



Tessellation

2025 SUSTAINABILITY REPORT

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MESSAGE FROM CEO



Edgar Tung
CEO of Tessellation Group

“

At Tessellation, sustainability is not a parallel track—it is the foundation upon which we build our business decisions and long-term ambitions. Our commitment to 'Defining the Status Quo for Tomorrow' guides us as we expand our presence across the textile and apparel value chain, striving to create enduring value for individuals, the planet, and the wider ecosystems we are part of.

In 2025, we took a meaningful step forward by establishing our China Textile and Apparel business. This was not merely an expansion, but a strategic move to scale responsible practices at the heart of the global supply chain. This proximity deepens our accountability and sharpens our resolve to drive environmental and social rigour where it is needed most. We took meaningful strides in understanding our full footprint, completing our first value chain emissions inventory and product life cycle assessment. On the ground, we advanced 52 energy-saving projects that saved 15,000 MWh of energy, with renewable electricity now accounting for 19% of our use. These efforts mark early, critical progress toward our 2050 carbon neutrality ambition, first announced in 2023. We are currently translating these learnings into a clear and detailed roadmap, which we will share in our next sustainability report to hold ourselves publicly accountable to the milestones ahead.

Ambition grows into impact when paired with partnership and investment. This year, we showed our conviction by investing USD16M in R&D. Together with Exponent Envirotech, we launched the Water Environment Technology R&D Centre, housing seven specialized laboratories dedicated to advancing sustainable water resource management. We also translated this effort into real commercial traction. Our waterless dyeing technology saved over 480,000 litres of water, while the indigo recovery system entered its second year with its customer base more than doubling. This proves that responsible production is not a niche premium; it is becoming the preferred standard for our partners.

Looking ahead, we will continue to pursue disciplined growth, strengthen our technology portfolio, and deepen collaboration with partners, customers, and communities who share our vision. Ultimately, transformation in the textile industry will not happen in isolation. It requires the collective will of our teams, the courage of our partners, and the trust of the communities we serve. We remain committed to the long, disciplined work ahead, because building a more resilient future is not just our responsibility; it is the only way we define the status quo for tomorrow.

”

2025 HIGHLIGHTS

INDIVIDUALS

 **7.48 hours**
Average Training Hours

 **99%**
Senior Leadership Comprised of Local Talent

 **0.18**
Reportable Incidents per 200,000 Working Hours

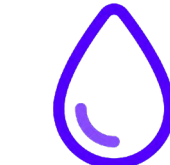
 **3.96**
Lost Working Days per 200,000 Working Hours

PLANET

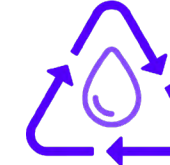
 **279,752 tCO₂e**
GHG Emissions¹

 **0.44kg CO₂e**
GHG Emissions per USD Revenue¹

 **10,228 MWh**
On-site Solar Energy Generated

 **401,922 m³**
Water Consumption

 **0.63 L**
Water Consumption per USD Revenue

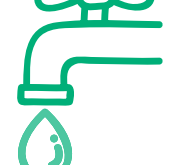
 **4,095,472 m³**
Water Recycled or Reused

 **95%**
Production Waste Diverted from Disposal

 **8,212**
Digital Samples Created

ECOSYSTEMS

 **16 million USD**
R&D Investment

 **479,665 L**
Water Saved by Brands using Waterless Dyeing Technology

 **92%**
Procurement Budget Spent on Local Suppliers

¹Scope 1 and 2 GHG emissions calculated using market-based method.

AWARDS



Outstanding Cases - 2025 Enterprise ESG Case Collection Campaign

China Department of Communication and Education, Ministry of Ecology and the Environment



Technical Innovation Award
2025 Sedex Supply Chain Awards



2025 WWD Sustain 100 List for Technology Innovation
WWD China



KEY CERTIFICATIONS



MEMBERSHIPS



PARTICIPATION



ABOUT US

Tessellation is a group of visionary pioneers dedicated to **Defining the Status Quo for Tomorrow**, driving innovative and sustainable breakthroughs that create positive impacts for our planet, individuals and ecosystems, forging a better future.

Dynamic, agile and constantly exploring new ideas, we fearlessly challenge the conventional business models and extend our positive impacts across diverse sectors.

We offer one-stop apparel solutions, revolutionize green technologies, establish digital value chain platforms, and harness the power of automation, artificial intelligence, digital reality and more. Furthermore, we embody our pursuit of Defining the Status Quo for Tomorrow through the retail brands we operate. Injecting the concept of **people, innovation, sustainability** and **excellence** into every stitch, we create modern craftsmanship, solutions and lifestyles that truly stand out.

Business Focuses



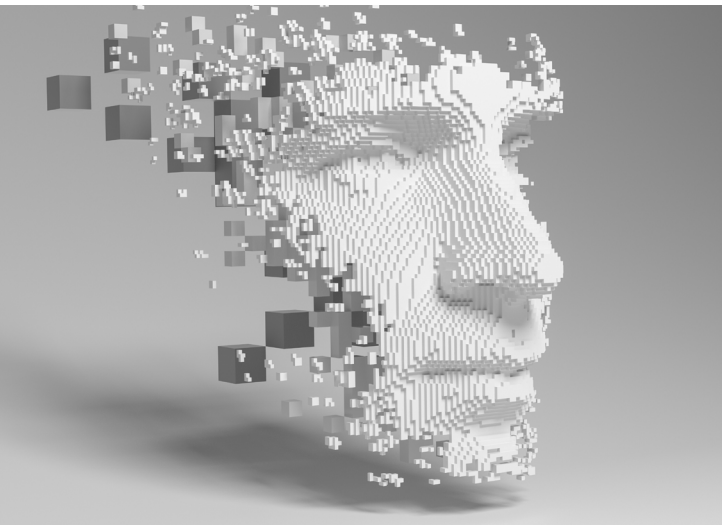
People

Nurturing people-oriented technologies and businesses, upskilling and enabling people to add greater value, as we facilitate the harmonious relationship among humans, machines and the digital world.



Sustainability

Addressing environmental issues by developing operations, products, services, and brands that actively minimize and eliminate their environmental impact across various sectors.



Innovation

Fostering a series of innovation by continuously finding new ways for positive change. This creativity and risk-taking serves as a catalyst for responsible growth, driving progress in a rapidly evolving market.



Excellence

Consistently delivering exceptional quality products and solutions, and striving for powering excellence across businesses, building trust that leads to long-term success.

Our Presence

With operations across 25 cities,
engaging over 17,000 employees

Headquarters

Hong Kong, China

Apparel Making

Ho Chi Minh City, Vietnam
Dong Nai, Vietnam
Phu Tho, Vietnam
Foshan, China

Knitting & Weaving

Ho Chi Minh City, Vietnam
Foshan, China

Accessories & Packaging

Ho Chi Minh City, Vietnam
Foshan, China

Specialty Yarn Spinning

Guilin, China

Research Lab

Foshan, China
Shanghai, China

Automated Solutions

Foshan, China

Smart IoT

Foshan, China
Ho Chi Minh City, Vietnam

AI & 3D Solutions

Hong Kong, China
Foshan, China

Green Technologies

Foshan, China

Ventures

Hong Kong, China

Merchandising Office & Showroom

New York, USA
London, UK
Istanbul, Turkey
Dhaka, Bangladesh
Shanghai, China
Hong Kong, China
Tokyo, Japan

Retail Stores

Mainland China

Beijing	Jiangyin
Chengdu	Maoming
Dongguan	Ordos
Foshan	Shanghai
Fuzhou	Shenzhen
Guangzhou	Urumqi
Guilin	Zhengzhou
Haikou	

Hong Kong

Singapore

Vietnam

Ho Chi Minh City

Online Platforms

DeWu
Douyin
JD.com
Kuaishou
Lazada
Pinduoduo
Shopee
Taobao
Tiktok
Tmall
Wechat Channels
Xiaohongshu
Yanxuan

Best-in-Class Operations



VTA
One-Stop Solutions to Apparel Brands, Retailers and Manufacturers



CTA
One-Stop Solutions to Apparel Brands, Retailers and Manufacturers



COMPASS
Integrated Branding, Smart and Sustainable Solutions for Accessories & Packaging



VERTEX
Sustainable & Innovative Materials Solutions



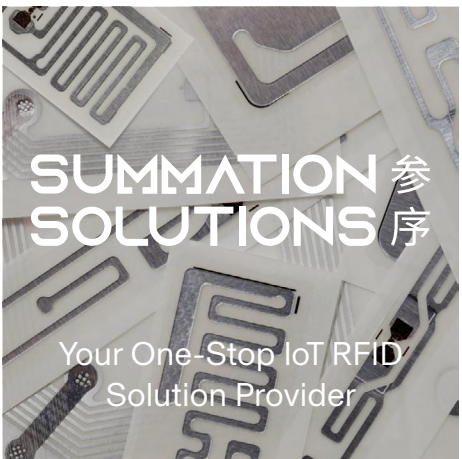
qonvolv VENTURES
Hub of Industry Knowledge and Technologies for Innovative Growth



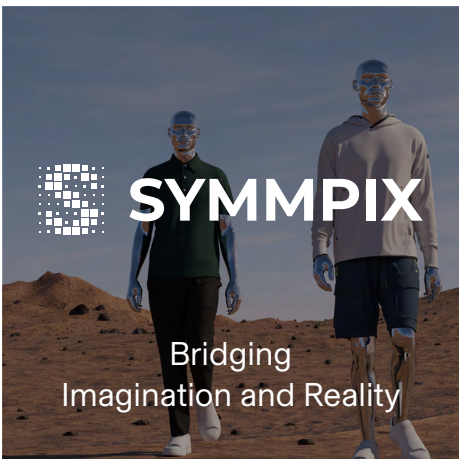
qonvolv SYSTEMS
Entwining Human and Machine Intelligence



EXPONENT ENVIROTECH
Green Technology for a Sustainable Future



SUMMATION SOLUTIONS
Your One-Stop IoT RFID Solution Provider



SYMPPIX
Bridging Imagination and Reality



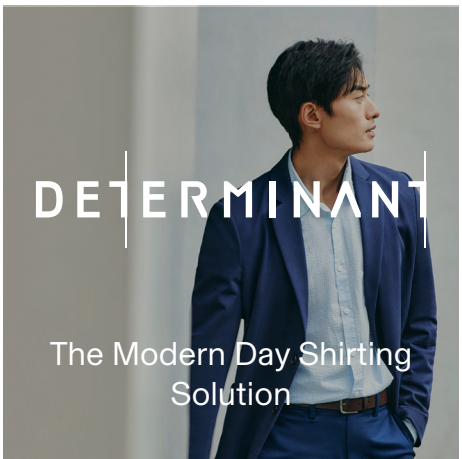
Golden Field Tech
Innovative Textile Manufacturing Information Management Platform



TAS
Customized Consultancy & Innovative Solutions for Growth in Textile & Apparel Supply Chain



PYE
Working From Seed to Shirt in Pursuit of Perfection



DETERMINANT
The Modern Day Shirting Solution

OUR APPROACH TO SUSTAINABILITY

Sustainability Framework

At Tessellation, we bring our commitment to addressing environmental challenges and promoting responsible growth into actualization through our sustainability framework, which is composed of 3 priorities: Individuals, Planet, Ecosystems.

