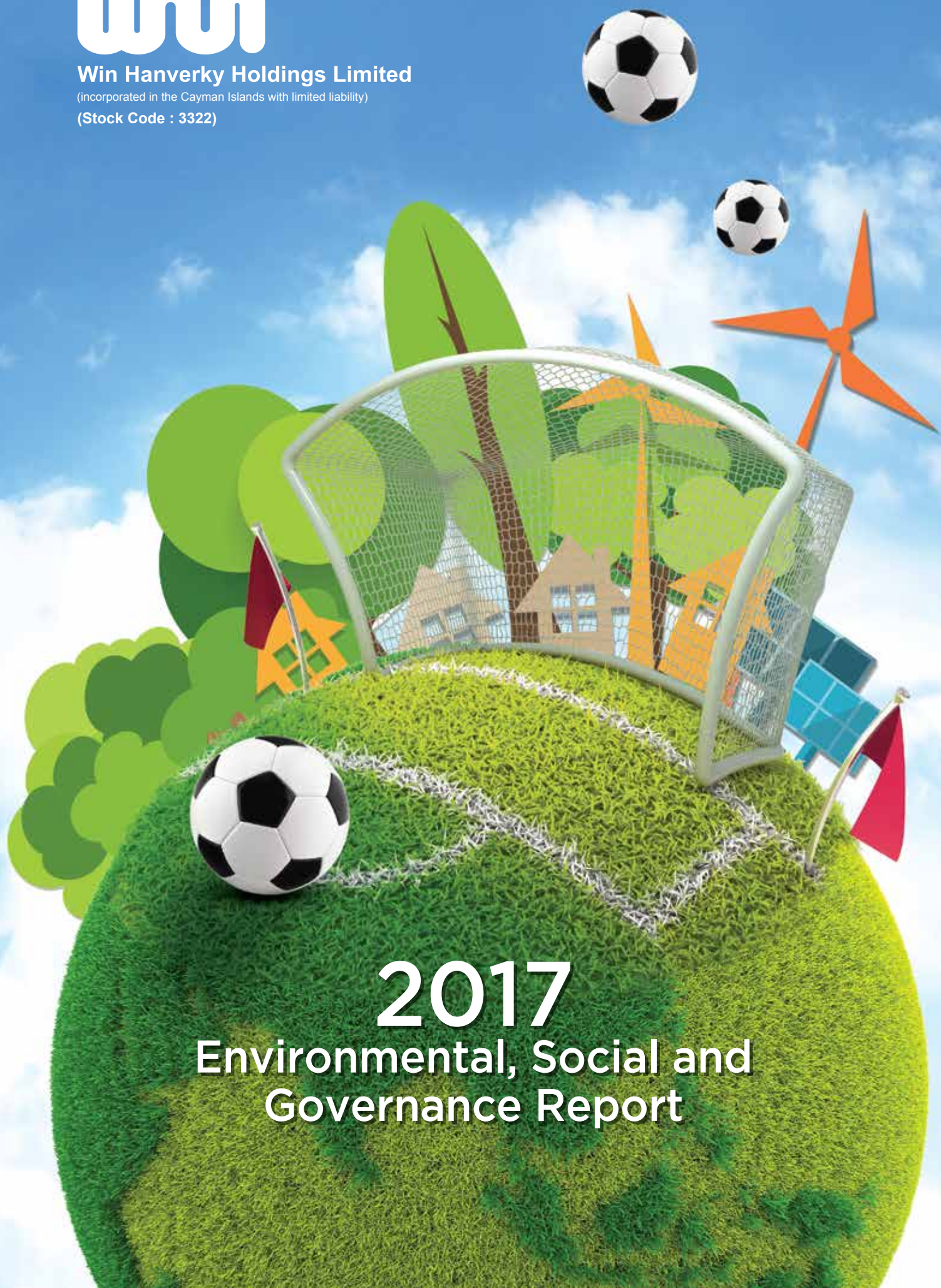




**Win Hanverky Holdings Limited**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 3322)



# 2017

## Environmental, Social and Governance Report

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## Win Hanverky Holdings Limited

Win Hanverky is an integrated sportswear manufacturer, distributor and retailer for various top-tier international sports and fashion brands.

Headquartered in Hong Kong and with production facilities across Asia, Win Hanverky runs three broad lines of business catering for markets across Europe, the United States, Mainland China and Hong Kong. Its three lines of business are:

- Manufacturing Business
- High-end Fashion Retailing Business
- Sportswear Retailing Business

## ABOUT THIS REPORT

This report (“**ESG Report**”) covers the environmental, social and governance (“**ESG**”) information of Win Hanverky Holdings Limited (the “**Group**”) for the period from 1 January 2017 to 31 December 2017, which is the same reporting period as that of the annual report.

We value your feedback on this report and our sustainability performance. If you have any comments and suggestions, please feel free to contact us at [ir@win-hanverky.com.hk](mailto:ir@win-hanverky.com.hk).



