distributes the funds and condolences on site.

Fund Management: A dedicated Fund Management Committee is established to oversee the fundraising, management, approval, and supervision of fund usage.

Transparency and Disclosure: The fund's income and expenses are regularly published and subject to employee supervision.

Violation Handling: For false reporting, fraudulent claims, and other violations, once verified, the assistance funds will be recovered, and corresponding disciplinary actions will be taken based on the severity of the violation.

Evergreen Charity Activities













OUR SUPPLY CHAIN MANAGEMENT

Evergreen places significant importance on the actions of its suppliers and expects them to uphold principles of *fairness, honesty, and integrity* in their business practices.

The Group anticipates that all suppliers will act as responsible social enterprises, prioritizing environmental protection and energy conservation, and striving for sustainable development and enhancement of product and service quality, competitive pricing, efficient logistics, and orderly payment arrangements. In instances where product technical quality or contractual issues arise, suppliers are required to maintain a proactive and motivated approach until the resolution of such matters.

We strictly adhere to our new supplier onboarding policy, conducting *risk assessments* as well as social responsibility and technical audits. For existing suppliers, we provide regular *training* and internal *audits*, implement a supplier *evaluation* system with monthly scoring, and hold an annual *supplier conference* to share performance results and align with company and customer expectations.

As a family-owned enterprise, we implement *a vertically integrated supply chain management* model that consolidates textile knitting mills, dyeing and printing, embroidery, design, R&D, lab, and garment manufacturing plants under unified operational control.

Knitting



Dyeing



Laboratory



Printing



Embroidery



Sewing



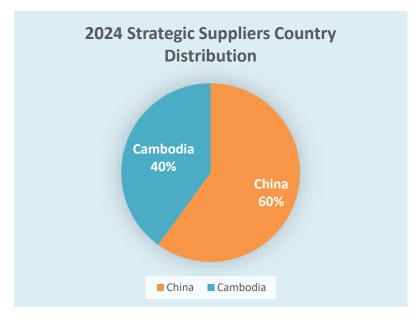
OUR STRATEGIC SUPPLIERS

Evergreen's strategic T1 suppliers account for 61% of our total procurement expenditure. We maintain rigorous oversight of these key partners' comprehensive performance across critical areas including social, environmental, QA, QC, commercial, supply chain traceability, and sustainable development initiatives. This multidimensional evaluation framework ensures alignment with our corporate values and long-term business objectives.

Overview

Evergreen 2024 Strategic Suppliers

Category	Factory Name	Country
Garment Factory	G Evergreat	Cambodia
Garment Factory	Sew Good	Cambodia
Garment Factory	Xin Haitong	Cambodia
Garment Factory	Orient Hongye	Cambodia
Garment Factory	Ningbo Yale	China
Garment Factory	Ningbo Yunxin	China
Garment Factory	Ningbo Xiangluo	China
Garment Factory	Ningbo Cindy Le	China
Garment Factory	Xiangshan Shunying	China
Garment Factory	Xiangshan Shenghao	China





SUPPLIER PERFORMANCE EVALUATION

- In 2024, Evergreen conduct the *VSC(vendor score card) system* to our 10 strategic T1 suppliers
- With the purpose of regular monitoring and continuous improvement
- In 2024, all strategic suppliers with overall rating A (score on or above 80)

Supplier Performance

Rating				
Overall Rating	Overall Score	Description		
А	80-100	Excellent		
В	70-79	Satisfied		
С	60-69	Qualified		
D	< 60	High Risk		

Annual Awarding Standard

Rating	Country	Bonus
Top 1st	China	RMB 10,000
Over 85'	Cillia	
Top 1st	Cambodia	RMB 20,000
Over 85'	Cambodia	RIVID 20,000

Supplier Evaluation Content

Evaluation Content	Ratio
Ethical	25%
QAQC	35%
Commercial	20%
Supply chain traceability	10%
Environment	10%
Total	100%

Supplier Performance Board







Environment

PRODUCT RESPONSIBILITY

Evergreen is committed to providing high-quality customer service and establishing a customer complaint mechanism to effectively communicate with customers and quickly resolve the complaints, in order to achieve the continuous improvement. Customers can express their opinions through the company website, customer service hotline, dedicated customer managers, and various social media platforms.

Overview

In 2024, during the reporting period, **1** product recall case occurred due to product safety reasons, accounting for 0.04% of the total production value. After the customer's request, we immediately activated the recall procedure, conducted a quick investigation, and collaborated with the customer to recall the affected products.

During the reporting period, the group received a total of 58customer claims accounting for 0.02% of the total production value, including issues related to product quality and discount promotions. All complaints were resolved in a timely manner.