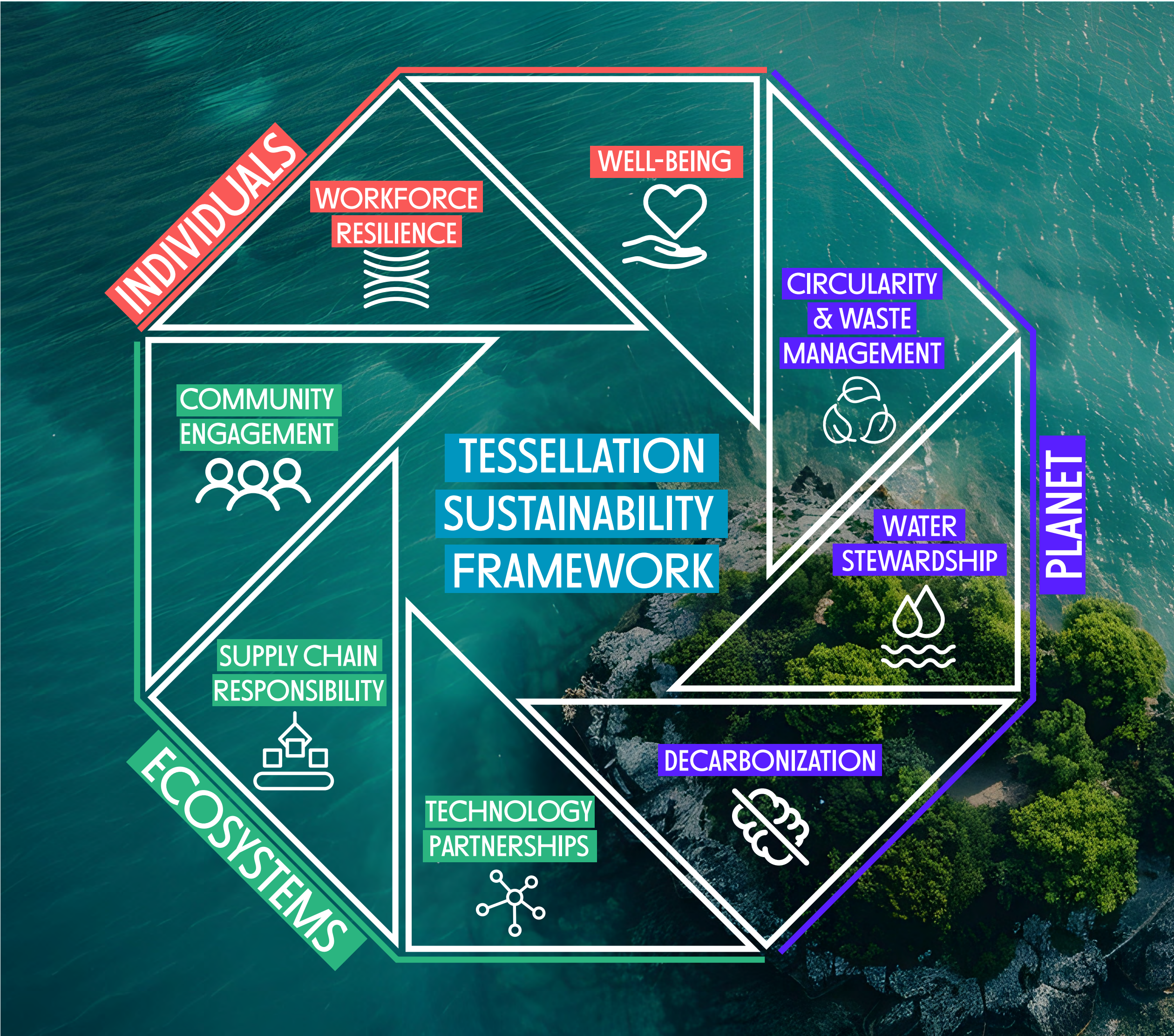
To drive positive impacts, the 3 interconnected priorities are implemented through 8 action areas, which are aligned with 10 UNSDGs we have identified as most relevant. Together, they guide our sustainability strategy and ensure alignment with the broader global framework.



SUSTAINABLE
DEVELOPMENT

GOALS

3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	17 PARTNERSHIPS FOR THE GOALS



INDIVIDUALS

Nurturing the holistic development of our employees



WORKFORCE RESILIENCE

A resilient workforce is one where individuals are empowered to reach their highest potential and the collective is diverse and agile. We strive towards this by emphasizing training and capacity building, while fostering a fair and inclusive environment, to attract and retain talents with different perspectives and expertise.

WELL-BEING

Recognizing that physical, emotional, social, and financial health all impact our quality of life and in turn, our performance and productivity, we approach well-being from a holistic perspective. This extends from assuring a safe and healthy workspace, to equipping our employees with the knowledge and tools to put their well-being at the center of all facets of their lives.

PLANET

Reducing the environmental footprint of our operations



DECARBONIZATION

In line with the global goal to stay “well below” 1.5°C of warming, we are committed to achieving net-zero by 2050. Our decarbonization pathway begins with reducing our own energy consumption and greening our energy mix, but recognizes the inevitability of offsets and trading, and the necessity of engaging all stakeholders.

WATER STEWARDSHIP

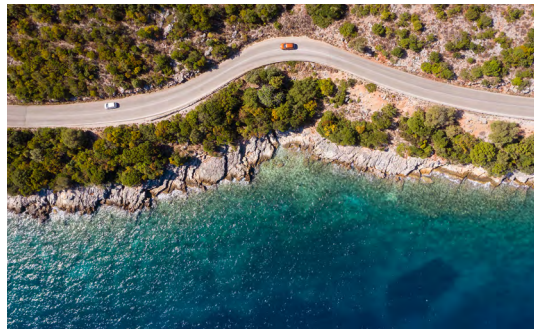
Practicing responsible water stewardship is as much about conscious input as it is about quality output. Our three-pronged approach: “Purify, Reduce, Zero,” urges for better management of effluent discharge alongside efficient use and recycling of freshwater, while championing an ambitious goal to re-engineer traditionally thirsty processes to be waterless.

CIRCULARITY & WASTE MANAGEMENT

Circularity addresses resource depletion and the waste crisis by embedding intent to minimize excess and extend material life at every stage of the product life cycle. While we embrace circularity whenever possible, we tackle unavoidable waste by developing robust chemical and waste management systems.

ECOSYSTEMS

Forming collaborative networks towards shared goals



TECHNOLOGY PARTNERSHIPS

Innovation and collaboration are essential for achieving sustainability. In these unprecedented times, we need equally groundbreaking solutions. Thus, we actively support innovative technologies as innovators, investors, and disseminators.

SUPPLY CHAIN RESPONSIBILITY

Supply chain responsibility is about recognizing that a commitment to sustainability extends beyond one's own operations. Knowing that our impact is deeply intertwined with the practices of the entire supply chain, we collaborate closely with our suppliers and partners to develop better practices across the board.

COMMUNITY ENGAGEMENT

Meaningful community engagement builds capacity and resilience for a shared, better future. We collaborate with NGOs and institutions to address educational and well-being gaps and create platforms for connecting like-minded individuals who envision a more sustainable world.

Stakeholder Engagement

Through diversified communication channels, we conduct regular dialogues with various stakeholder groups, ensuring their concerns and information needs are addressed. Our stakeholder engagement spans the entire value chain, enabling the identification of material issues from both impact and financial perspectives, thereby enhancing the relevance and transparency of our strategy.

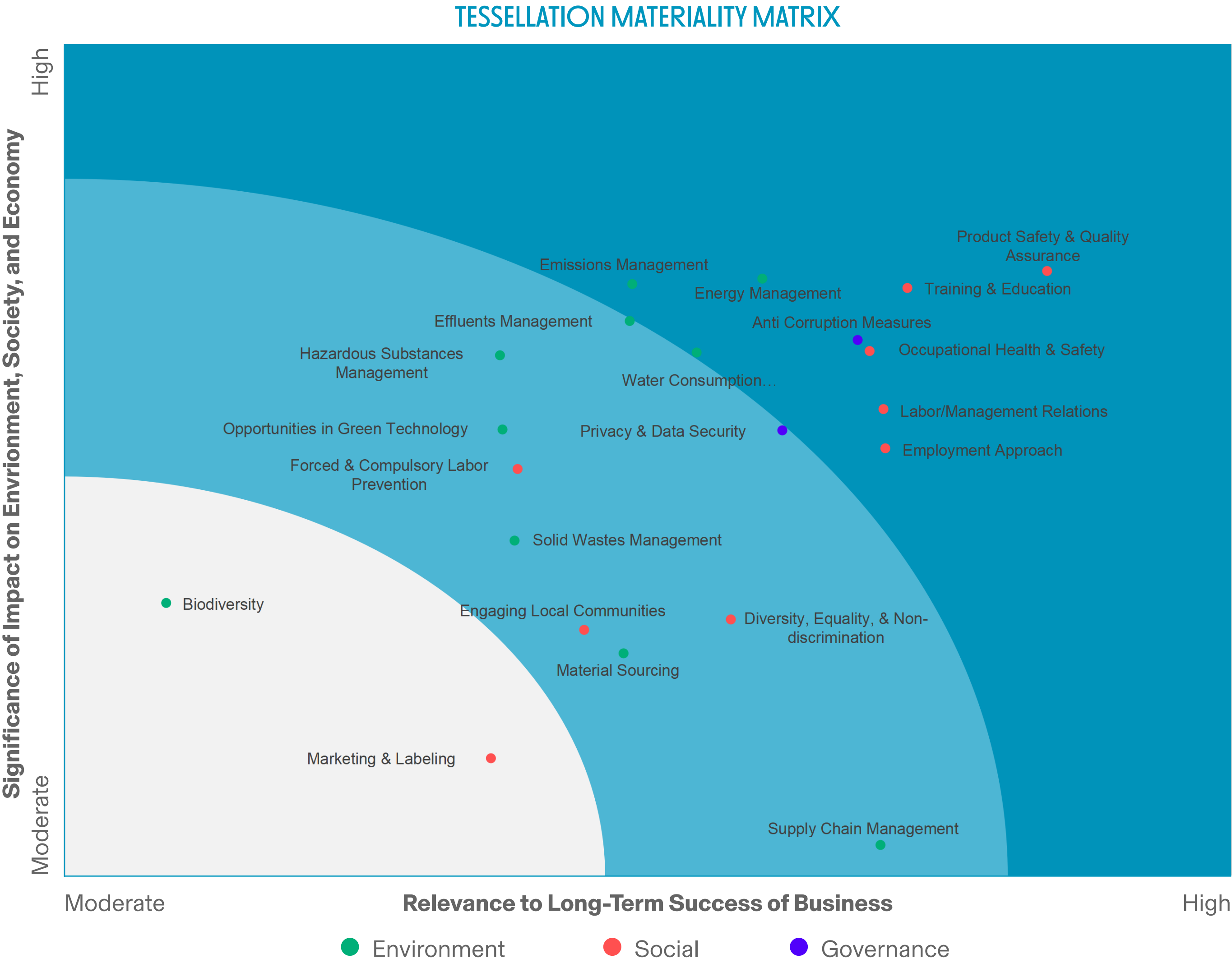
 Employees	▶ Meetings ▶ Internal newsletters ▶ Training and workshops ▶ Collaboration platforms ▶ Intranet posts ▶ Employee engagement programmes ▶ Suggestion boxes
 Customers	▶ Social media platforms ▶ Publications ▶ Feedback forms
 Suppliers	▶ Regular meetings ▶ Supplier audits/assessments ▶ Supplier questionnaires ▶ Procurement communication
 Communities	▶ Engagement programmes
 Industry Associations	▶ Industry forums and conferences ▶ Exhibitions and seminars
 Academic & Research Organizations	▶ Research collaborations

Materiality Assessment

Stakeholders’ opinions are central to our materiality assessment, which informs our sustainability strategy and reporting priorities. We take a structured approach to gathering stakeholder feedback and identifying the sustainability topics that matter most to our stakeholders and business.

