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## Win Hanverky Holdings Limited

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

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

- Manufacturing Business
- High-end Fashion Retailing Business



# ABOUT THIS REPORT

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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 2019 to 31 December 2019, 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 manufacturer, distributor and retailer for international sports, fashion and outdoor brands. The Group has two broad lines of business, namely Manufacturing Business and High-end Fashion 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.

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.







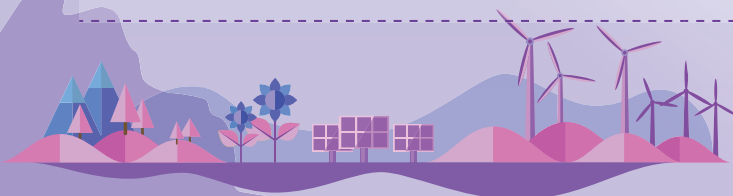
# **STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT**

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## 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</li> <li>• Customer audits</li> <li>• Meetings</li> <li>• E-mails</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>



## STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

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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>

### Voice from Employees

We actively listen and follow the voice from our employees. Regular meetings between management and worker's representatives/unions are held to ensure message from workers can be delivered. In November 2019, the new employee relations team was set up in our Cambodia factory, aiming to provide a new grievance channel to our employees to share their views and suggestions for better workplace.



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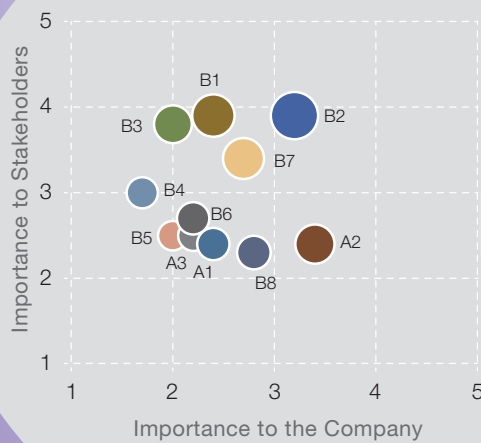
## STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

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 reporting period, the Group continued to discern the issues concerned.

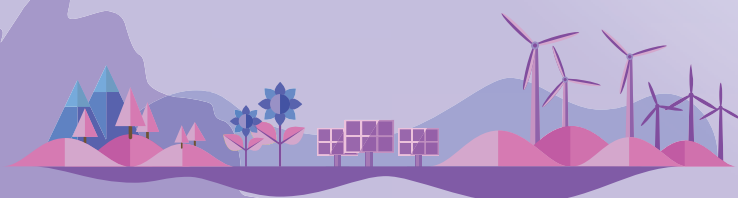
In preparing this report, the Group continued to refer to our latest materiality assessment and surveys of stakeholders to enable better understanding of our ESG performance that may affect the Group as well as our stakeholders. The Group evaluated the environmental and social risks associated with our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

## OUR ECO VISION

### Green Manufacturing/Environmental Sustainability

#### ECO Vision

*We aim to reducing pollution and waste by minimizing natural resource use, recycling and reusing what was considered waste, and reducing emissions in our manufacturing processes.*

6 key areas  
with strategy



#### Energy & GHG emission

*"We aim to reduce our consumption of energy resources and emission on GHG, also we strive to adopt renewable energy to minimize the use of fossil fuel!"*



#### Water stewardship & Wastewater discharge

*"We aim to minimize freshwater withdrawal and discharge wastewater in sustainable manner, also we strive to adopt greywater treatment and recycling."*



#### Waste management

*"We aim to minimize the waste generation and properly handle waste by segregation, storage, transport and disposal. Also, we strive to achieve Zero Landfill by maximizing recycling."*



#### Chemical management

*"We aim to protect employees and environment through proper management of chemicals in restricted substance control, procurement, handling, storage, use, and disposal of chemicals."*



#### Employee mobilization

*"We aim to create a green working environment where employees are fluenced to support and contribute to environmental protection."*



#### Green culture

*"We aim to influence company culture to adopt green consideration in daily business decision."*