Whether it is a product recall or a quality complaint, we responds according to the process, identifies the root cause, proposes improvements and preventive measures for the later stage, and conducts *training* to prevent the problem from recurring and ensure the quality of products and services.

Evergreen has formulated relevant policies for managing product safety, intellectual property, and confidentiality, and trains employees to strictly adhere to the procedure. Meanwhile, we have obtainend certifications such as GRS, OCS, OEKO-TEX, BCI, CMIA, and ISO based on customer and product requirements.













TUV – Metal Control Audit In 2024, all strategic suppliers conducted twice 3rd party audits.

Factory Name	2024 Feb Audit Rating	2024 Dec Audit Rating
G Evergreat	Acceptable	Acceptable
Sew Good	Acceptable	Acceptable
Xin Haitong	Acceptable	Acceptable
Orient Hongye	Acceptable	Acceptable
Ningbo Yale	Acceptable	Acceptable
Ningbo Yunxin	Acceptable	Acceptable
Ningbo Xiangluo	Acceptable	Acceptable
Ningbo Cindy Le	Acceptable	Acceptable
Xiangshan Shunying	Acceptable	Acceptable
Xiangshan Shenghao	Acceptable	Acceptable

Social

PRODUCT RESPONSIBILITY

Quality Management

Superior quality is the cornerstone of customer satisfaction. We prioritize robust quality management through:

Overview

Environment

- A dedicated *qlobal quality team*. Each of our core domestic and international factories is staffed with an on-site QC inspector responsible for attending preproduction meetings, conducting in-process inspections, and final random checks.
- To improve Evergreen quality management system, we have transitioned from traditional handwritten inspection reports to a digital online reporting platform. This upgrade enables efficient generation of QC reports, standardizes inspection procedures, and incorporates defect descriptions with photo documentation. Additionally, bilingual (Chinese-English) reporting facilitates seamless sharing with international clients, ensuring transparency and realtime quality monitoring throughout the supply chain.
- To ensure continuous improvement, our QC manager regularly host casesharing sessions and provide professional training to QC personnel, reinforcing standardized practices and proactive issue resolution across the supply chain.
- In 2024, Evergreen organized the Business and QC team joined the SGS QC Training, 18 QC obtained the SGS certification.

Cambodia SGS Certified QC Training













China SGS Certified QC Training







QC Internal Training



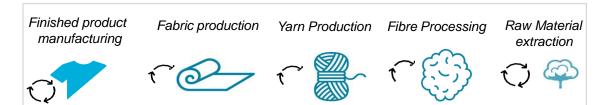
TRANSPARENCY AND TRACEABILITY

All the Evergreen's supplies must be obliged with our social, product safety, cotton origin, supply chain transparency and traceability requirement, and signing of corresponding *procurement contracts*.

Overview

Environment

Traceability refers to the capability of monitoring the *origin* and/or composition of a product at every stage of its process, starting from raw materials until the finished garment. The ultimate outcome is a completely visible and transparent supply chain. We work with supplier to disclose the supply chain transparently.



Evergreen conducts reqularly evaluation and audits to our suppliers, and provides relevant training to our internal department and suppliers to ensure that the suppliers remain aligned with our COC and customer's requirements.

In addition, we have established a dedicated traceability team that works in close collaboration with our internal departments and suppliers to ensure the accuracy and traceability of the supply chain. Furthermore, optimized the internal order system to incorporate enhanced traceability functionalities, with system configurations implemented to prevent engagement with *prohibited suppliers*.

Transparency, non-unauthorized subcontracting training to suppliers





Traceability internal training to Evergreen Business, Sourcing, Social Team





Traceability training to Evergreen suppliers





SUPPLIER ENGAGEMENT AND TRAINING

We maintain robust supplier communication through *daily interactions* and *regular meetings* for operational alignment, conduct structured *supplier assessments* to ensure quality compliance, perform satisfaction *surveys* to identify improvement areas, and host an *annual supplier conference* to strengthen partnerships and strategic alignment, and targeted *training programs* strengthen partnerships and enhance technical capabilities across the supply chain.

Overview

At the 2024 Annual Supplier Conference, we presented an overview of Evergreen's business, social responsibility, quality assurance, quality control, environmental progress, and traceability status. We also discussed the challenges and outlined our expectations for suppliers in 2025. Additionally, a team discussion has been scheduled to thoroughly analyze management challenges and solutions.