We conduct the assessment every two to three years. It begins with identifying relevant sustainability topics drawn from international frameworks, reporting standards and sector guidelines. Each topic is then evaluated and prioritised, based on stakeholder feedback, for its impacts on the environment, society and economy, as well as the long-term success of our business. Assessment results are reviewed and validated by senior management.

In 2025, we conducted an in-depth materiality assessment primarily through an online survey, with a total of 401 stakeholders participated. Their input has been instrumental in shaping our current sustainability priorities. We will continue to review the assessment regularly to reflect evolving business conditions and stakeholder expectations.



GOVERNANCE

The Board of Directors (the “Board”), consisting of five directors, two independent and three executives, is our highest governing body responsible for overall strategy and business development. The Board is aided by three critical board committees: Sustainability Committee, Investment Committee, and Technology Committee. These specialized sub-committees form the backbone of effective corporate governance by allowing us to delve deeper into critical areas and fostering informed decision-making and enhanced oversight.

The Sustainability Committee (the “Committee”), which is chaired by an external expert and comprised of members of the Board and top management, is crucial to ensuring that sustainability is firmly integrated with our business strategy. The Committee defines, monitors, and drives key sustainability measures in accordance with our material priorities and sustainability framework, and is responsible for reviewing and approving reported sustainability information. The Committee meets bi-annually at a minimum.

Business units across the Group, including site-level business segment, coordinators, management and teams work closely with functional departments such as sustainability, human resources (“HR”), internal audit (“IA”), to deliver operation-level implementation in alignment with the Group’s sustainability strategy and direction.



BUSINESS ETHICS

Recognizing that a strong commitment to business ethics is integral to effective and credible governance, our company Code of Conduct states the expectation for everyone to “follow (their) own conscience, respect other people’s properties, especially regarding intellectual capital, and always obey the law”. Supported by policies, training, audits, and communication channels, we strive to create an ethical environment that allows for the sustainable growth of our business.

ANTI-CORRUPTION

Policy

Aside from our Code of Conduct, our employee handbook and overarching set of business ethics and conduct policies set out a basic standard of conduct for our employees. Some of the topics covered include:

- ▶ Acceptance and Offering Advantages
- ▶ Travel Sponsorship and Loans from a Third Party
- ▶ Conflict of Interest
- ▶ Use of Company Assets and Confidential Information

Training

All new staff-level employees are also required to undergo our online training in business ethics, to ensure an understanding of the company expectations.

Audit

Additionally, all business units are placed under review for corruption during the internal audit cycle. In 2025, there were found to be no confirmed incidents of corruption in the company.

GRIEVANCE MECHANISM AND NON-RETALIATION

In line with our ethics values and policies, we expect employees to promptly report any violations, including potential instances of fraud, corruption, illegal activity, and harassment, to the company. We have established a grievance mechanism that adheres to the United Nations Guiding Principles on Business and Human Rights to ensure that employees can raise their concerns in a secure and confidential manner and guarantee protection against any form of retaliation.

We have implemented multiple channels through which grievances can be reported, including open talks, labour conferences, email, a dedicated hotline, suggestion boxes and online platforms. These grievance channels are accessible at all company sites, and we ensure that employees are aware of its existence through comprehensive communication efforts. New joiners are informed about the mechanism during orientation, and we regularly reinforce this information through posts on our company intranet, bulletin boards, and posters displayed in manufacturing sites and facilities.

Aside from anti-corruption and whistle blowing purposes, the grievance mechanism is also used as a general communications channel for employees to share complaints, questions, and suggestions of any nature. While there were 464 recorded uses of the mechanism in 2025, no grievances regarding violations of ethics policies were raised.

DATA GOVERNANCE

We are committed to protecting the confidentiality, integrity and availability (CIA) of our information resources from unauthorized leakage, modification, or damage. Maintaining data security and protecting data privacy is an important responsibility we owe to our employees, customers, and partners; thus, we conduct regular information technology (IT) audits to review and evaluate the effectiveness and adequacy of our information management systems. In 2025, there were no substantiated complaints received regarding data privacy and security.

INDIVIDUALS

Employees are our greatest asset. Their growth is deeply intertwined with the success of the company, which is why we prioritize fostering their growth and unlocking their potential.

UNSDGS

3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES



WORKFORCE RESILIENCE

Workforce resilience is born from a culmination of good hiring practices and on-the-job growth opportunities. At Tessellation, this effort is driven by our HR and sustainability departments but made possible only with the cooperation and support of management at all business units and sites.

Underpinning these efforts is our Code of Conduct, which lies at the heart of Tessellation, guiding how every individual behaves, clearly setting out our commitments, and defining our expectations for how we care for and support our employees. By upholding our Code of Conduct, we have been able to effectively achieve 0 cases of discrimination or harassment in 2025.

Our Commitment

- ▶ Creating a safe working environment
- ▶ Facilitating healthy employment relationships
- ▶ Preventing the use of forced or child labor
- ▶ Protecting employees against harassment, abuse, discrimination, and excessive hours of work
- ▶ Protecting the rights of employees to fair compensation, freedom of association and collective bargaining

Training and Development

Knowledge and skills training, together with career growth opportunities, form the foundation of a more resilient workforce by strengthening capabilities and facilitating continued employability across roles and demographics within our company. Our goal is not only to level the playing field, but to equip every employee to thrive. We aim to develop a workforce that performs strongly in their roles and adapts effectively to evolving challenges.

Learning Opportunity

Every year, we run a set of programs to meet learning needs of every individual in the company, contributing to their personal and professional growth. We continually build, update, and promote our training programmes so that employees have sustained access to structured, high-quality learning opportunities that reinforce workforce resilience and long-term organizational performance.

- ▶ Onboarding curriculum
- ▶ Online programme
- ▶ Workshop on general/domain knowledge
- ▶ Experiential learning
- ▶ Soft Skills training
- ▶ Executive sharing
- ▶ Seminars by external professionals
- ▶ Study tour
- ▶ Team building

Generative AI Learning Series

Riding a global wave of AI adoption, we made building strong, up-to-date AI literacy our top learning priority in 2025. We introduced a new monthly webinar series focusing on practical generative AI skills, featuring AI fundamentals, AI-assisted data analysis, content generation, coding support and everyday applications. Open to all staff with no prior experience, the programme combined hands-on exercises using locally relevant AI tools across Hong Kong, China and Vietnam, with peer learning to build digital capabilities that support innovation, operational efficiency and quality enhancement across the business.



In 2025, our employees completed a total of 127,740 hours of training, averaging 7.48 hours per person. The average training hours show no big discrepancy between male and female employees, demonstrating our effort in ensuring equal access to learning opportunities across genders within the company.

127,740 hours
total training hours



7.48 hours
average training hours



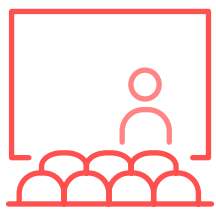
7.52 hours
per male employee

7.45 hours
per female employee

We recognize that to achieve comprehensive employee development, access to external learning opportunities is also essential. We support employee development through education sponsorship for external training and academic or professional qualifications that can enhance work performance.

Career Development

In addition to general training, we run well-structured Management Trainee (MT) and Operation Trainee (OT) programmes that develop young talent and strengthen our future leadership bench. Through these programmes, trainees receive enhanced mentorship, support and targeted training to accelerate their pathways into management roles. We recruit local participants in Hong Kong, China and Vietnam to build teams that reflect and understand the communities in which we operate.

 **30**
management trainee

 **53**
operation trainee

To foster a culture of self-directed development, we conduct career and performance reviews with employees annually. This multi-step process involves goal setting, midpoint check-ins, and year-end appraisals, allowing staff to reflect on their professional aspirations and the necessary steps to achieve them. In 2025, 99% of employees received regular performance and career development reviews.

Hiring & Retention

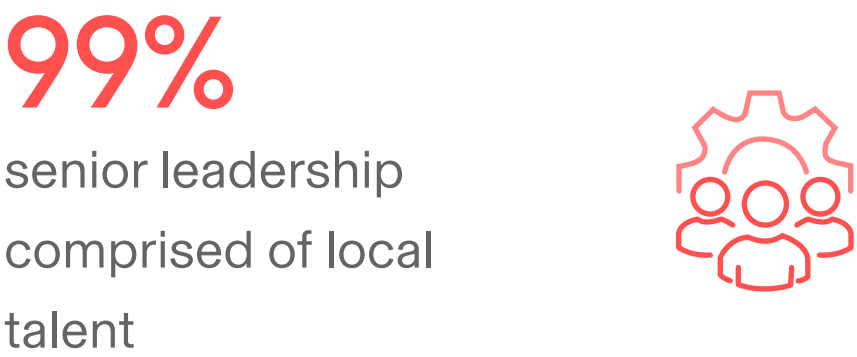
Hiring and retention are central to sustaining a strong, future-ready workforce. We focus on attracting people whose skills and values align with our purpose, while ensuring that every stage of the employment journey is fair, inclusive and respectful. Our hiring practices comply with applicable labor laws and emphasize transparency which strictly prohibit child and forced labor, and we foster a workplace culture where employees feel valued, supported and empowered to grow with the company.



In 2025, we significantly expanded our business in China, leading to a substantial increase in both new hires and overall headcount compared with the previous year. As we grow, we will continue to uphold high standards in how we recruit and support employees.

Local Employment

For employment across Hong Kong, China, and Vietnam, we prioritize localization at every level to ensure a sustainable, stable, and culturally sensitive workforce. This approach is crucial to fostering a mutually beneficial relationship with the economies we operate in, whereby we are able to create quality employment in the region whilst remaining adaptable to regional conditions.



Diversity, Equality, and Inclusion

Recognizing the resilience in diversity, we strive to create and maintain an inclusive workforce. We have zero tolerance in any discrimination on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, and social or ethnic origin. We work to foster an inclusive workplace culture that accommodates diverse needs across gender, age, and racial or ethnic background, enabling all employees to participate and progress on an equal footing.

Age

Position Level	Under age 30	Age 30-49	Age 50 and above
All Full-time Staff	18%	74%	8%
Frontline Workers	18%	74%	8%
Office Staff	17%	74%	9%
Office Staff (senior manager and above)	0%	70%	30%

A well-rounded workforce should encompass employees of all ages. While younger team members contribute fresh and modern perspectives, seasoned employees draw on years of experience. Both provide invaluable insights.

In striving for balance, we have become aware of how technological transformations and physical health may impact our age demographics, and are proactively working to address gaps and challenges faced by different groups.

