



**Win Hanverky Holdings Limited**

(incorporated in the Cayman Islands with limited liability)

(Stock Code : 3322)



# 2020 Environmental, Social and Governance Report



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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.

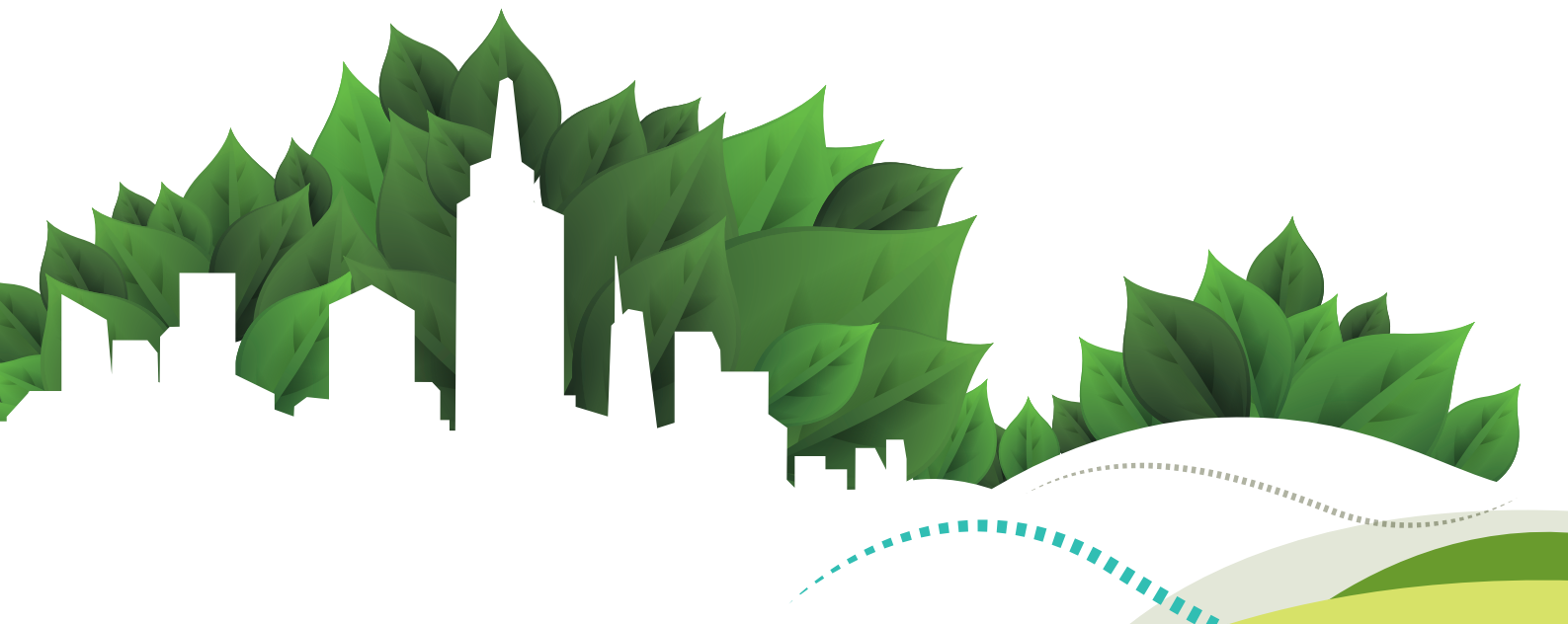
Headquartered in Hong Kong and with production facilities across Asia, Win Hanverky runs two broad lines of business catering for markets across Europe, the United States, Mainland China and Hong Kong. Its two lines of business are:

- Manufacturing Business
- High-end Fashion Retailing Business

## ABOUT THIS REPORT

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 2020 to 31 December 2020, 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 has complied with 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</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 and 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

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 and 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 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

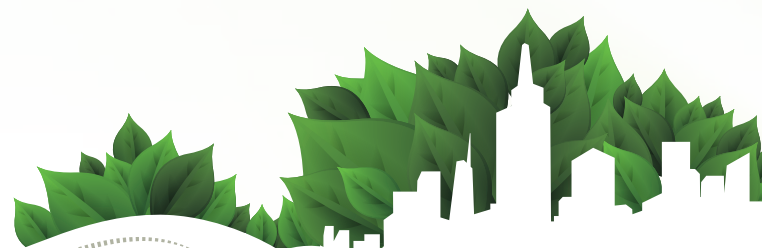


## STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT



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 AND GREEN CULTURE

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

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 trainings and practices at the factories and homes. Environmental and social trainings are provided 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 which include 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).