## EMISSIONS, EFFLUENTS AND WASTE

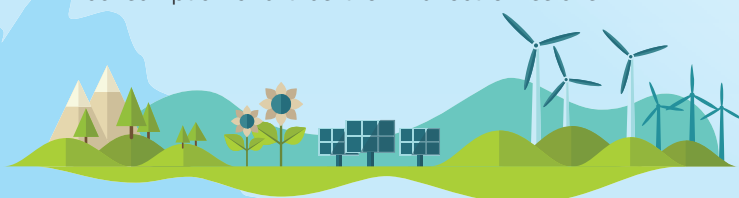
The Group has a vision to satisfy the desire of every customer and business partner, in line with this vision, we also regard satisfying the desire of every key stakeholder as a core element of our vision. The Group established relevant environmental management policies and procedures that integrated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

### Greenhouse Gas (“GHG”) Emissions

Since 2018, our factories have started to account GHG emission from operation using own-developed calculation tool. During the reporting period, our factories have emitted 20,591 metric ton CO<sub>2</sub>e in the production operation, and GHG intensity was 0.74 kg CO<sub>2</sub>e per man-hour of production.

	2019	2018
Total greenhouse gas emissions*	20,591 metric ton CO <sub>2</sub> e	20,781 metric ton CO <sub>2</sub> e
Average greenhouse gas emissions from one man-hour of productions	0.74 kg CO <sub>2</sub> e /man-hour	0.66 kg CO <sub>2</sub> e/man-hour

### Hazardous Waste & Non-Hazardous Waste

Containers for hazardous material after usage and other contaminated materials are our major type of hazardous waste, while textile waste is our major type of non-hazardous waste.

	2019	2018
Total hazardous waste	0.83 metric ton	0.65 metric ton
Average hazardous waste from one man-hour of production	0.030 g/man-hour	0.021 g/man-hour

	2019	2018
Total non-hazardous waste	2,065 metric tons	2,341 metric tons
Average non-hazardous waste from one man-hour of production	72.81 g/man-hour	74.30 g/man-hour

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



## EMISSIONS, EFFLUENTS AND WASTE (CONTINUED)

Waste management is all the activities and actions required to manage waste from its inception to its final disposal. This includes, among other things, addressing issues linked to waste minimisation, generation, collection, transport, treatment and disposal of waste together with monitoring and regulation. It also encompasses the legal and regulatory framework that relates to waste management encompassing guidance on recycling etc.

### Reduction of Waste

During the reporting period, we have conducted below waste reduction initiatives in factories:

#### Internal Reuse of Textile

We reused textile scrap and made into curtains, pillow covers and blankets for clinic rooms through training class for new workers.



#### Internal Reuse of Carton

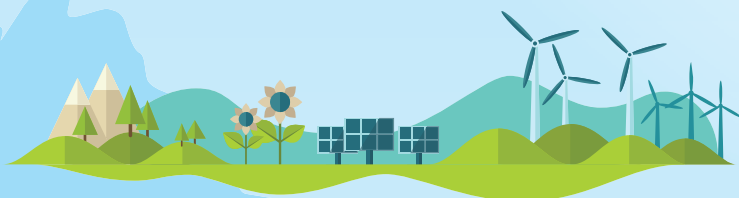
Carton waste was reused as cleaning tool storage bins at production area.



#### Waste Classification Propaganda

Recycle bins were installed for collecting plastic, food waste, aluminum, paper and textile. Staff can separate waste into different categories.

We would like to separate recyclable waste and non-recyclable waste to reduce landfill waste.



## 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.

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



## ENERGY, WATER AND MATERIALS (CONTINUED)

### Direct and Indirect Energy Consumption

Energy Type	%	2019	%	2018
Electricity	94	25,138,265 kWh	94	24,512,491 kWh
Diesel	5	1,259,615 kWh	4	1,066,003 kWh
Gasoline	1	403,805 kWh	2	475,221 kWh
Liquefied Petroleum Gas	0	67,220 kWh	0	31,111 kWh
Photovoltaic	0	13,081 kWh	0	13,081 kWh
<b>Total</b>	<b>100</b>	<b>26,881,986 kWh</b>	<b>100</b>	<b>26,097,907 kWh</b>
<b>Average energy consumption from one man-hour of production</b>		<b>0.96 kWh/man-hour</b>		<b>0.83 kWh/man-hour</b>