Gender

Position Level	Male	Female
All Full-time Staff	33%	67%
Frontline Workers	32%	68%
Office Staff	39%	61%
Office Staff (senior manager and above)	62%	38%

As a company with a predominately female workforce, we are committed to providing equal opportunities for women to thrive in the workplace and break the glass ceiling. Recognizing that women continue to face systemic disadvantages in the workplace, achieving equity stands as our ultimate goal.

Over the past years, we have been taking active steps to identify and monitor factors that could pose risks to gender equality within our organization. While females make up the majority of our workforce, only 38% of the senior manager and above roles are taken by female employees, and on average our female employees are paid 8% less than male. We recognise these gaps and so we will continue to review and address any systemic inequalities identified, while introducing measures that better accommodate the unique challenges women may face in their careers.

United Nations Women's Empowerment Principles (UNWEPs) Signatory

Our dedication to gender equality is underscored by our participation in the UNWEPs that we continue to stand as a WEPs signatory in 2025.We are committed to empower women across the workplace, marketplace, and community. In accordance with their guidelines, we track key indicators including gender ratio, percentage of promotions and career opportunities, retention rate from parental leave, and pay ratio, which are regularly monitored by the Sustainability Committee.

We acknowledge that personal growth and career advancement can only thrive when basic needs are met and that biological differences between men and women lead to distinct basic needs. Therefore, we implemented plenty of initiatives to meet the differentiated needs of females. We provide accessible breastfeeding facilities, enabling them to balance motherhood with their careers. We also offer periodic health checkups for breast and cervical cancer, enhancing awareness of health status and encouraging timely medical intervention. To support the wellbeing of expectant mothers, a priority dining arrangement has been introduced, allowing pregnant staff to be served first in staff canteens, reducing the time they spend standing to minimize fatigue.

Honouring Women’s Contributions

On 8 March, we celebrated International Women’s Day across Hong Kong, China and Vietnam with a series of activities honouring the contributions of women. From creative workshops to festive gatherings and appreciation events, our employees embraced the opportunity to share their stories and deepen connections with one another. With senior leaders and male colleagues joining in, we expressed our gratitude to our female staff and offered heartfelt messages of recognition and encouragement. Through these shared moments, we reaffirmed our appreciation for the vital role women play — not only within our organization, but in society as a whole.



WELL-BEING

Our holistic approach to well-being extends beyond the traditional focus on physical health, encompassing the physical, emotional, social and financial dimensions of our employees' lives. Every year, our cross-department Wellness Committee collaborates closely with our Environmental, Health, and Safety (EHS) Committee and other relevant units to develop and run comprehensive programs, allowing employees to bring out their best selves and improve focus and performance in the workplace.

Occupational Health and Safety

With the majority of our workforce being frontline workers, our commitment to well-being begins with ensuring a safe and healthy working environment. We have established a comprehensive management system supported by site-level policies and procedures certified to ISO 45001. Implementation is facilitated by our EHS Committee, which consists of group-level and regional EHS teams, site-level operation directors and safety officers.

Our practices are regularly verified through internal audits conducted by our EHS and IA teams, as well as by external parties upon customer request. These collective efforts have enabled us to maintain a strong EHS performance record, reflecting our ongoing dedication to protecting the health and safety of every employee across our operations.

0 fatalities from work-related injuries

0.18 reportable incidents per 200,000 working hours

3.96 lost working days per 200,000 working hours

Advancing Safety Through Automation

Recognizing opportunities to better protect our workforce in dyeing operations, our team engineered and deployed a proprietary automated chemical distribution system. Replacing manual labelling, visual identification and hand-weighing, the system automatically confirms, dispenses and records the dyeing auxiliaries with precision. This end-to-end automation reduced workers' chemical exposure time by 90%, improved operational efficiency by 30%, and eliminated human error through intelligent error-prevention controls — exemplifying how purposeful automation advances both workplace safety and operational excellence.



Physical Well-Being

Complementing our commitment to occupational health and safety, our well-being approach goes beyond ensuring a safe working environment — reflecting our genuine care for employees' health and quality of life both at work and in their everyday lives. Recognising that working conditions and personal lifestyle choices are equally important in shaping overall well-being, we actively encourage our colleagues to be mindful of their nutrition and to incorporate regular physical activity into their daily routines.

Together We Walk

To promote physical health and connections in the workplace, we held a 60-day program “Together We Walk” from July to September, encouraging colleagues to incorporate walking into their daily routines outside of work. Colleagues formed teams across functions and regions, encouraging one another to build sustainable walking habit. This initiative attracted more than 1,000 participants from 12 regions, aggregating more than 4.33 billion steps- equivalent to circling the Earth for 8 times. The active participation of employees fostered enhanced health awareness and collaboration across diverse age groups for a stronger team spirit and a shared commitment to health and well-being.



Home Safety Campaign

In 2025, we launched the Home Safety Campaign to extend our commitment to employee wellbeing beyond the workplace. The initiative included the distribution of home safety booklets and the production of five short educational videos, including first aid tips and hazard awareness to raise awareness of common household risks. To reinforce engagement, promotional activities such as training sessions, family visits, and home hazard-spotting exercises were conducted. This campaign shows our ongoing commitment to fostering a safe and healthy living environment for all employees.



Social Well-Being

As an organization, enhancing the social wellbeing of our workforce involves fostering a genuine sense of community. By promoting a culture of openness and inclusivity through shared experiences and fun activities, we aim to strengthen connections among colleagues, enabling them to build their own networks of support.

Families Together on International Children’s Day

Our Vietnam team marked International Children’s Day 2025 with a family-focused event promoting social well-being and employee engagement. The activity provided an enjoyable environment for employees’ children, featuring gifts, meals, amusement and swimming tickets, and stage performances. Staff shared family photos on the company’s online platforms, fostering pride and connection. By bringing over 800 employees and their families together, the initiative strengthened family bonds and reinforced a supportive company community.



Team Building Activities

To support effective collaboration and build a communication foundation among new employees, our weaving mill in Foshan, China hosted a day of immersive team-building activities. Through scenario-based outdoor challenges and role-playing tasks, participants practiced timely reporting, proactive communication and effective coordination, strengthening trust, cross-department collaboration and workplace communication awareness in a practical and engaging setting.



Friends and Family Day

Our emphasis on relationships is reinforced through our annual Friends and Family Day, celebrating community, culture, and the bonds we share with families and colleagues. The event featured a community market supporting fair trade and local vendors, alongside interactive workshops focused on sustainability and wellbeing, such as making mochi with hydroponic herbs. The fruitful event reinforced our commitment to social inclusion and meaningful employee engagement.



Emotional Well-Being

Ensuring the emotional well-being of our employees involves more than just a commitment to avoiding emotional harm. It requires a proactive and thoughtful approach. We developed a multi-faceted strategy to help our workforce gain deeper insights into their feelings and learn effective ways to process them. By holding activities such as sleep consultations and tension releasing exercises, we aim to improve their emotional awareness and resilience through reducing everyday stress.

Sleep Consultations

Quality rest is fundamental to our people’s emotional well-being, so we offered one-on-one sleep consultations to provide more personalized support. Led by a certified sleep consultant at our Hong Kong office, these sessions included individual assessments and analysis of sleep cycles, with tailored guidance to improve sleep quality and support mental health. To complement the consultations, we also organized side activities such as DIY scented sachets and group meditation, giving employees practical tools and calming experiences to further enhance their overall well-being.



Financial Well-Being

As an employer, we play a crucial role in supporting our employees' financial well-being, beginning with our compensation and benefits practices. We ensure that all employees receive wages above the minimum threshold before overtime is applied. To address compensation disparities, we closely monitor the ratio of the average wage of frontline workers—who in this industry are most vulnerable to inadequate pay— to the minimum wage. In 2025, the average wage of our frontline workers was 3.01 times the minimum wage in China and 2.29 times in Vietnam.

We also organized personal finance workshops to enhance colleagues' financial awareness and well-being. For example, in China, more than 1,100 colleagues participated in a tax series program designed to strengthen tax literacy. In Vietnam, we supported 60 employees in gaining a clear understanding of the new provisions under the Law on Social Insurance, supporting their path to achieve long-term financial health.

PLANET

The health of our planet is the driving force behind everything we do. We strive to create an environmentally responsible future where products and practices align with ecological harmony and long-term viability.

UNSDGGS

6 CLEAN WATER AND SANITATION 	7 AFFORDABLE AND CLEAN ENERGY 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 	



DECARBONIZATION

The shift to a low-carbon economy is reshaping industries and supply chains worldwide, and the textile sector is no exception. We see this not only as a challenge but as an opportunity to build a more resilient and future-ready business. Decarbonization sits at the heart of that effort — guiding our operations, solutions and collaborations across the value chain.

Emissions Overview

In 2025, driven primarily by the establishment of our China Textile and Apparel business, our absolute GHG emissions increased compared to the prior year. While this growth reflects an enlarged operational footprint and our near-term emissions profile, we remain committed to managing our environmental impact rigorously. We see this expanded footprint as both a greater responsibility and an opportunity to drive decarbonization at scale.

²Scope 2 emissions is calculated using the market-based method. Location-based emissions of 2025 is 157,475 tCO₂e. Biogenic carbon emissions from the combustion of biomass equals to 227 tCO₂.

2025²

18,308 tCO₂e

Scope 1 emissions

261,444 tCO₂e

Scope 2 emissions

400,198 tCO₂e

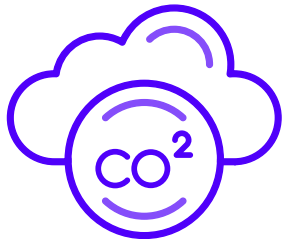
Scope 3 emissions

279,752 tCO₂e

Total emissions (scope 1 & 2)

0.44 kgCO₂e/USD

Emissions per revenue (scope 1 & 2)



Scope 3 Inventory

To advance our decarbonization journey, we took an important step forward in 2025 by completing our first full Scope 3 emissions inventory. This gives us a comprehensive picture of our carbon footprint, where close to 60% originates from scope 3 value chain emissions. Within this inventory, emissions from purchased goods and services represent the majority at around two-thirds, followed by the use of sold products at 19%.