# SCOPE AND BOUNDARY

The board of directors (“**Board**”) has overall responsibility for the Group’s ESG strategy and reporting, and has delegated the task of compiling the report to the management and its teams.

The Group is an integrated sportswear manufacturer, distributor and retailer for international sports and fashion brands. The Group has three broad lines of business, namely Manufacturing Business, High-end Fashion Retailing Business and Sportswear Retailing Business. The majority of the representative figures and disclosed information in this report come from the major factories of our Manufacturing Business and exclude High-end Fashion Retailing Business and Sportswear Retailing Business.

The ESG Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide contained in Appendix 27 to the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and follows the “**comply or explain**” provisions.



# STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT







The Group attaches great importance to the effective communication with stakeholders, and treasures the expectation and valuable insight from our stakeholders as essential inputs for our long-term business planning strategy. The following matrix summarises the Group's engagement channels with various stakeholders.

Key Stakeholder Group	Engagement Channels
Customers	<ul style="list-style-type: none"> <li>• Customer visits (Manufacturing Business)</li> <li>• Customer audits (Manufacturing Business)</li> <li>• Meetings (Manufacturing Business)</li> <li>• E-mails (Manufacturing Business)</li> <li>• Customer service hotline (Retailing Business)</li> </ul>
Suppliers and Sub-contractors	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Telephone calls</li> <li>• E-mails</li> </ul>
Business Partners	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Telephone calls</li> <li>• E-mails</li> </ul>
Investors	<ul style="list-style-type: none"> <li>• Annual reports, announcements and circulars</li> <li>• Company website</li> <li>• Investors conferences</li> <li>• Meetings</li> <li>• Telephone calls</li> <li>• E-mails</li> </ul>
Media	<ul style="list-style-type: none"> <li>• Press conferences/press releases</li> <li>• Press interviews and announcements</li> </ul>
Government and Regulators	<ul style="list-style-type: none"> <li>• Annual reports, announcements and circulars</li> <li>• Reports and submissions according to regulatory requirements</li> <li>• Meetings and seminars</li> </ul>



Key Stakeholder Group	Engagement Channels
Communities and NGOs	<ul style="list-style-type: none"> <li>• Volunteer activities and public events</li> <li>• Site visits</li> <li>• Meetings &amp; seminars</li> </ul>
Academic and Other External Stakeholders	<ul style="list-style-type: none"> <li>• On request</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>• Annual general meetings</li> <li>• Annual reports, announcements and circulars</li> <li>• Company website</li> <li>• Telephone calls</li> <li>• E-mails</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Questionnaires</li> <li>• Company policy and procedures</li> <li>• Company internal notices and communications</li> <li>• Company intranet</li> <li>• Trainings and workshops</li> <li>• Meetings</li> <li>• Company annual dinner</li> <li>• Recreational and volunteer activities</li> </ul>

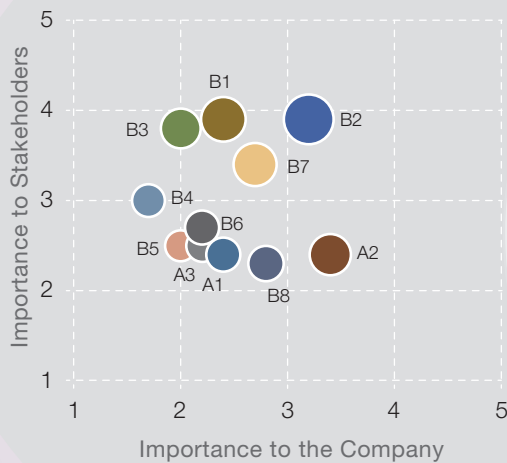


In the past, the Group conducted surveys with stakeholders through a variety of channels to identify the issues concerning them and the ESG impacts of the Group's business operations. During the year, the Group continued to discern the issues concerned.

In preparing this report, the Group continued to refer to our latest materiality assessment and surveys of stakeholders to enable better understanding of our ESG performance that may affect the Group as well as our stakeholders. The Group evaluated the environmental and social risks associated with our business operations, and assessed the potential impact on the Group by the corresponding ESG risks.

The result of our latest materiality assessment is summarised in materiality matrix as shown below.

### Materiality Matrix



- Aspect A1 - Emissions
- Aspect A2 - Use of Resources
- Aspect A3 - Environmental & Natural Resources
- Aspect B1 - Employment
- Aspect B2 - Health & Safety
- Aspect B3 - Development & Training
- Aspect B4 - Labour Standards
- Aspect B5 - Supply Chain Management
- Aspect B6 - Product Responsibility
- Aspect B7 - Anti-corruption
- Aspect B8 - Community Investment

## STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

The Group took into consideration of below materiality assessment result in the reporting of ESG information and resources investment.