### Water Consumption

	2019	2018
Total water consumption	340,730 cubic meters	377,788 cubic meters
Average water consumption from one man-hour of production	10.12 litres/man-hour	11.99 litres/man-hour

### Packaging Materials

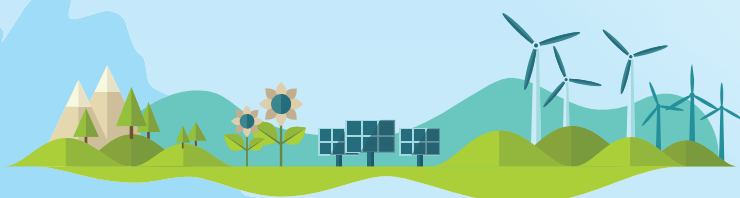
	2019	2018
Total packaging materials	841 metric tons	1,471 metric tons
Average packaging materials consumption from production of one piece of product	22.29 g/piece	37.32 g/piece

### Reduction of Energy Consumption

Addition of new facilities in factories will cause extra consumption of energy. The fluctuation of production will also affect the performance of energy efficiency. Meanwhile, we need to carry out more saving projects in order to keep a balance, or even a reduction in overall energy consumption, in order to keep our target on track.

Our factories have engaged energy consultancy for conducting energy audit every three years in order to evaluate our energy performance in a scientific way, and seek for continual improvement.

In 2018, we have established Energy Water Investment Plan (“EWIP”) to identify the saving projects, saving potentials, project timeline, as well as investment budget. EWIP has been reviewed and approved by top management in factories in order to show our commitment on energy saving.



## ENERGY, WATER AND MATERIALS (CONTINUED)

During the reporting period, we have conducted below energy saving initiatives in factories:

### Installation of Exhaust Duct System in Cutting Machines

In order to remove dust and reduce heat load from air conditioners, exhaust duct system was installed in cutting machines. This system can save approximately 86,000 MJ of energy consumption per year.



### Compressed Air System ("CAS") Leakage Checking and Fixing Program

This program is a continuous improvement action carried on from last year.

Through this program, factory can identify leakage in CAS more quickly and regularly, thus we can respond to issue by fixing to reduce energy loss from leakage.

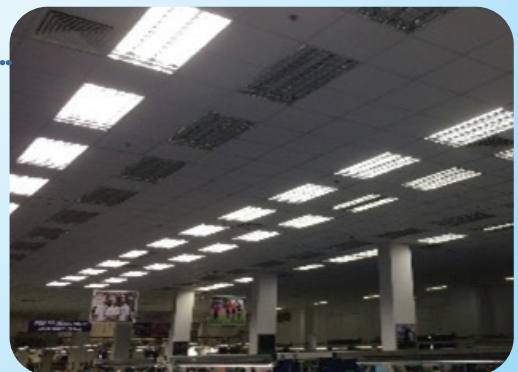
This program aims to make the improvement process more systematic, and we clearly define the role of responsibility for different departments.

### Lighting Turn Off at Specific Area with Sufficient Lux Level

Some areas in production floor were identified with sufficient sunlight or sufficient lux level. Therefore, we decided to turn off the unnecessary lightings in compulsory enforcement.

Responsible teams are well trained with energy saving awareness and lux level measurement to ensure sufficient lux level in workshop can be maintained.

Compliance team conducts checking in production floor in regular basis to enforce switching off the unnecessary lightings.



## ENERGY, WATER AND MATERIALS (CONTINUED)

### Replacement of T5/T8 Fluorescent Lamp by LED

Continuing the practice from last year, we are gradually phasing out the use of fluorescent lamp by replacing with LED lamp.

This year, approximately 2,200 pieces of fluorescent lamp were further replaced by LED lamp. By using LED lamp, approximately 60% energy saving can be achieved.

