

As a global company, Esprit believes in developing and maintaining sustainable relationships with all stakeholders. We demonstrate this commitment by acting imaginatively and consistently in the communities where our employees, business partners and customers live and work.

### **Responsibilities to Employees**

Esprit recognizes the importance of human capital. Our continued success depends on the commitment, enthusiasm and energy of our staff around the world. We are committed to developing a positive and respectable working environment that encourages collaboration and cooperation between employees. The Group promotes internal communications and we welcome ideas and feedback from our staff. During the financial year, a LIVE ESPRIT campaign was implemented with the aim of promoting team spirit and creating a global ESPRIT culture for all our employees located around the world. Through quarterly newsletters and the Group's global intranet, we aim to improve company-wide communications and to connect our employees around the world to the Esprit family.

We strive to be an attractive company for the talented and motivated. The Group places great emphasis on staff training and development in order to realize the potential of every one of our employees. Our remuneration package is performance based and takes into account business performance, market practice and competitive market conditions. Share options and discretionary bonuses are granted to staff that show outstanding performance. We have also adopted an annual performance and salary review system to ensure staff members are rewarded on a clear and fair basis.

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### **Responsibilities to Business Partners**

At Esprit, we aim to develop and maintain long-term relationships with our business partners based on openness, honesty and trust. We seek to understand their business needs and aim to provide mutual support to ensure that sustainable business partnerships are established.

We are also committed to conducting business in a responsible and suitable manner. Social audits were carried out during the year to ensure suppliers maintain and uphold these standards. We have also become a member of the Business Social Compliance Initiative (BSCI) established by the Foreign Trade Association (FTA) this year and have communicated to vendors the significance of BSCI certifications as the appropriate accreditation to signify their compliance with human rights and minimum social standards.

### **Responsibilities to the Community**

Through grants, donations in kind and volunteering activities, Esprit and its employees worldwide take pride in making contributions to the community. The Group made HK\$21 million in charitable donations this year. During the financial year, our employees responded enthusiastically to a variety of relief initiatives organized by charitable organizations. These included the participation of Hong Kong staff in “Walks for a Million” organized by the Community Chest, ribbons selling in stores to raise funds for the National Breast Cancer Foundation and financial support to charitable organizations.

In response to the South Asian tsunami, Esprit launched a global fund raising campaign during FY2004/2005 calling for employee donations to help victims affected by the disaster. The Company also made matching donations to support and promote active participation in the campaign. Approximately HK\$5 million was jointly donated to local and international relief agencies, including the Red Cross and Unicef, to help relieve suffering and to reconstruct permanent housing for tsunami victims.