Materiality	Rank	Aspect
Most important to both the Company and the Stakeholders	1	B2 — Health & Safety
More important to the Stakeholders but less important to the Company	2	B1 — Employment
	3	B3 — Development & Training
	4	B7 — Anti-corruption
	5	B4 — Labour Standards
More important to the Company but less important to the Stakeholders	6	A2 — Use of Resources
Less important to both the Company and the Stakeholders	7	B8 — Community Investment
	8	B6 — Product Responsibility
	9	A3 — Environmental & Natural Resources
	10	A1 — Emissions
	11	B5 — Supply Chain Management



ENVIRONMENTAL







We strive to comply with all relevant environmental laws and regulations. During the reporting period, there were no serious regulatory violations or fines incurred from the breach of environmental protection laws.

### EMISSIONS, EFFLUENTS AND WASTE

The Group has a vision to satisfy the desire of every customer and business partner, in line with this vision, we also regard satisfying the desire of every key stakeholder as a core element of our vision. The Group established relevant environmental management policies and procedures that integrated sustainability with day-to-day operations.

In response to the latest global trend, the Group ensures that low carbon, low emission and energy saving aspects are fully considered in all operational activities. The Group adopted ISO 14001 environmental protection and management systems and most of our production facilities have already been accredited.

In addition to the Group's internal environmental management, the Group's subsidiaries periodically invited local regulation bodies to conduct regular reviews to ensure compliance with government regulations as well as its own policies, covering sewage handling, air pollution and noise control.

Minimising and mitigating all different forms of emissions is of utmost importance to the Group. Establishing appropriate policies and procedures, the Group complied with relevant laws and regulations that significantly impacted our business and operations in the aspect of greenhouse gas emissions, generation of hazardous and non-hazardous waste, and water discharge.

The Group operates several production facilities in Mainland China, Vietnam and Cambodia which utilise electricity as primary energy source for production. To mitigate these indirect greenhouse gas emissions, the Group established operational procedures to efficiently operate the production facilities to minimise energy consumption and thus their indirect emissions.





## EMISSIONS, EFFLUENTS AND WASTE (CONTINUED)

### Centralised Biomass Boiler

The Group switched 16 units of electric boilers into a centralised biomass boiler in the facility in Mainland China to enhance steam generating efficiency. It was estimated to save 2,416,128 kWh per year, approximately 26% of total electricity consumption in the corresponding facility. This initiative saves over 2,000 tonnes of CO<sub>2</sub>-e per year.

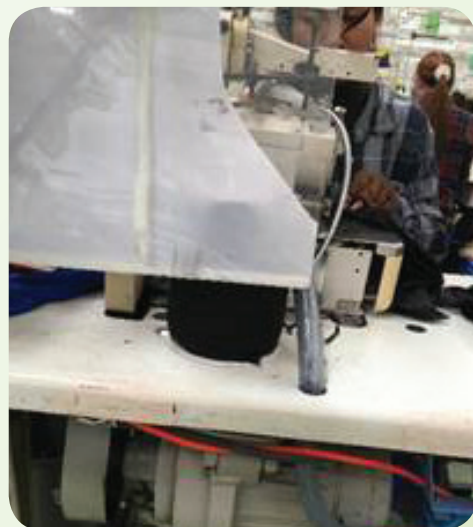


### Operational Behavioural Change

On top of hardware improvement, behavioural change to switch off unnecessary lightings during lunch hour in production floor and office was estimated to bring saving of 57,941 kWh per year in our facilities in Vietnam. This initiative saves over 30 tonnes of CO<sub>2</sub>-e per year.

### Servo Motor Retrofit

In our facilities in Cambodia, conventional clutch motors were switched to energy-saving servo motors which brought energy saving of about 60%. Around 98% of sewing machine motors have been equipped with energy-saving servo motors, which was estimated to save 21,565 kWh per year. This initiative saves over 10 tonnes of CO<sub>2</sub>-e per year.



## EMISSIONS, EFFLUENTS AND WASTE (CONTINUED)

In the reporting period, the Group set up the Environmental Committee in the production facility in Vietnam. The Committee consists of a factory manager and department heads from environmental management, administration, human resources, production and maintenance, who are tasked to implement energy saving initiatives in their responsible sectors to slash greenhouse gas emissions. Initiatives include enhancing energy sub-metering to better monitor our energy consumption at major workshops and facilities through real time data tracking on Power Monitoring Expert system.



### Energy Sub-metering

The Group enhanced energy sub-metering in the facilities in both Mainland China and Vietnam in order to better monitor our energy consumption at major workshops and facilities through real time data tracking on Power Monitoring Expert system to facilitate monitoring, analysis and evaluation.

## Innovative Textile Technology — e.dye

In view of the fact that one of the manufacturing processes in textile supply chain, fabric dyeing, may consume more water and generate wastewater, the Group joined forces with a partner that possesses an innovative textile technology. This has led to the further development of an innovative technology named e.dye technology, which produces synthetic textiles that are able to achieve less water used during production and help to achieve zero discharge of hazardous chemicals. The Group established and implemented policies and procedures regarding wastewater treatment, and operated wastewater treatment facilities to process the wastewater in accordance with regulatory standards before discharging into local public sewage tunnels. Regular sampling and continuous monitoring were also conducted to ensure and maintain the compliance level.