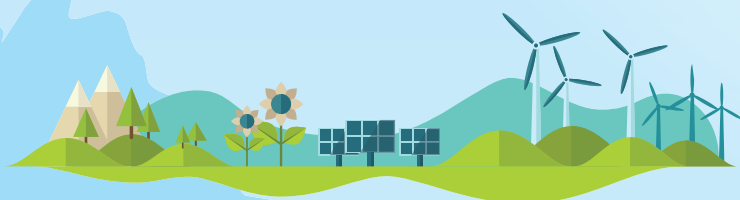
The fluorescent lamp replacement project is still ongoing.



### Installation of Solar Heater for Ironing

In our old practice, we used cold feedwater for individual steam boiler at each vacuum iron table to generate steam for ironing process. Using cold feedwater at ambient temperature will consume more electricity to heat feedwater. If feedwater temperature is higher, electricity consumption from iron will become less.

We used a solar heater to preheat feedwater to increase feedwater temperature by using solar energy instead of consuming electricity. This installation will continue in 2020.



## ENERGY, WATER AND MATERIALS (CONTINUED)

### Timer Control Adjustment in Solenoid Valves for Compressed Air System

Timer control in solenoid valves in compressed air system has been found with high frequency. By reducing the frequency of timer control, loss of compressed air can be reduced, hence to save energy.



### Compressor Room Improvement

In 2018, our factory installed fans to improve ventilation in compressor room to reduce indoor room temperature.

In 2019, we further improved the environment in compressor room by installing a hot air exhaust pipe. This helps to further reduce the temperature of compressor room by 1.2°C .



## ENERGY, WATER AND MATERIALS (CONTINUED)

### Reduction of Water Consumption

Our factories have engaged professional consultancy for conducting water audit every three years in order to evaluate our water performance in a scientific way, and seek for continuous improvement.

In 2018, we have established EWIP to identify the saving projects, saving potentials, project timeline, as well as investment budget. EWIP has been reviewed and approved by top management in factories in order to show our commitment on water saving.

During the reporting period, we have conducted below water saving initiatives in factories:

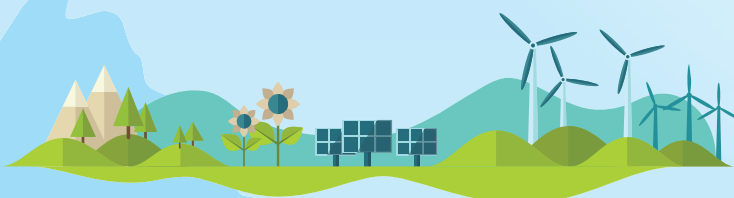
#### Collecting Rainwater

In one of our factories, 2 water tanks were installed to collect rainwater from rooftop area. By using the rainwater for cleaning the floor, we can reduce the consumption of municipal water.



#### Installation of Valves in Pipes

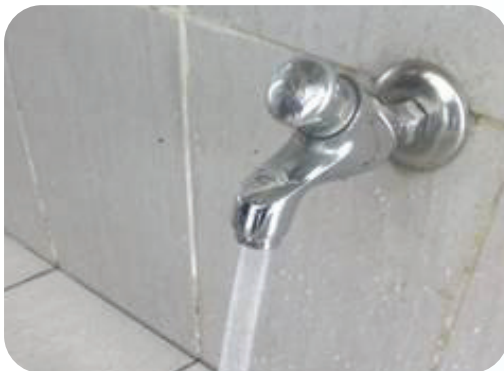
In order to minimise water leakage through the end of hosepipes, valves were installed at the end of hosepipes in canteen and irrigation hosepipes.



## ENERGY, WATER AND MATERIALS (CONTINUED)

### Regular Check of Water Leakage

Regular check and fix of water leakage were conducted on a weekly basis for all toilets in buildings, washing area, roof top and garden area.



### Installation of Water Saving Aerator

Domestic water use is our major water usage in factories because we do not have washing process in production. Domestic water use includes toilet flushing, hand-washing, canteen and drinking water.

We have installed water saving aerators in water taps to minimise hand washing water consumption. After installing aerators, we can save approximately 6 liters per minute.

### Optimisation of Water Use in Toilet Flushing

We gradually improved our toilet flushing by installing dual flushing buttons in some of the toilets. This can save half of the flushing water.