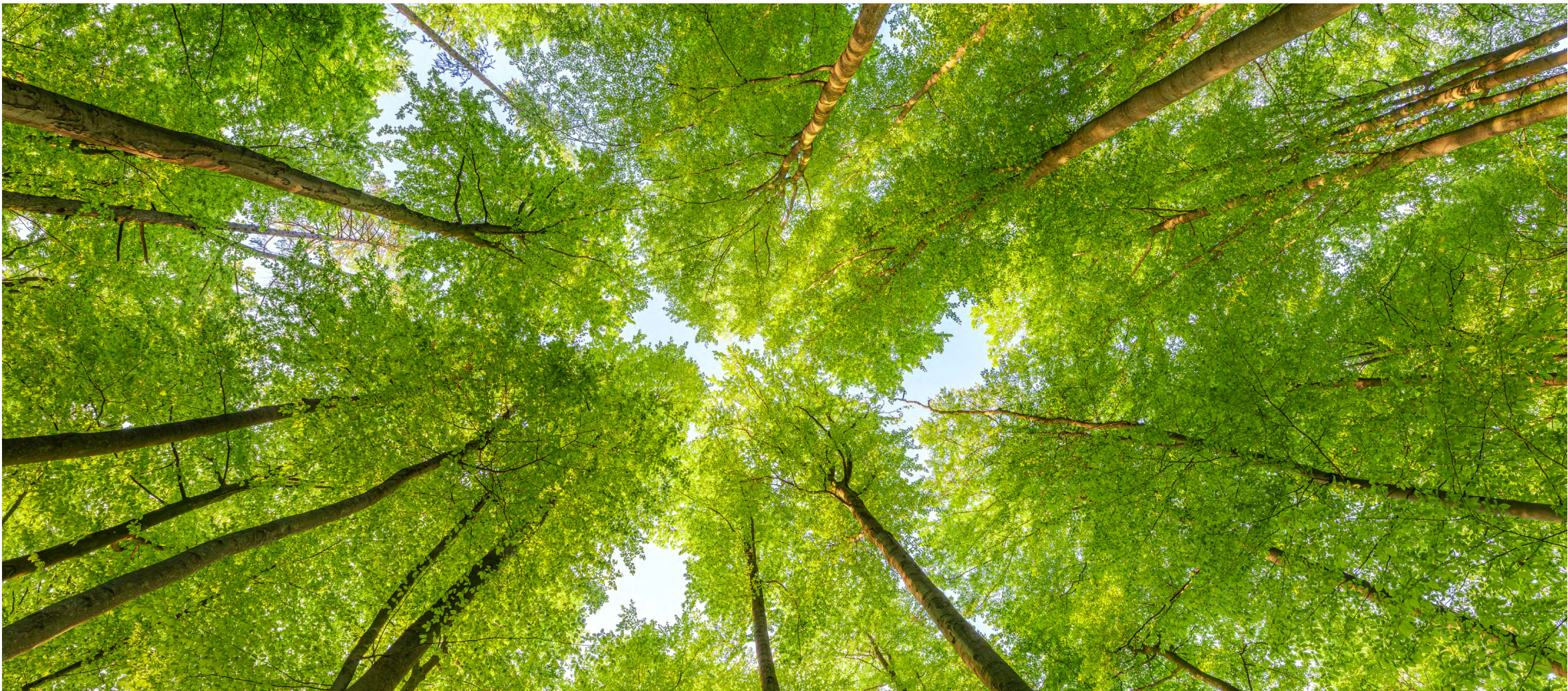
Understanding where emissions are most concentrated is the first step to addressing them meaningfully. With this clarity, we are better placed to prioritize our reduction efforts and deepen collaboration with suppliers, customers and other partners to drive emissions reductions across the value chain.

Carbon Neutral by 2050

In 2023, Tessellation set a defining climate ambition — to achieve carbon neutrality by 2050 — reflecting our long-term commitment to an environmentally responsible future.

While our journey to date has focused on managing Scope 1 and 2 emissions, we are now extending our efforts to the broader value chain. In addition to building our scope 3 inventory, we also completed life cycle assessments (LCA) for two products in 2025, providing a stronger basis for decarbonization at both the entity and product level.

To ensure effective progress monitoring, our emissions and carbon reduction are tracked and reported to the Sustainability Committee biannually. As we continue our journey, we will seek to scale proven solutions across the Group where opportunities exist and steer our progress toward fulfilling our carbon neutrality commitment.



Life Cycle Assessment

In 2025, we conducted LCA for two DETERMINANT products — a T-shirt and a polo shirt — tracing the full product journey from raw material cultivation and fibre processing, through manufacturing and distribution, to end-of-life treatment. This cradle-to-grave approach gives us a more granular understanding of where emissions and environmental impacts are most concentrated across our value chain, enabling us to identify reduction hotspots, make smarter sourcing decisions and uncover opportunities for product innovation.

The LCA also serves a broader strategic purpose. As regulatory frameworks such as product environmental footprint requirements continue to evolve, having robust, methodology-backed assessments strengthens our compliance readiness. It would also reinforce the credibility of our environmental communications, allowing us to engage stakeholders with greater transparency and confidence.



Renewable Energy & Efficiency

Energy management is a cornerstone of our journey toward carbon neutrality, as purchased energy remains the primary source of GHG emissions within our operations. Throughout 2025, we continued to invest in equipment retrofitting, replacement and upgrading across our manufacturing sites to drive ongoing improvements in energy efficiency, advancing 52 energy-saving projects that saved close to 15,000 MWh of energy.

528,932 MWh	0.83 kWh	10,228 MWh
energy consumption	energy consumption per USD revenue	on-site solar energy generation

Alongside these efforts, we are steadily expanding our clean energy generation and reducing our reliance on fossil fuel-sourced electricity. In 2025, we generated 10,228 MWh of solar energy on-site, bringing our renewable electricity share³ to 19%. Looking ahead, we are also expanding the use of biomass to replace diesel in boilers across our manufacturing sites in Vietnam, with these installations expected to come into operation in 2026.

³Including self-generated solar power and purchased green electricity certificate





Opportunities beyond Value Chain

Recognizing some emissions are hard to fully abate, we are mindful of opportunities that can help offset or remove our GHG emissions. To this end, we pursue collaboration with partners such as technology providers and industry platforms, including supporting the development of carbon market infrastructure in the region.

Supporting a Digital Carbon Credit Platform with Xeptagon

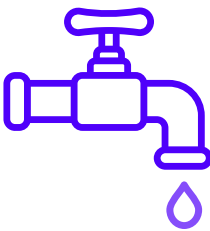
Together with technology partner Xeptagon, we supported a blockchain-enabled pilot project in 2025 to develop an integrated digital ecosystem, which combines emissions estimation, carbon registries, and a tokenised carbon credit exchange, aiming to simplify and verify the carbon neutrality journey for manufacturers.

As a supporting partner, we contributed factory-level emissions data from our production sites and advisory input on supply chain workflows to help validate and refine the platform. Based on the emissions data, we have also conducted a carbon credit purchase, proving the end-to-end functionality of the system. This reflects how we look beyond our own operations, contributing to the broader ecosystem needed to support credible carbon credit markets in the region.

WATER STEWARDSHIP

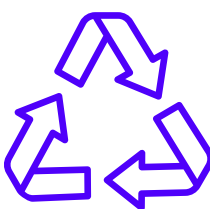
Water is the foundation of life and a finite resource under growing global pressure. As a company with diverse manufacturing operations, we recognize that water stewardship is both an operational priority and a broader environmental obligation. Faced with mounting climate volatility and increasingly unpredictable weather patterns, we have deepened our efforts to reduce water consumption and advance practical, innovative solutions that meaningfully address water scarcity challenges.

At Tessellation, a three-pronged approach is adopted to meet our water stewardship goal.



Purify

Responsible management of effluent discharge



Reduce

Minimization of water wastage and increase in water reuse and recycling rates



Zero

Water removal from traditionally water intensive manufacturing processes (see chapter below, Ecosystem)

Purify – Cleaner Output

To us, applying the “do no harm” principle is the bottom line for water stewardship, and we recognize that one of the most direct harms of poor water stewardship is pollution to surrounding ecosystems and communities. Therefore, we ensure all wastewater discharge is purified to meet national requirements at a minimum. All effluents generated at our manufacturing sites are discharged to qualified wastewater treatment facilities located in our operating areas. In 2025, 4,646,428 m3 of industrial wastewater and 219,183 m3 of domestic wastewater was discharged.

4,865,611 m³

total water discharged



Reduce – Minimizing Input

With water stress emerging as one of the most pressing environmental challenges globally, responsible water sourcing is a priority we take seriously. All water consumed across our operations is sourced from third-party suppliers, and we ensure that none is drawn from water-stressed areas. Beyond sourcing, we actively work to reduce overall freshwater consumption across all business operations, recognizing that every drop conserved contributes to a more sustainable water future.

401,922 m³
water consumption

0.63 L
water consumption per USD revenue

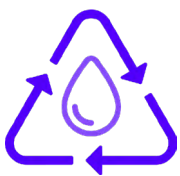
Efficiency

Improving water efficiency remains our first priority in freshwater conservation. Across our manufacturing operations, we prioritize the deployment of water-efficient technologies, such as the AI-driven colour recipe systems that enhance dyeing accuracy and reduce re-dyeing rates, helping to achieve annual water savings up to 27,000 m³.

Recycling & Reuse

Since water usage cannot be entirely eliminated from our operations, recycling and reuse of water remains a key area of focus. In 2025, we recycled or reused over 4 million m³ of water. A significant contributor to this has been the installation of filtration systems that allow water to be circulated back into the manufacturing process, reducing reliance on freshwater intake.

4,095,472 m³
water recycled or reused



Beyond large-scale recycling efforts, we also seek to capture resources that would otherwise go to waste. At our manufacturing sites in Vietnam, for instance, dedicated tank and circulation systems enable water recovery after fabric washing, while rainwater and treated water are channeled for toilet flushing. In 2025, 4,668 m³ of rainwater was collected and used, easing demand on conventional water sources.



CIRCULARITY AND WASTE MANAGEMENT

We prioritize circularity by improving resource efficiency throughout the entire product life cycle and ensuring responsible management of residual waste. This approach begins with the design and sourcing stages and extends through to end-of-life considerations. It requires close collaboration across functions, including procurement, production, site management, as well as product design and sales teams within each business unit.

Material Sourcing

The impact of a product begins long before it is made. We therefore select materials and create samples for our products with their inherent environmental cost in mind, paying particular attention to how design choices may influence the use and end-of-life treatment of the products.

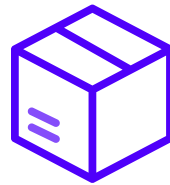
Sustainable Materials

Sourcing and adopting sustainable materials is a major way we advance circularity. We procure sustainable materials that include recycled inputs, certified materials, and those aligned with Textile Exchange’s preferred fibres and materials.

In 2025, sustainable materials accounted for 32% of all materials procured for our primary products, among which 28% are recycled materials. The use of recycled materials is one of our main approaches to reducing reliance on virgin resources and the associated environmental impacts. For packaging specifically, 40% of the materials used for our primary products contain recycled content, supporting our transition toward more resource-efficient and lower-impact packaging solutions.

32%

sustainable materials for primary products



Compass BioD Sustainable Packaging

Compass BioD is an innovative biodegradable packaging material developed by Compass, our accessories and packaging business. With a verified biodegradation rate of 92%, it provides an alternative to conventional plastics with lower environmental impact. The material offers transparency comparable to polyethylene and higher than typical biodegradable alternatives, meeting practical requirements for product visibility. It also maintains stable performance under humid and demanding conditions, with a usable lifespan of up to two years. In 2025, total production of Compass BioD reached 9,979 kg, reflecting its growing application in commercial settings.



RFID Eco-inlay Solution

RFID Eco-inlay is a lower-impact material solution developed by Summation Solutions to support circular design in packaging and labeling applications. It reconfigures the conventional RFID structure, which typically relies on multiple layers of plastic films and adhesives, by reducing plastic content and adopting a paper-based design that enhances recyclability and reduces carbon footprint. In 2025, a total of 4,995,398 pieces of RFID with Eco-inlay were produced.