A pilot factory has been established in Kunshan, Jiangsu province of Mainland China, to demonstrate this revolutionary production process. We have planned to establish production facilities in Vietnam for e.dye product manufacturing and will continue to expand our strategic partnership with international brands to create eco-friendly production of textiles that helps the world in various ways.

## EMISSIONS, EFFLUENTS AND WASTE (CONTINUED)

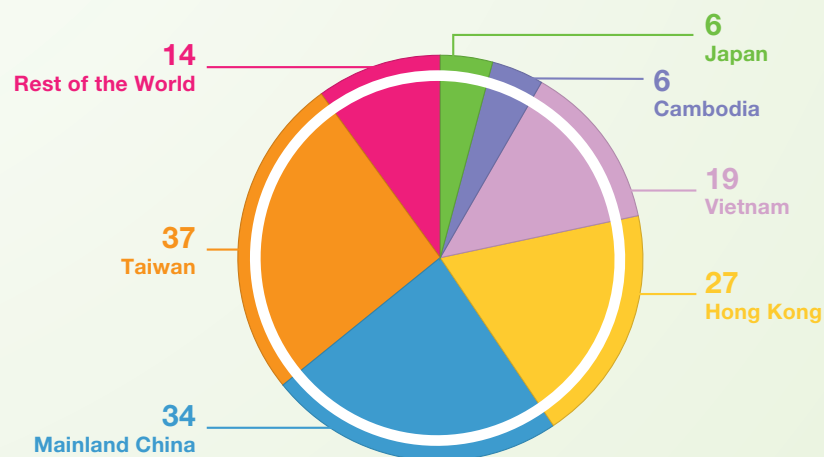
In order to reduce the potential impact of the business operations on the environment, the Group implemented stringent waste management procedures. The Group prioritised waste prevention and minimisation by using a high technology automatic cutter to cut the fabrics to achieve lowest wastage of material. For unavoidable waste, manufacturing facilities recollected both hazardous and non-hazardous waste generated from production processes in accordance with defined handling procedures and commissions qualified waste collectors possessing corresponding permits issued by local regulatory authorities to collect and process the waste.

As highly recyclable textile waste and paper packaging compose of large majority of non-hazardous waste stream, the predominant method of handling is recycling delegated to the waste collector.

It is a common practice in the garment manufacturing industry that the end customers may appoint designated vendors to supply raw materials for the manufacturing of their end products. As our major customers in the Manufacturing Business are well-known sports brands with established comprehensive policies and procedures in sustainability, therefore they require vendors to comply with the sustainability code. On top of the Group's own policy and requirements, the Group strictly adheres to customers' policy and requirements in sustainability which include supply chain management on supply chain code of conduct, and environmental concerns. The Group collaborated with customers to perform regular compliance assessment of our manufacturing facilities and the raw materials suppliers who can be qualified as designated suppliers.

A majority of our suppliers implemented their environmental systems in compliance with ISO14001:2004 standards respectively and have been correspondingly certified. The Group's compliance team regularly conducted supplier audits to ensure our suppliers operate in compliance with required environmental standards.

### Number of Suppliers by Geographical Region





## EMISSIONS, EFFLUENTS AND WASTE (CONTINUED)

### Greenhouse Gas Emissions

<b>Total greenhouse gas emissions</b> <sup>Note</sup>	20,610 metric ton CO <sub>2</sub> -e
<b>Average greenhouse gas emissions from production of one piece of product</b>	0.58 kg CO <sub>2</sub> -e/pc

Note: Calculation covered electricity consumption, and fuel (including diesel, gasoline, and liquefied petroleum gas) consumption by stationary source and mobile source.

### Hazardous Waste

<b>Total hazardous waste</b>	0.70 metric ton
<b>Average hazardous waste from production of one piece of product</b>	0.02 g/pc

### Non-hazardous Waste

<b>Total non-hazardous waste</b>	3,074 metric ton
<b>Average non-hazardous waste from production of one piece of product</b>	86.67 g/pc

## ENERGY, WATER AND MATERIALS

As a responsible garment manufacturer, the Group is well aware that environmental protection initiatives are of paramount importance for sustainable development. The Group has, therefore, all along been treasuring environmental resources, in particular quality fabric resources on which our business is dependent. While enthusiastically expanding the scale of its operations, the Group is also committed to striking a balance between business expansion and environmental conservation at the same time in its pursuit to boost value for its shareholders under the premise of reducing the burden on the environment.

Realising that resources are finite and extraction of resources often incurs a cost to the environment, the Group established proper policies and procedures on the efficient use of resources, such as energy, water and other raw materials.