Annual Supplier Conference



Excellent Supplier Awarding



Supplier VSC System Training



Factory Metal Control Training



Needle Detection Training



Supplier VSC System Training



Factory QA Control Training



Loading & Product Safety Training



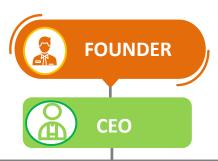
Sustainability

Legal

Finance

HRA, IT

OUR GOVERNANCE – THE ORGANIZATION



Environment

Overview

Head Office Sustainability

- Ningbo Evergreen
- Ningbo UNIFEQ
- Ningbo Precision
- Oversea Marketing Office

Centralized operating and sustainability

- Haowei Oversea Operating Center
- **Grandfield Oversea Operating Center**
- Ningbo Evergreen Operating Center

Local Sustainability Team

- **Evergreen Knitting**
- Evergreen Guotai
- Hubei Evergreen
- Cambodia 3 Factories
- **Poland Factory**
- Vietnam Factory

Marketing

Operating

Manufacturing

China Head Office

- Market & Development
- Design, R&D
- **Customer Service**

China Operation Office

- Supply Chain Management
- Sourcing and Cost Management
- **Technical Management**
- **QAQC** Management
- Sustainability

Oversea Factories

- Planning and Delivery Control
- **Production Quality Control**
- Factory 6S Management
- Cost Management
- Sustainability Management

At Evergreen, our business strategy cohesively integrates our marketing, operational, and manufacturing functions under the oversight of our Founder and CEO.

We have established a robust governance framework for sustainability to ensure that each functional level is assigned with welldefined responsibilities and roles.

The headquarters, equipped with a central sustainability manager, oversees the sustainability status across all levels.

Meanwhile, each factory has established a compliance team to monitor performance concerning social compliance, environmental sustainability, and adherence to laws and regulations, aligning with customer and corporate policies.

Environment

Social

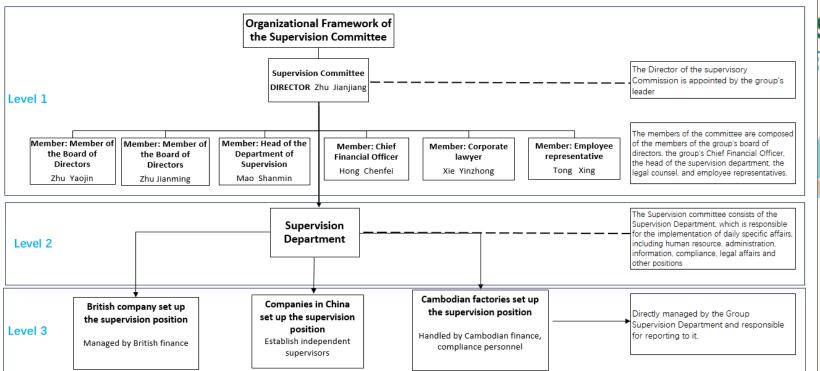
OUR REPORTING CHANNELS

Reporting Channels:

- All reporting channels ensure strict confidentiality of employee concerns, with complaints undergoing an impartial review process by an independent committee to uphold procedural fairness and unbiased resolution.
- Employees can report via *phone call, email, scan the barcode*
- Each office and factories have set the *physical suggestion box*
- In person, direct email or phone to top management also an option for employees

Set up a three-level anti-corruption and anti-bribery work organization

Overview

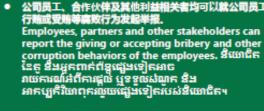






EVER GREEN

禁止 **SAY NO** យាយមាទេ





举报人可以通过电话、信函、网上电子邮件、二维码小码 序等形式举报,也可以向公司监察部当面举报。 Whistleblowers can report by telephone, letter, online email, WeChat mini program, etc., or they can report to the company's supervision department in person. អ្នកផ្ដល់ពីត៌មានអាំចរាយការណ៍តាមទូរស័ព្ទ សំបទេ និមែល កម្មវិធី WeChat ។ល។ ឬរាយការណ៍ទៅ នាយកខ្លានត្រួតពីនិត្យរបស់ក្រុមិហ៊ុននោយជាល់។



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BUSINESS ETHICS AND TRAINING

Business ethics ensures trust, credibility, and long-term success by guiding organizations to act responsibly, legally, and morally. Given the established governance framework and documented organizational accountability structure, it is essential to implement an *enterprise-wide training* initiative for all personnel.

Overview

Environment

During the year of 2024, we executed comprehensive on-site training programs across all corporate offices and manufacturing facilities to ensure universal understanding of organizational policies and standardized reporting protocols.

100% Trained

All the office and factories' employees, including

- Head office staffs
- Oversea office staffs
- China factories
- Cambodia factories

Training Covers

- Anti-bribery & Corruption
- Ethical Management
- Open and Transparency
- How to report the complaints

Head Office Training

Social



Representative Office Training



Operation Office Training



Production Factory Training



INFORMATION SECURITY



Overview

4

We remain steadfast in our commitment to continuously strengthening and safeguarding information security to ensure the protection of both corporate and client assets. This is achieved through *systematic measures*, including the establishment of a dedicated *information security team*, deployment of *advanced technological safeguards, implementation of rigorous security controls, and comprehensive employee training programs*, thereby ensuring robust technical security across all operational domains.