Chemical Management

Our commitment to responsible sourcing applies not only to raw materials, but also to other production inputs, including chemicals. We place strong emphasis on responsible sourcing and management of chemical inputs, guided by third-party verified standards, including the ZDHC standard. All chemicals we source comply with the requirements of the ZDHC Manufacturing Restricted Substances List (MRSL).

Digital Sampling

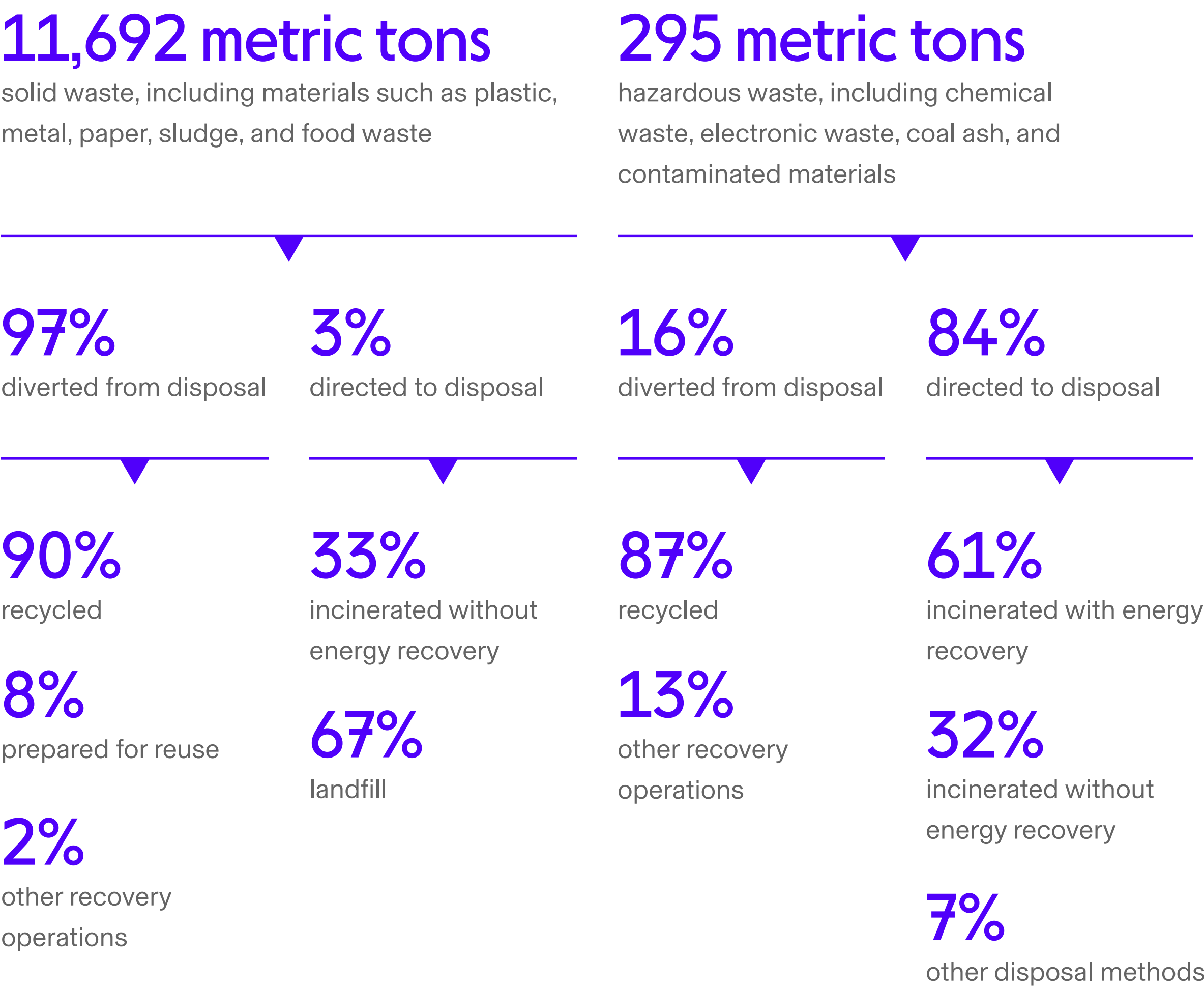
Sustainability in product development extends beyond material sourcing — how products are sampled and prototyped also has a meaningful environmental footprint. We offer digital sampling technologies, including 3D sampling solutions, that empower textile industry players to rethink traditional development processes, including within our own manufacturing operations.

Conventional sample development relies on producing physical prototypes, many of which are discarded after limited use, leading to unnecessary material consumption and emissions from transportation. By using 2D and 3D digital technologies, designers and customers can review and refine fabrics and garments without the need for physical samples. This approach reduces resource use while improving development efficiency and flexibility. In 2025, a total of 8,212 3D digital sample pieces were created.



End-of-Life Treatment

Where materials reach the end of their useful life at our sites and facilities, we ensure that they are treated responsibly by following ISO 14001 Waste Management Procedures and monitoring our performance against the Higg Facility Environmental Module (Higg FEM).



While the amount of waste we are able to reuse is modest, our production sites prioritize doing so where possible. As a manufacturer, we recognize the potential to reintegrate production scrap into our processes, thereby reducing waste generation as well as the environmental and logistical impacts linked to external handling and transportation. In this area, two of our business units have been leading the charge.

In 2025, Compass reused 308,920 kg of pre-consumer plastic waste, accounting for 41% of the total production waste generated at its plastic and polybag manufacturing sites. Meanwhile, our yarn spinning business, Vertex, has repurposed 9,639 kg of fabric, cotton, and yarn by re-spinning them into new products, contributing to a reduction in virgin raw material input.

ECOSYSTEMS

Achieving sustainability is fundamentally a collaborative effort. We work closely with our partners to bring together diverse perspectives and capabilities in forging innovative solutions, harnessing synergies to create a better shared future.

UNSDGS

4

QUALITY
EDUCATION



8

DECENT WORK AND
ECONOMIC GROWTH



17

PARTNERSHIPS
FOR THE GOALS



TECHNOLOGY PARTNERSHIP

We collaborate with like-minded organizations in building up a sustainable innovation space, primarily through our in-house research and development (“R&D”) team, our Exponent Envirotech business, and our qonvolv Ventures investment arm, to develop new solutions to sustainability issues across the industry and society.

Research Effort and Collaborations

Our R&D team works closely with academic institutions and technology companies to drive innovation in the textile and apparel industry, focusing on critical issues such as water overconsumption and pollution.

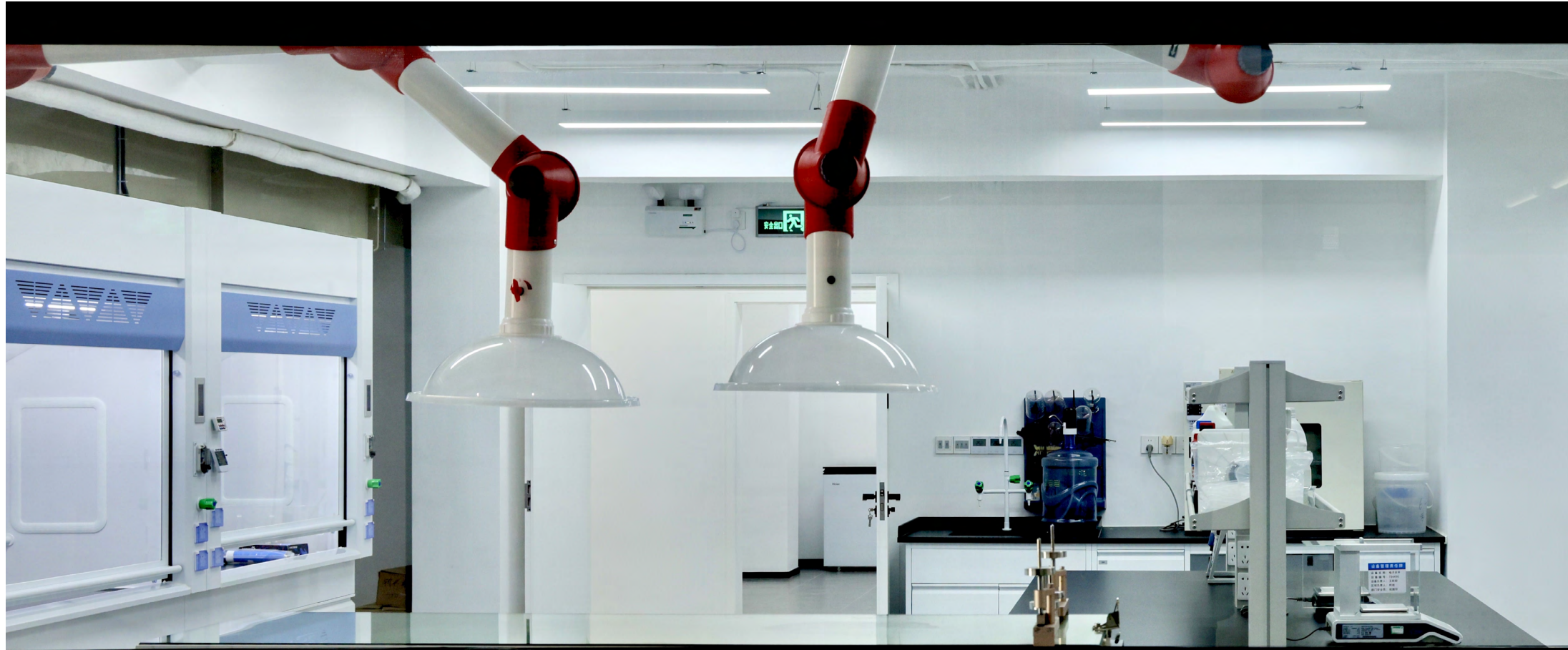
Every year, R&D funding was directed towards enhancing our operations and product offerings through proprietary innovation, such as the development of waterless dyeing technology and indigo recovery system in recent years, as well as fostering research collaborations with external partners.

16 million
R&D investment (USD) in 2025



The Water Environment Technology R&D Centre: Driving Industry Advancement

Exponent Envirotech and our R&D team launched the Water Environment Technology R&D Centre in March 2025. The center features seven specialized laboratories equipped with cutting-edge research, testing, and characterization facilities. With a dual mission of serving as an engine for resource efficiency and a beacon for the industry, the center will advance the Group's leadership in the transition toward sustainable water resource management through technological innovation and industrial collaboration.