The Group fully agrees that energy conservation is vital to environmental protection, thus developed energy conservation guidelines, continuously monitored power consumption and regularly reviewed energy conservation measures to enhance energy performance. The Group consumes electricity for machinery operations, lighting and air-conditioning, and on the other hand, small amount of fuel for backing up power generator.

## ENERGY, WATER AND MATERIALS (CONTINUED)

### LEED Platinum Award — Bowker (Vietnam) Garment Printing Factory

Leadership in Energy and Environmental Design (“**LEED**”) is the most widely used green building rating system in the world and provides a framework to create healthy, highly efficient and cost-saving green buildings. LEED certification is a globally recognised symbol of sustainability achievement. The Group’s newly-built factory in Vietnam, Bowker (Vietnam) Garment Printing Factory, was awarded with LEED Platinum Award for its outstanding green building performance.

Walls and roof of the factory were specially designed to enable natural light to pass through so as to allow good daylighting harvesting while maintaining low heat transfer, and helped to reduce the need for interior electric lighting, resulting in decreased energy use. 94% of regularly occupied area in the factory had access to outdoor views. The roof material had outstanding solar reflection and thermal emittance to effectively reduce the energy loading on indoor air conditioning. Supported by a 1,000kW Solar Energy Inverter Array, photovoltaic panels installed on the roof convert solar energy to sustainable electricity supply to power the factory.

By applying the innovative wastewater technologies including high-efficiency flush fixtures and utilising non-potable water sources, we greatly reduced the demand for potable water for sewage conveyance.

The building utilised a large amount of recycled material. The recycled content value (e.g. concrete, steel bar, steel purlin, steel structure, gypsum, aluminium) made up of approximately 20% of the total cost of the building.

The factory adopted an innovative ventilation design, such that outdoor air was pre-cooling by heat recovery ventilation and the workshop area was installed with cooling-pad system.



## ENERGY, WATER AND MATERIALS (CONTINUED)

The Group is also aware of the scarcity of water resources. Most of our manufacturing processes do not consume water, except for domestic usage by workers, in which water consumption is closely monitored. Municipal water is the main source of total water supply.

In order to reduce our water footprint, the Group expanded the pond for rainwater catchment in the facilities in Cambodia. Rainwater then went through a treatment system for downstream utilisation. Using rainwater can reduce cost of using municipal water in the long run, and minimise the impact on natural waterbodies.

### Water Faucets Replacement

The Group replaced water faucets in the facilities in Vietnam and Cambodia. The water-saving pressing faucets achieved the water saving standard of 2.33–2.67 L/min, and was estimated to save 22,459 m<sup>3</sup> of water, or 84% of faucet water use.



### Water Sub-metering

The Group also enhanced water sub-metering in facilities in Vietnam and Mainland China to better monitor our water consumption at major workshops and facilities through real time data tracking on Water Monitoring Expert system.

## ENERGY, WATER AND MATERIALS (CONTINUED)

The manufacturing process primarily uses plastic bags and paper carton boxes for packaging. The Group minimises wastage of packing materials through good practice in stock keeping and handling.

### Direct and Indirect Energy Consumption

Energy Type	%	Energy Consumption
Electricity	94	27,033,319 kWh
Diesel	4	1,210,031 kWh
Gasoline	2	489,605 kWh
Liquefied Petroleum Gas	0	29,313 kWh
Photovoltaic	0	19,622 kWh
<b>Total</b>	<b>100</b>	<b>28,781,890 kWh</b>

**Average energy consumption of production of one piece of product** 0.81 kWh/pc

### Water Consumption

**Total water consumption** 474,398 cubic meters

**Average water consumption of one man-hour of production** 14.67 litre/man-hr

### Packaging Materials

**Total packaging materials** 400 metric ton

**Average packaging materials consumption from production of one piece of product** 11.27 g/pc



# LABOUR PRACTICES AND DECENT WORK





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## FAIR EMPLOYMENT

The Group is aware that talents are one of the cornerstones for the Company's long-term implementation of sustainable development. As such, the Group observed and complied in all material respects with the relevant employment legislation and established company policies and procedures relating to compensation and dismissal, recruitment and promotion, working hours, and rest periods. Moreover, the Group implemented a sound promotion system under which priority would be given to qualified existing employees for internal management vacancies, further ensuring that employees can share the achievements of the Group.

The human resources department collected comments from employees on a regular basis and forwarded them to the management for review, through which a better understanding of the needs of the employees and an improved employer-employee relationship could be achieved. On top of management and operational effort, the Group also hosted various activities that involved the family members of employees to cultivate a harmonic atmosphere and work-life balance culture in the organisation.