For non-dual flush toilets, we had placed 0.5 to 1 liter of water bottles in the tanks to reduce the volume of flushing water.

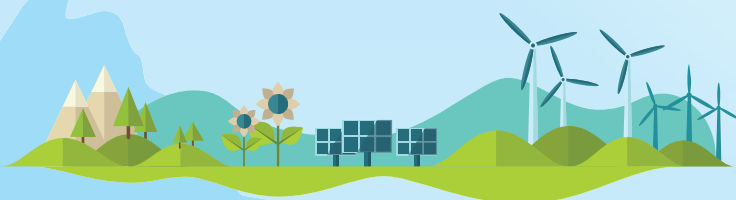
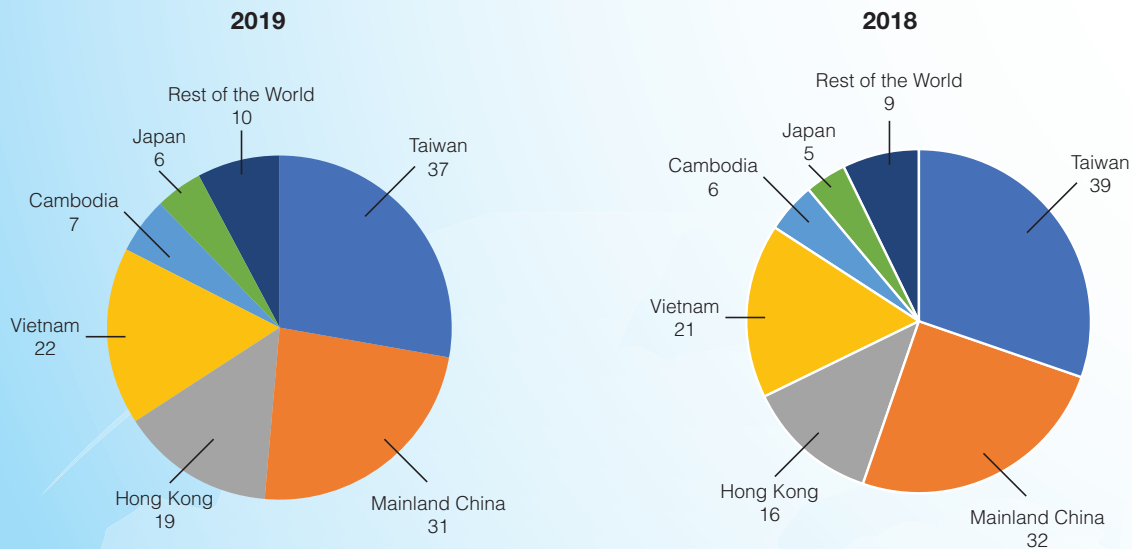


## SUPPLY CHAIN MANAGEMENT

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



## GREEN CULTURE

We aim to influence company culture to adopt green consideration in daily business decision.

Human and business activities are depleting the planet's resources. We are gradually changing our factories into sustainable factories. Our staff spend around one-third of their time in the factories, we provide good working conditions for them and they can learn how to protect the environment during the training and practices at the factories and homes. The environmental training and social training are provided for them to enhance their environmental awareness and social responsibility. We would like to let our staff know how to live sustainably.

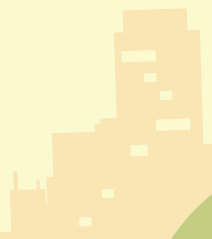
We found out there are some similarities between our sustainable goals and the United Nation's Sustainable Development Goals ("SDGs"), which includes Good Health and Well-being (#3), Gender Equality (#5), Clean Water and Sanitation (#6), Affordable and Clean Energy (#7), Reduced Inequalities (#10), Responsible Consumption and Production (#12) and Climate Action (#13).





# LABOUR PRACTICES AND DECENT WORK





### 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 varies activities that involved the family members of employees to cultivate a harmonic atmosphere and work-life balance culture in the organisation.

#### Football Tournament and Activities

Football tournament is intended to further encourage our employees to build up team work spirit and improve their health & wellness. In Vietnam, over 300 employees participated and supported a football tournament in 2019.