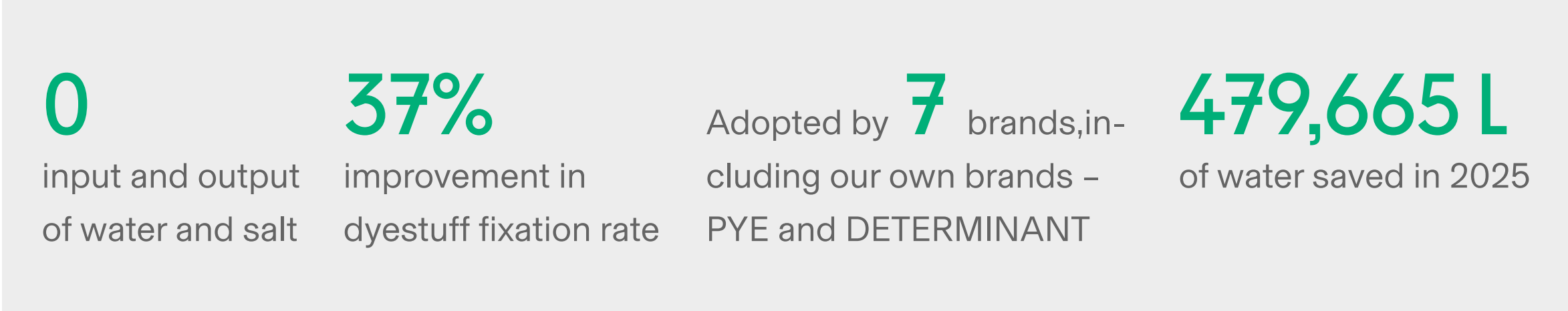


From Lab to Market

Many ground-breaking technologies never leave the laboratory stage, let alone penetrate the market. Exponent Envirotech seeks to bridge this gap by developing emerging technology to reach a commercial scale and acquiring first-mover customers to create a new normal. Key technologies from Exponent Envirotech include Waterless Dyeing, Indigo Recovery and Salt Recovery System.

Waterless Dyeing

Waterless Dyeing is a patented natural fiber dyeing technology which consists of a proprietary organic dyeing medium, a set of production control parameters and equipment, and an industrial system design that allows the medium to be fully recycled.



In 2025, our Waterless Dyeing technology was highlighted in the Global Development Report by China’s Center for International Knowledge on Development, as an example of collaborative innovation driving sustainable industrial growth and supporting global climate actions.



‘Frozen in Tones’ Waterless Dye Collection

DETERMINANT put waterless dyeing technology into action through the launch of Frozen in Tones collection in 2025, inspired by the UN's International Year of Glaciers' Preservation. Blending sustainable innovation with a call to action, the collection raises awareness of the urgent need to protect the world's water sources, with each piece being able to save up to 40 L of water.

Beyond the product itself, DETERMINANT was selected to join the Retail4Impact Initiative, led by UNEP and the One Planet Network to unite the retail sector in providing trustworthy sustainability claims. Its inclusion in the initiative reflects the credibility and transparency of its green claims, with water savings independently verified by SGS certification and consumer safety assured through OEKO-TEX STANDARD 100 certification.

RETAIL4IMPACT

Taking action to provide credible green claims and combat greenwashing.

Indigo Recovery System

Launched in 2024, our proprietary Indigo Recovery System utilizes membrane separation technology and smart indigo detection devices to achieve indigo and water recycling, efficiently realizing the resource utilization of dyeing wastewater and reducing the difficulty of end-of-pipe treatment.

95%

indigo and water recovery rate

Nearly 0

wastewater discharge

Adopted by 5 customers,
with 3 new customers in 2025

The Indigo Recovery System has been successfully applied in the denim sector through collaborations with leading domestic and international mills, providing practical support for circular economy practices in denim production.



Salt Recovery System

Our Salt Recovery System utilizes customized energy efficient filtration membranes to extract salt from wastewater for reuse in textile dyeing.

Up to 85%

salt and water recovery rate

4

customers adopting Salt Recovery System

In June 2025, the salt recovery system was successfully commissioned at a leading textile company in China. With the capacity to treat 180 m3 of wastewater per day, the system enables an annual recovery of approximately 2,200 tons of salt and 50,000 m3 of water, delivering an estimated cost savings of around RMB 1.1 million.



Investments

Through qonvolv Ventures, our dedicated investment arm, we channel Tessellation's deep textile and apparel expertise to identify transformative technologies and invest in ready solutions that advance sustainable and inclusive growth.

To make the most impact, we concentrate our investments on four strategic areas that are in line with Tessellation's sustainability vision and framework:



⁴Figures represent the proportion of total investment directed towards each area. Portfolio companies may contribute to multiple areas.

Key Investments

Manufacturing Excellence Digital Value Chain

TanWuAI utilizes advanced computer vision technology for industrial quality inspection, helping enterprises achieve digital and intelligent transformation across manufacturing operations. By providing real-time, automated fabric defect detection, they improve product quality while significantly reducing material waste and fabric losses during textile production, supporting the industry’s transition towards digital and environmentally responsible manufacturing.

Climate Action

Ambercycle makes use of cutting-edge molecular regeneration technology to transform end-of-life textiles into decarbonized, circular materials for brands, addressing one of the industry’s toughest challenges in separating blended materials in clothing for textile-to-textile recycling. In addition to financial support, we adopt their technologies in our operations, test their products in our supply chain, and promote them to our brand customers as part of our strategic collaboration.

Workforce of the Future

Born out of MIT's Media Lab, Humanyze is an AI-powered workforce analytics platform that helps organisations optimise productivity, engagement, and collaboration through real-time, science-backed insights. By enabling data-driven decisions on team dynamics and organisational health, Humanyze empowers businesses to build more effective, resilient, and people-centred workplaces.



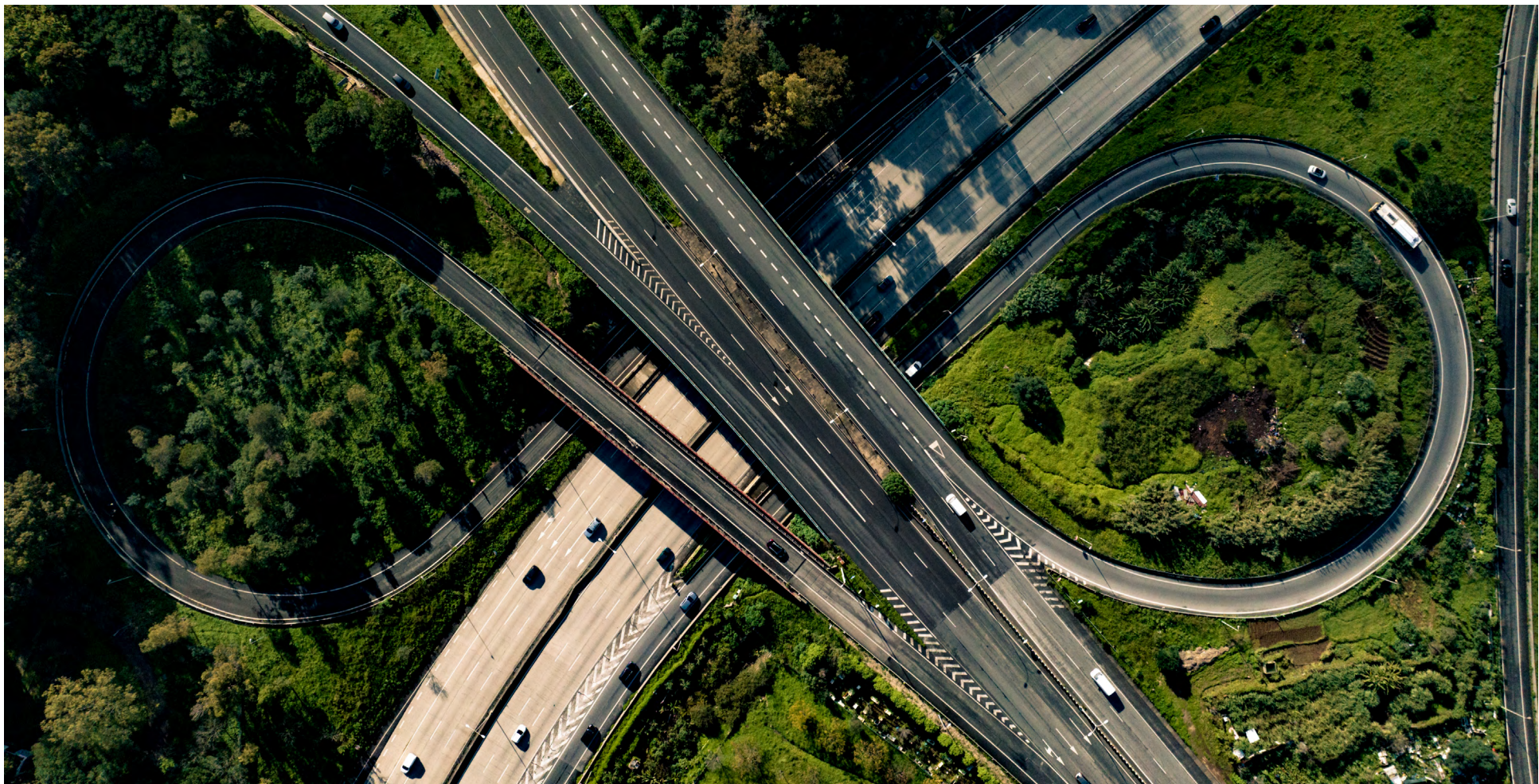
SUPPLY CHAIN RESPONSIBILITY

Our business relies heavily on a diverse network of suppliers, so responsible supply chain management is a key priority for us. We dedicate significant attention and resources to understanding, supporting and improving the environmental and social performance of the partners we work with.

Supply Chain Management

We have established a structured system that combines supplier onboarding controls with ongoing environmental and social performance management. Prior to engagement, all key suppliers are required to sign a supplier commitment, which sets out baseline expectations aligned with our Group’s code of conduct on labour rights and business ethics. Compliance screenings are also conducted to identify potential risks, including environmental violations.

For existing key suppliers, we track performance across key topics such as emissions, energy use, water management, and environmental and social-related certifications through annual questionnaire assessments and regular communication. Selected suppliers are also subject to on-site audits each year to verify implementation and drive continuous improvement.



Advancing Smart and Sustainable Global Supply Chains

Beyond strengthening our own supply chain management practices, we also leverage our technological capabilities to empower industry partners and drive sustainable improvements throughout the broader supply chain ecosystem. Through a strategic partnership with Cainiao, a global leader in smart logistics, we integrated Summation Solutions' IoT RFID solutions with Cainiao's logistics technologies, advancing smart labels, comprehensive RFID applications, supply chain planning, and digital upgrades for control tower systems, fostering stronger technology and resource integration. It marks a key milestone in the large-scale application of RFID technology across industries, reshaping global supply chains with greater efficiency, transparency, and sustainability.



Prioritizing Local

We regard local sourcing as a key lever for building a more sustainable supply chain. Sourcing closer to our operations shortens the transportation distance of raw materials and work-in-progress goods, lowering associated carbon emissions. Beyond the environmental benefits, partnering with local enterprises also contributes to regional economic development and community well-being. Guided by these considerations, we continue to prioritize local procurement as a core part of our responsible sourcing approach.

92%

procurement budget on local suppliers⁵



⁵ Local suppliers are the suppliers managed by the procurement department and operating in the same country as our production sites.

COMMUNITY ENGAGEMENT

A thriving community is not built overnight — it grows through consistent presence and genuine collaboration. We work alongside NGOs, institutions and community partners to address well-being gaps, create platforms for like-minded changemakers, and stand by our neighbors in times of need, because we believe that a more sustainable world is one built together.

Cultivating Innovation and Entrepreneurship

Fostering innovation requires more than internal effort — it calls for active engagement with the broader ecosystem of entrepreneurs, investors and changemakers. By bringing our brands, technologies and expertise into collaborative platforms, we seek to inspire fresh thinking, support emerging talent, and demonstrate that sustainability and innovation are not competing ambitions, but two sides of the same vision for the future.