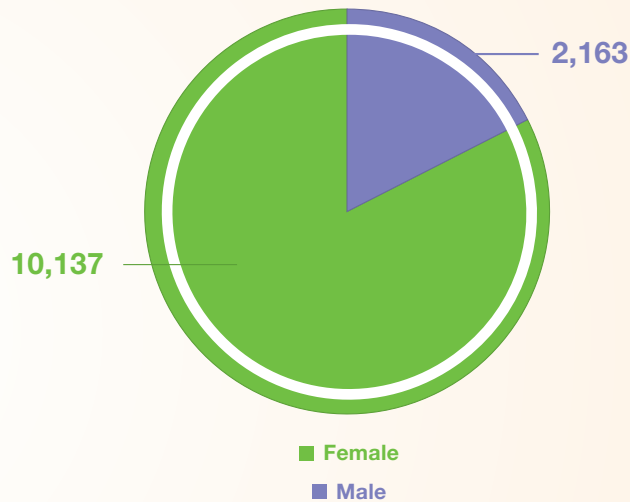
### Family Days

In the factories in Mainland China, the Group organised an activity for the employees and their children. The activity includes factory visit, cake making and English learning. In factory visit, children had the opportunity to visit the actual working environment of their parents, being able to learn more about their parents' work. In cake making session, children and their parents together had a hands-on experience with cake making with joy and laughter. For the English learning session held by local famous education organisation, children gained knowledge in a fun and interactive way. The participating families were satisfied with the event and felt the improvement of the relationship with their children.

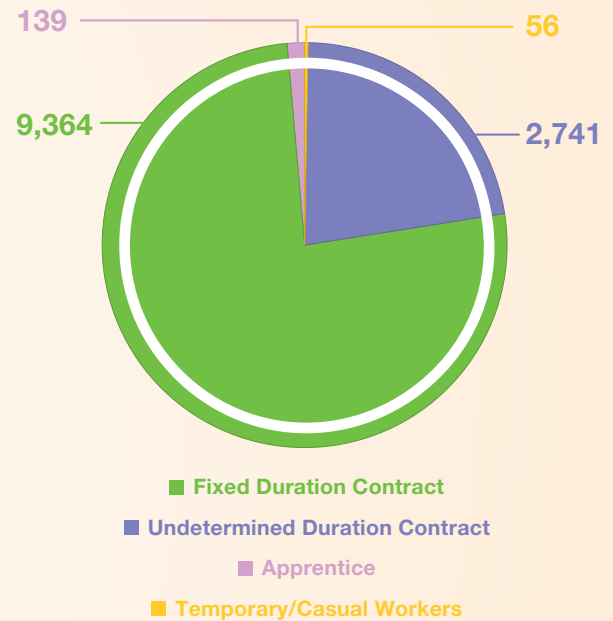
We also organised a parent-child sports competition in the factories in Mainland China, where employees and their children cooperated with and competed against each other through various little sports activities. The interaction and cooperation between adults and children helped employees improve their relationship not only with their children, but also with their colleagues.



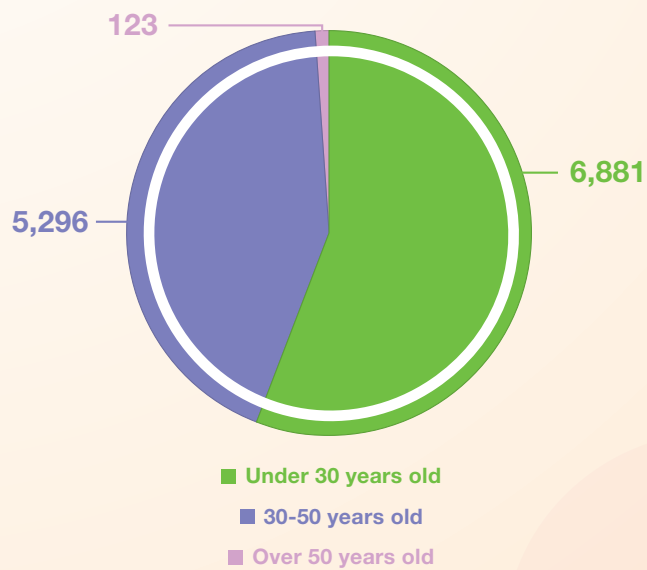
Total Workforce by Gender  
(Unit: Person)



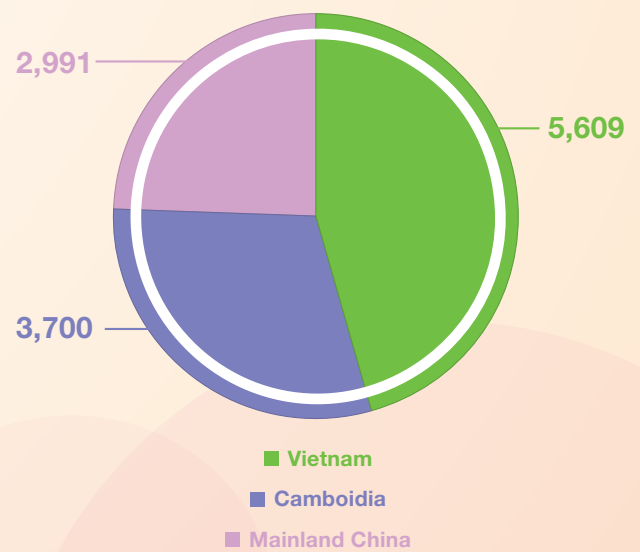
Total Workforce by Employment Type  
(Unit: Person)