## 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 adopts 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 invite 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 complies with relevant laws and regulations that significantly impact 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 19,758 metric ton CO<sub>2</sub>e in the production operation, and GHG intensity was 0.64 kg CO<sub>2</sub>e per man-hour of production.

	2020	2019
Total greenhouse gas emissions*	19,758 metric ton CO <sub>2</sub> e	20,591 metric ton CO <sub>2</sub> e
Average greenhouse gas emissions from one man-hour of production	0.64 kg CO <sub>2</sub> e/man-hour	0.74 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.

	2020	2019
Total hazardous waste	1.00 metric ton	0.83 metric ton
Average hazardous waste from one man-hour of production	0.032 g/man-hour	0.030 g/man-hour

	2020	2019
Total non-hazardous waste	1,400 metric tons	2,065 metric tons
Average non-hazardous waste from one man-hour of production	46.40 g/man-hour	72.81 g/man-hour

\* Calculation covered electricity consumption, and fuel consumption (including diesel, gasoline, natural gas 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. This year, we aim at diverting the waste disposal method from landfills to waste-to-energy besides reuse and recycling in order to achieve our zero-landfill ambition.

### Waste Management

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

#### Zero Landfill Project

We kicked off the zero-landfill project with a goal to divert 100% of our production waste. We have diverted over 90% of our production waste from landfill this year. Methods of waste diversion that we adopted include reuse, recycle, waste-to-energy.

We will continue to increase our diversion rate in order to achieve our goal.



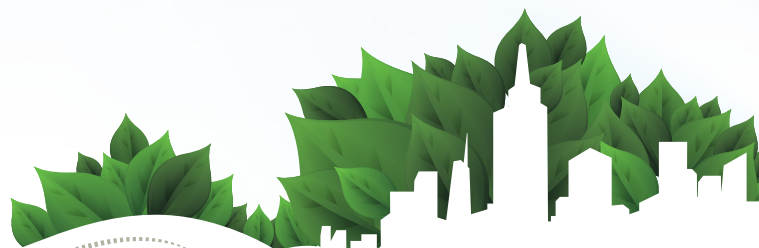
#### Internal Reuse of Textile Waste

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

#### Waste Classification Propaganda

Recycle bins are 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 develops energy conservation guidelines, continuously monitors power consumption and regularly reviews 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	%	2020	%	2019
Electricity	93	23,917,524 kWh	94	25,138,265 kWh
Diesel	3	668,098 kWh	5	1,259,615 kWh
Gasoline	2	624,972 kWh	1	403,805 kWh
Natural Gas	2	387,319 kWh	0	0 kWh
Liquefied Petroleum Gas	0	30,938 kWh	0	67,220 kWh
Photovoltaic	0	29,373 kWh	0	13,081 kWh
<b>Total</b>	<b>100</b>	<b>25,658,224 kWh</b>	<b>100</b>	<b>26,881,986 kWh</b>
<b>Average energy consumption from one man-hour of production</b>		<b>0.83 kWh/man-hour</b>		<b>0.96 kWh/man-hour</b>

### Water Consumption

	2020	2019
Total water consumption	320,139 cubic meters	340,730 cubic meters
Average water consumption from one man-hour of production	10.32 litres/man-hour	10.12 litres/man-hour

### Packaging Materials

	2020	2019 (Restated)
Total packaging materials	1,621 metric tons	1,851 metric tons
Average packaging materials consumption from production of one piece of product	51.59 g/piece	49.07 g/piece



## ENERGY, WATER AND MATERIALS (CONTINUED)

### 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 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.

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

#### Solar Project

We kicked off the 5MWp solar project in Vietnam to scale up the use of renewable energy.