JUMPSTARTER 2025: Championing Entrepreneurial Spirit

Our brands came together at JUMPSTARTER 2025, one of Hong Kong's premier entrepreneurship platforms, to champion innovation and entrepreneurial spirit. qonvolv Ventures participated as an entrepreneurship partner, serving as panel judges and contributing to knowledge-sharing on investments and innovations, while DETERMINANT lent its expertise as an apparel partner.

Beyond the stage, we showcased our innovation-driven approach in action. DETERMINANT's demonstrated how sustainable technology can reshape the future of fashion through its ECOHUES™ Waterless Dye Collection. Visitors and students were also invited to unleash their creativity using our proprietary AI platform – Symmde, to design and print personalised garments on-site.

This collaboration underscores our commitment to fostering innovation and entrepreneurship within Hong Kong's vibrant ecosystem. By joining forces, we aim to inspire a new generation of entrepreneurs and equip them with the tools necessary for success, paving way for a more sustainable future in entrepreneurship.



Community Care and Support

We believe that being a responsible business means showing up for the communities around us — not just in everyday life, but especially when it matters most. Whether through structured volunteer programmes or timely emergency relief, we are committed to offering practical support, genuine care, and a lasting presence in the communities we call home.

Compass Volunteer Service Team

Compass established its official Volunteer Service Team in 2025, marking a significant step in formalizing, structuring and sustaining its longstanding commitment to community volunteering. The team collaborates with foundations, schools and community partners across five key areas — community service, charitable support, care for vulnerable groups, environmental and animal protection, and cultural and arts preservation — to promote social inclusion and shared value creation.

Instead of focusing only on traditional volunteering activities, Compass proactively designed and organized specialized learning programmes for children in the community. Through themed classes on biodegradable plastics, AI, eco-crafts and emergency response, it helps nurture curiosity, environmental awareness and social responsibility from a young age.

The team organized 16 themed educational and community activities in 2025, contributing over 40 service hours and benefiting more than 480 people in the community. With the Volunteer Service Team in place, Compass will be better positioned to develop replicable service models that amplify our long-term social impact.



Emergency Support for Local Communities

As a business deeply rooted in the communities where we operate, we believe in standing by our neighbors — especially in times of crisis. Following the Tai Po fire incident in late 2025, many residents were left without shelter and necessities. Deeply concerned for the affected community, we responded swiftly by mobilizing our brands – DETERMINANT and PYE to allocate emergency inventory.

We donated close to 3,000 pieces of clothing — including loungewear, sleeping bags, shirts, outerwear, and trousers — to meet the immediate living and work needs of affected residents. Our staff volunteered directly in the effort, taking part in collecting, sorting, packing, and delivering items in person to those in need. Our only wish was to stand by those affected and ensure that our support reached the community with care and urgency.



ABOUT THIS REPORT

This Sustainability Report summarizes and reflects Tessellation Group’s overall sustainability impacts and performance over the course of the year. As we continue to build the company, the report serves as an important foundation to keep us grounded and accountable to our values.

Except as otherwise stated, this report covers the period from January 1st 2025 to December 31st 2025. Accordingly, uses of the terms “currently”, “to date”, or similar such expressions refer to data and information up until December 31st 2025.

This report is prepared with reference to the Global Reporting Initiative (“GRI”) Standards to provide readers with information and data that are comparable across future sustainability reports. GHG emissions are calculated in accordance with the Greenhouse Gas Protocol. Other key performance indicators may also reference notable standards such as the Sustainability Accounting Standards Boards (SASB) Standards and the United Nations Global Compact (UNGC) frameworks and initiatives.

We welcome your valuable feedback on this report in relation to our sustainability journey. For any related enquiries, please contact us at info@tessellation.group.

GRI INDEX

Tessellation Group has reported the information cited in this GRI content index for the period 1 January to 31 December 2025 with reference to the GRI Standards. GRI 1: Foundation 2021 has been used when compiling this report.

Disclosure	Section or remarks
GRI 2: General Disclosures 2021	
2-1 Organizational details	About Us
2-2 Entities included in the organization’s sustainability reporting	About Us
2-3 Reporting period, frequency and contact point	About This Report
2-4 Restatements of information	None
2-5 External assurance	This report is not externally assured.
2-6 Activities, value chain and other business relationships	About Us
2-7 Employees	Individuals – Workforce Resilience – Hiring & Retention Individuals – Workforce Resilience – Diversity, Equality, and Inclusion
2-8 Workers who are not employees	None. All our workers are our employees.
2-9 Governance structure and composition	Our Approach to Sustainability - Governance
2-10 Nomination and selection of the highest governance body	N/A. We are a private company.
2-11 Chair of the highest governance body	N/A. We are a private company.
2-12 Role of the highest governance body in overseeing the management of impacts	Our Approach to Sustainability - Governance
2-13 Delegation of responsibility for managing impacts	Our Approach to Sustainability - Governance
2-14 Role of the highest governance body in sustainability reporting	Our Approach to Sustainability - Governance
2-15 Conflicts of interest	N/A. We are a private company.
2-16 Communication of critical concerns	No critical concerns were reported during the Reporting Period.
2-17 Collective knowledge of the highest governance body	Our Approach to Sustainability - Governance
2-18 Evaluation of the performance of the highest governance body	N/A. We are a private company.
2-19 Remuneration policies	N/A. We are a private company.

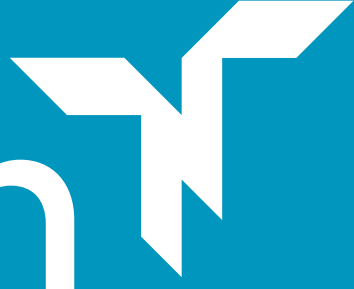
Disclosure	Section or remarks
2-20 Process to determine remuneration	N/A. We are a private company.
2-21 Annual total compensation ratio	N/A. We are a private company.
2-22 Statement on sustainable development strategy	Message from CEO
2-23 Policy commitments	Our Approach to Sustainability - Governance – Business Ethics Our Approach to Sustainability - Governance – Anti-Corruption Individuals – Workforce Resilience - Our Commitment
2-24 Embedding policy commitments	Our Approach to Sustainability - Governance
2-25 Processes to remediate negative impacts	Our Approach to Sustainability - Governance – Grievance Mechanism and Non-Retaliation
2-26 Mechanisms for seeking advice and raising concerns	Our Approach to Sustainability - Stakeholder Engagement Our Approach to Sustainability - Governance – Grievance Mechanism and Non-Retaliation
2-27 Compliance with laws and regulations	No significant instances of non-compliance with laws and regulations were incurred during 2025.
2-28 Membership associations	2025 Highlights – Memberships 2025 Highlights – Participation
2-29 Approach to stakeholder engagement	Our Approach to Sustainability - Stakeholder Engagement
2-30 Collective bargaining agreements	Individuals – Workforce Resilience
GRI 3: Material Topics 2021	
3-1 Process to determine material topics	Our Approach to Sustainability - Stakeholder Engagement – Materiality Assessment
3-2 List of material topics	Our Approach to Sustainability - Stakeholder Engagement – Materiality Assessment
3-3 Management of material topics	Each material topic is discussed in the corresponding section across Individuals, Planet and Ecosystems.

Disclosure	Section or remarks
GRI 205: Anti-corruption 2016	
205-1 Operations assessed for risks related to corruption	Our Approach to Sustainability - Governance – Anti-Corruption
205-2 Communication and training about anti-corruption policies and procedures	Our Approach to Sustainability - Governance – Anti-Corruption
205-3 Confirmed incidents of corruption and actions taken	Our Approach to Sustainability - Governance – Anti-Corruption
GRI 302: Energy 2016	
302-1 Energy consumption within the organization	Planet – Decarbonization – Carbon Neutral by 2050
302-3 Energy intensity	Planet – Decarbonization – Carbon Neutral by 2050
GRI 303: Water and Effluents 2018	
303-1 Interactions with water as a shared resource	Planet – Water Stewardship
303-2 Management of water discharge-related impacts	Planet – Water Stewardship
303-3 Water withdrawal	Planet – Water Stewardship
303-4 Water discharge	Planet – Water Stewardship
303-5 Water consumption	Planet – Water Stewardship
GRI 305: Emissions 2016	
305-1 Direct (Scope 1) GHG emissions	Planet – Decarbonization – Emissions Overview
305-2 Energy indirect (Scope 2) GHG emissions	Planet – Decarbonization – Emissions Overview
305-3 Other indirect (Scope 3) GHG emissions	Planet – Decarbonization – Emissions Overview
305-4 GHG emissions intensity	Planet – Decarbonization – Emissions Overview
GRI 306: Waste 2020	
306-1 Waste generation and significant waste-related impacts	Planet – Circularity & Waste Management – End-of-Life Treatment
306-2 Management of significant waste-related impacts	Planet – Circularity & Waste Management – End-of-Life Treatment
306-3 Waste generated	Planet – Circularity & Waste Management – End-of-Life Treatment

Disclosure	Section or remarks
306-4 Waste diverted from disposal	Planet – Circularity & Waste Management – End-of-Life Treatment
306-5 Waste directed to disposal	Planet – Circularity & Waste Management – End-of-Life Treatment
GRI 401: Employment 2016	
401-1 New employee hires and employee turnover	Individuals – Workforce Resilience – Hiring & Retention
GRI 403: Occupational Health and Safety 2018	
403-1 Occupational health and safety management system	Individuals – Well-being – Occupational Health and Safety
403-2 Hazard identification, risk assessment, and incident investigation	Individuals – Well-being – Occupational Health and Safety
403-3 Occupational health services	Individuals – Well-being – Occupational Health and Safety
403-4 Worker participation, consultation, and communication on occupational health and safety	Individuals – Well-being – Occupational Health and Safety
403-5 Worker training on occupational health and safety	Individuals – Workforce Resilience – Training and Development
403-6 Promotion of worker health	Individuals – Well-being
403-9 Work-related injuries	Individuals – Well-being – Occupational Health and Safety
GRI 404: Training and Education 2016	
404-1 Average hours of training per year per employee	Individuals – Workforce Resilience – Training and Development
404-2 Programs for upgrading employee skills and transition assistance programs	Individuals – Workforce Resilience – Training and Development
404-3 Percentage of employees receiving regular performance and career development reviews	Individuals – Workforce Resilience – Training and Development
GRI 405: Diversity and Equal Opportunity 2016	
405-1 Diversity of governance bodies and employees	Individuals – Workforce Resilience – Diversity, Equality, and Inclusion
405-2 Ratio of basic salary and remuneration of women to men	Individuals – Workforce Resilience – Diversity, Equality, and Inclusion

Disclosure	Section or remarks
GRI 406: Non-discrimination 2016	
406-1 Incidents of discrimination and corrective actions taken	Individuals – Workforce Resilience
GRI 408: Child Labor 2016	
408-1 Operations and suppliers at significant risk for incidents of child labor	Individuals – Workforce Resilience - Our Commitment Individuals – Workforce Resilience – Hiring & Retention
GRI 409: Forced or Compulsory Labor 2016	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Individuals – Workforce Resilience - Our Commitment Individuals – Workforce Resilience – Hiring & Retention
GRI 416: Customer Health and Safety 2016	
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No such incidents occurred in 2025.
GRI 418: Customer Privacy 2016	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Our Approach to Sustainability - Governance – Data Governance



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