Total Workforce by Age Group  
(Unit: Person)



Total Workforce by Geographic Region  
(Unit: Person)



## EMPLOYEE TURNOVER RATE BY GENDER AND AGE GROUP

Gender	Age Group	Average Monthly Turnover Rate
Male	Under 30 years old	0.53%
	30–50 years old	0.29%
	Over 50 years old	0.00%
Female	Under 30 years old	2.76%
	30–50 years old	1.24%
	Over 50 years old	0.02%

## EQUAL REMUNERATION FOR WOMEN AND MEN

The Group developed a performance appraisal and evaluation mechanism to assess employee performance in a fair and equal manner, and provided discretionary bonus and other incentives based on the evaluation results. The Group established company policies and procedures relating to equal opportunity, diversity, anti-discrimination, and other benefits and welfare. The Group maintains awareness of and compliance with applicable laws and regulations.

In addition to the basic rights stipulated in the labour legislation in Hong Kong and other operating locations, female employees of the Group are entitled to maternity leave and are not discriminated against or slighted due to pregnancy, while male employees in Hong Kong enjoy three days of paid paternity leave allowing them to take care of their wives and new-born babies.





## DIVERSITY AND EQUAL OPPORTUNITY

Diversity and equal opportunity are the Group's principles in its recruitment, training, assignment of responsibilities and remuneration systems. All employees are treated equally regardless of their gender, age, religion, ethnicity, political stance or marital status.

In order to stand out in an industry characterised by keen competition, over the years, the Group has been actively recruiting talent and sparing no effort to enhance its competitiveness. On this ground, the Group formulated open and transparent procedures for flexible recruitment through various channels that are suitable for specific job positions and responsibilities, including accepting employee referrals, placing advertisements and commissioning recruitment agencies to identify professionals. Applicants were screened based on certain criteria including work experience, academic qualifications and professional skills to ensure that the capability of the candidates meet the requirements of the Group, while respecting their gender, age, religion, ethnicity, etc.

The Group has a worldwide operation across the globe, having employees from various ethnicities in a variety of geographic location. It is paramount for the Group to respect every ethnicity and culture so as to strive for lasting excellence and sustainable development.

### Employee Birthday Party

In the Vietnam and Cambodia factories, the Group organised birthday party every month to celebrate the birthday of our employees, with a wonderful and sweet moment on lunchtime parties. Singing birthday songs, playing games and having birthday cakes and little treats together offer the employees with an unforgettable moment and our blessings.



## OCCUPATIONAL HEALTH AND SAFETY

With a large number of employees under its wings, the Group established company policies and procedures relating to providing a safe working environment and protecting employees from occupational hazards. The Group keeps aware of and complies with applicable laws and regulations.

We care about our employees and are committed to provide them with a safe working environment. Relevant job trainings were provided to operational staff before commencement of job duties. The Group required operational staff to wear safety gear such as protective gloves in specific work areas to prevent injury in the workplace.

In order to formalise such management practice, the Group adopted OHSAS 18001:2007 Occupational Health and Safety Assessment Series and most of our production facilities are OHSAS 18001:2007 certified and accredited.

Not confining our health and safety commitment, the Group passed on this message to our supply chain and continue to communicate with our suppliers regarding the latest regulations and worldwide standards to promote awareness of occupational health and safety.

A majority of our suppliers implemented their occupational health and safety systems in compliance with OHSAS18001:2007 standards respectively and have been correspondingly certified. The Group's compliance team regularly conducted supplier audits to ensure our suppliers operate in compliance with required health and safety standards.

## TRAINING AND EDUCATION

The Group is dedicated to investing into its employees with ongoing education and training to hone their skills and expertise and encourage them to prepare for changes and keep up with the Group's development. The Group established company policies and procedures relating to improving employees' knowledge and skills for discharging duties at work.

The Group encourages employees to pursue continuing education and enrol in work-related courses to obtain professional certification and achieve self-enhancement, with a belief that a team with deep knowledge of the industry and applicable professional skills can enhance its corporate brand image and competitiveness. Not only did the Group engage professionals to provide occupational training, but also assigned employees to participate in activities including external training, industry seminars and product launches if necessary. The Group even provided special training based on the needs to individual positions. Equipped with enhanced professional skills and knowledge of innovative technology, while at the same time gaining relevant work experience, the improved effectiveness of employee empowers the Group to venture into the global textile market.