#### Festivals and Celebrations

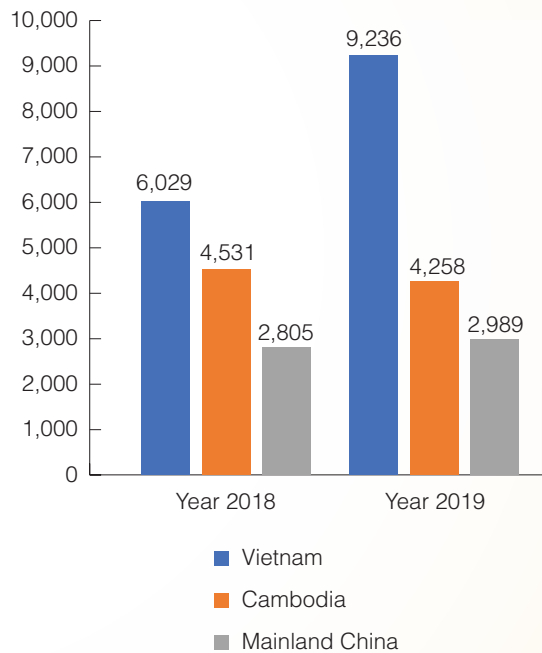
To promote work-life balance, every year, we regularly arrange different kind of parties and gathering activities to our employees, such as monthly birthday party, new year and mid-autumn festival, to let our employees enjoy the happiness and joy after the hard work.



### WORKFORCE COMPOSITION (MAJOR FACTORIES ONLY)

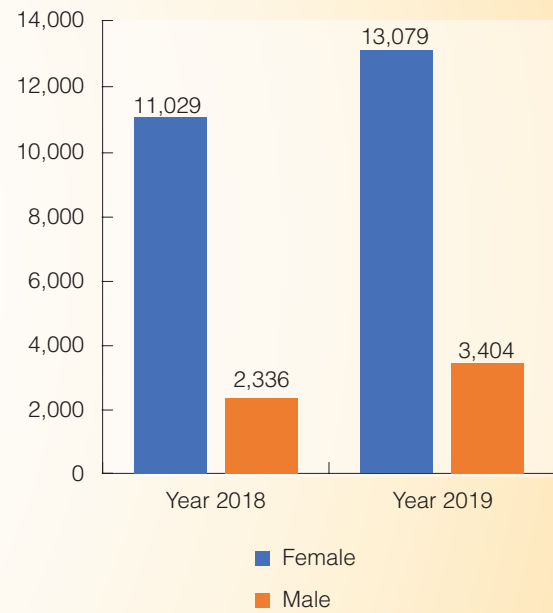
**Total Workforce by Geographic Region**

(Unit: Person)



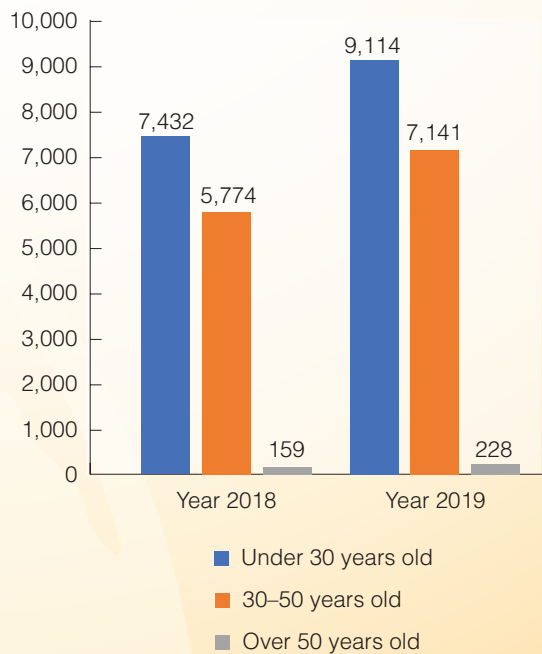
**Total Workforce by Gender**

(Unit: Person)