Structured IT Team

- Formed the professional IT team responsible for information security strategies and implementation
- Clear roles and responsibility

Firewalls and Intrusion Detection

- **24h*7days*365** monitoring can effectively filter network traffic, and the intrusion detection
- promptly detect abnormal activities

Secured Communication Channels

- Effective communication mechanism to promptly share safety information and response measures.
- Enterprise email and ERP system are protected by SSL login encryption.

Data Encryption

- Protect data through encryption algorithms to prevent unauthorized access.
- Access control

2

Formulate an Emergency Action Plan

- Establish an emergency response plan to ensure prompt action can be taken in the event of a security incident.
- Data backup for sudden collapse

5

Regular Safety Assessments & Training

- Regularly assess the information security system, identify deficiencies and make improvements.
- Yearly information security training to all users

6

APPENDIX A

EVERGREEN FACTORIES CERTIFICATIONS

Factory / Certification	SMETA	BSCI	WRAP	HIGG FEM	SLCP	ISO9001 ISO45001 ISO14001	GRS	OCS	ОЕКО	ILO
Ningbo Evergreen							٧	٧	٧	
Evergreen Knitting	٧	٧		٧		٧	٧			
Ningbo Guotai	٧	٧			٧		٧			
Hubei Evergreen	٧				٧					
Ningbo Cindyle	٧			٧			٧			
Xiangshan Shenghao	٧			٧			٧	٧		
Ningbo Yunxin				٧	٧		٧			
Ningbo Zhenluo	٧			٧			٧			
Xiangshan Shunying	٧			٧			٧			
Ningbo Yale		٧		٧			٧			
Cambodia Xinhaitong		٧		٧			٧			
Cambodia G Evergreat	٧	٧		٧			٧			
Cambodia Sew Good	٧		٧	٧						
Cambodia Orient			٧	٧						

Overview





















APPENDIX B

OUR PARTNERS























APPENDIX C

GLOSSARY

ESG - Environmental, Social, Governance

GRI – Global Reporting Initiative

CEO - Chief Executive Officer

FEM - Facility Environmental Module

FSLM - Facility Social Labor Module

vFEM - Verified Facility Environmental Module

vFSLM - Verified Facility Social Labor Module

SLCP - Social & Labor Convergence Program

ZDHC - Zero Discharge of Hazardous Chemicals

ZDHC's MRSL - ZDHC Manufacturing Restricted Substances List

BVE3 - Environmental emissions evaluator by Bureau Veritas

GHG - Greenhouse gas

IPE - Institute of Public & Environmental Affairs

CO²e - Carbon dioxide equivalent

ISO – International Organization for Standardization

BCI - Better Cotton Initiative

BSCI - Business Social Compliance Initiative

C-TPAT - Customs Trade Partnership Against Terrorism

ETP - Effluent treatment plants

EU - European Union

FSC - Forest Stewardship Council

GOTS - Global Organic Textile Standard

ILO - International Labor Organization

NGO - Non-governmental Organization

GRS- Global Recycle Standard

OCS - Organic Content Standard

OEKO - Oeko-Tex Association

RCS - Recycled Claim Standard

SCAN - Supplier Compliance Audit Network

SMETA - Sedex Members Ethical Trade Audit

PET - Polyethylene Terephthalate

PPE - Personal protective equipment

GRI - Global Reporting Initiative

Governance

APPENDIX D

GRI STANDARD

Disclosure		Report Location	Report Page#
Disclosure 2-1	Organizational details	About This Report	Page 3
Disclosure 2-2	Entities included in the organization's sustainability reporting	Where We Are	Page 7,8
Disclosure 2-3	Reporting period, frequency and contact point	About This Report	Page 3
Disclosure 2-4	Restatements of information	About This Report	Page 3
Disclosure 2-6	Activities, value chain and other business relationships	About Evergreen	Page 6
Disclosure 2-7	Employees	Who Are Our People	
		Gender Portion of Our People	Page 6,7,8, 22~25
		 Community, Campaign, Activities 	
Disclosure 2-9	Governance structure and composition	Our Governance - The Organization	Page 37
Disclosure 2-22	Statement on sustainable development strategy	Message From Our Founder, CEO	Page 4,5
Disclosure 2-23	Policy commitments	Commitment to Our People	Page 17
Disclosure 2-25	Processes to remediate negative impacts	Our Reporting Channels	Page 38
Disclosure 2-26	Mechanisms for seeking advice and raising concerns	Our Reporting Channels	Page 38
Disclosure 2-27	Compliance with laws and regulations	Our Governance - The Organization	Page 37
Disclosure 2-29	Approach to stakeholder engagement	Stakeholder Engagement	Page 10