### Factory Library

The Group also collaborated with Sipar, a French non-governmental organisation actively developing reading and making books available to underprivileged populations, to set up a library in our Cambodia factories. Various kinds of books and comfortable place were provided to our employees to read at their free time. The library was very popular among our employees after it was opened. We believe reading is an essential way for knowledge and literacy growth and improvement, and we hope our employees will continue to gain benefits from it.



### Education for Next Generation

The focus on education by the Group does not stop at the employees, but extends to their children. In the Vietnam factory, the Group held an annual award ceremony organised by top management and Trade Union Committee for offering gifts to employees' children with good academic results. The gifts served as a recognition for children's efforts on studying and promotion to young generation about the importance of education. The Group also showed our care for employees' family through this financial support.





# HUMAN RIGHTS





The Group maintains awareness of the relevant laws and regulations relating to prevention of child labour and forced labour, and formulated specific policies to prevent employment of child labour or forced labour. For example, the Group's recruitment procedures specifically stated that the recruitment of minors under the age restricted by local regulations on child labour is strictly prohibited.

The Group checked all the documentation concerning the age of job applicants and took effective measures to verify their age before hiring, to ensure that each applicant met the required age. Holding on to the principle of impartiality and voluntariness, the Group prohibited any coercion or deception in the course of recruitment and committed to safeguarding human rights and establishing a fair working environment.

Extending our human rights commitment, the Group passed on this message to our supply chain and continued to communicate with our suppliers regarding the principle of prevention of child labour and forced labour.



# SOCIETY









## ANTI-CORRUPTION

Integrity is one of the core values of the Group. We conduct our business operations with a high level of integrity, and respect our customers and suppliers. Meanwhile, we are also trusted by our stakeholders and business partners in good standing.

The Group is aware of and complies with relevant laws and regulations relating to bribery, extortion, fraud and money laundering which it strives to avoid and that could significantly affect its business. The Group's employee handbook and code of conduct specified the requirements and procedures in relation to anti-corruption and fraud. We abstracted relevant sections of the Prevention of Bribery Ordinance in Hong Kong into the code of conduct and required our employees to be aware of and declared any conflict of personal interests with that of the Group.

The Group defined clear allegation procedures in the code of conduct, to provide a transparent channel for employees to report on any suspected misconduct or malpractice within its operations. There have not been any such allegations reported in the year of reporting.

## COMMUNITY INVESTMENT

The Group is aware of the needs and interests of the communities and takes a holistic approach to address the concerns of various stakeholders. The Group undertook to understand the needs of the communities where it operates and ensured its activities take into consideration the interests of the community.

In respect to helping the less fortunate, the Group encouraged staff to regularly participate in charitable causes. The Group also organised a number of events that contribute to the advancement of society.



### Golden Heart Fund

Established from the donation and engagement of our Vietnam factory, Trade Union Committee and employees, Golden Heart Fund aims at supporting needy people inside and outside of the company. The Group and Trade Union Committee reached out to the society and visited orphanages and nursing homes during public holidays. The fund also internally supported employees in needs with difficulty and sickness.



### Love Bowker • Love the environment • Love the world

To care for the environment around us and raise the environmental awareness of our employees, our factory in Yun Fu held an environmental activity, consisting of a competition on environmental knowledge and cleaning the park. Combining both theoretical and practical components, this activity provided an opportunity for employees to equip themselves with environmental knowledge while having hand-on experience with the actual environment that they are living in.





# PRODUCT RESPONSIBILITY



## CUSTOMER HEALTH AND SAFETY

Product safety and consumer-safe products are the highest priority to the Group. To ensure product quality and consumer-safe products, all materials and product samples had to pass a rigid compliance process and are tested in accordance with our client's standardised material and product testing specifications and procedures.

In addition, the Group keeps track of the latest legal developments in product safety and, where necessary, updates related policies and manuals in line with the latest requirements. The Group maintains awareness of and complies with the relevant laws and regulations relating to health and safety for products and services provided as well as methods of redress.

As at 31 December 2017, no request for product recalls due to safety and health issues has been received by the Group.

## PRODUCT LABELLING AND MARKETING COMMUNICATIONS

Labelling of products is either performed by our brand suppliers or by us according to our customers' instructions aligned with factual information, and at the same time, with attention to ensure accurate product description in product advertisements in our High-end Fashion Retailing Business and Sportswear Retailing Business. We strictly comply with applicable laws and regulations in product labelling and advertising.

The Group maintains awareness of and complies with the relevant laws and regulations relating to advertising and labelling for products and services provided.

## INTELLECTUAL PROPERTY AND CUSTOMER PRIVACY

The Group undertakes not to purchase any pirated software and hardware. When partnering with another corporation, we will set out the terms on protection of intellectual property rights if needed, and respect each other's rights and duties.

While at the customer end, our High-end Fashion Retailing Business and Sportswear Retailing Business have implemented a membership program to reward loyal customers. In this pursuit, the Group is aware of and complies with applicable laws and regulations governing personal data and privacy, and we have put in place relevant procedures to protect the rights of our customers.



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