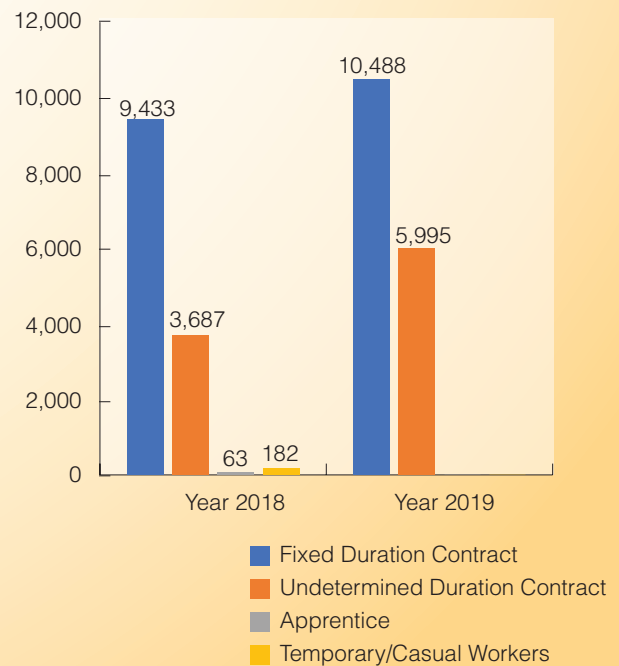
**Total Workforce by Age Group**

(Unit: Person)



**Total Workforce by Employment Type**

(Unit: Person)



### EMPLOYEE TURNOVER RATE BY GENDER AND AGE GROUP (MAJOR FACTORIES ONLY)

Gender	Age Group	Average Monthly Turnover Rate	
		2019	2018
Male	Under 30 years old	0.41%	0.40%
	30–50 years old	0.27%	0.25%
	Over 50 years old	0.02%	0.01%
Female	Under 30 years old	0.37%	1.84%
	30–50 years old	0.30%	1.07%
	Over 50 years old	0.01%	0.03%

### 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 five 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.

### International Women's Day

We arranged an annual celebration for Women's Day. All employees enjoyed the food fair and female employee received flowers and gifts on Women's Day.



### Home Visit to an Employee

All employees are important assets of the company. Thus, the management team in Vietnam arranged home visits to the employees who are in difficulty, provided encouragement and brought hope to their families.

### 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.

#### Fire Safety

Potential fire hazards are dangerous and detrimental to human being. Thus, we must spare no effort to minimise fire risk in our factories. We conducted regular monitoring and maintenance to fire-fighting system to ensure the effectiveness of the system. Besides hardware component, we also put emphasis on our training to employees, as protecting human being from fire hazard is our ultimate objective. We carried out regular fire drills for the whole factory to raise employees' awareness on fire safety, strengthen employees' understanding of fire evacuation routes and self-protection measures.



### 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.

#### Environmental Trainings

In order to enhance staff's environmental awareness, we have arranged environmental trainings for them. Specific environmental trainings are provided to compliance team in order to strengthen their environmental competency. Generic trainings are also provided to all workers during orientation day.





# 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.





The background is a light green gradient. On the left side, there are several large, stylized green leaves of various shades (teal, lime green, and dark green). Scattered throughout the page are numerous small, stylized butterflies in shades of teal, lime green, and dark green. Some butterflies are larger and more detailed, while others are smaller and simpler. At the bottom of the page, there is a horizontal dotted line in a teal color, with a solid teal bar to its left. The word "SOCIETY" is centered in the upper half of the page.

# 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.

### Voluntary Sewing & Mending Services to Local Communities

We organised 2-day voluntary sewing and mending services to the community in February and March 2019 in China.



### Cash & Jacket Donation for Children Protecting Fund

In August 2019, our factory in Vietnam donated VND20 million and 200 jackets to children in Binh Duong province, Vietnam.



### Run for the Ocean

We participated in the “Run for the Ocean” charity activity, organised by our customer in June 2019. A total of 200 employees in Vietnam factory participated the activity and achieved a total distance of 300 kilometers. For every kilometer contribution, our customer will donate USD1 to the environment protecting fund.

# 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 2019, 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. 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 has 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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