We will extend the solar project to other factories in Mainland China and Cambodia to further increase the percentage of renewable energy consumption.



#### Coding Energy Meters

Codes have been assigned to individual energy meters so as to identify device with high or irregular electricity consumption. Corrective action plan can therefore be carried out promptly for energy improvement.

## 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

Water tanks have been installed in one of our factories since 2019 to collect rainwater from the rooftop area. Rainwater collected have been used for cleaning the floor, therefore reducing the municipal water consumption.

The installation project will be extended to other factories in 2021.



#### Regular Check of Water Leakage

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

#### Optimisation of Water Use in Toilet Flushing

We keep improving water efficiency in toilets by installing dual flushing buttons which can reduce up to 50% of water used.



## ENVIRONMENTAL AWARENESS

Various programs are organised by our factories aiming at raising employees' environmental awareness. Our employees can be influenced by environmental practices in daily work life.

### Environmental Day

Our factories organise environmental day every year for employees to have a better understanding on environmental protection and promoting environmental awareness.



### Green Book 2020

Our Vietnam factory has participated in the “Green Book 2020” as organised by the Department of Natural Resources and Environment of Binh Duong Province. We are honored to be listed on the “Green Book 2020”, evidencing our efforts in environmental protection.

### Energy Saving Signs

Signs with energy saving slogans are posted in factories as a reminder for our staff to save energy.

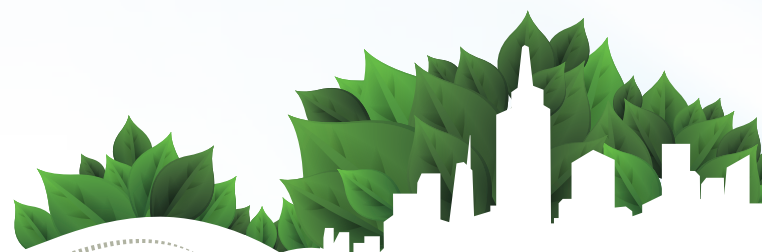
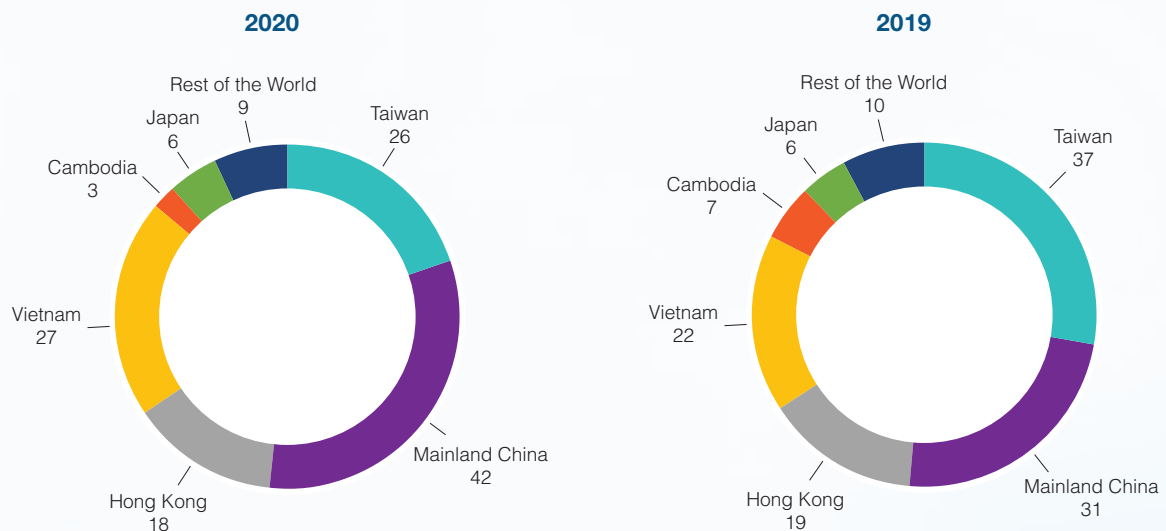


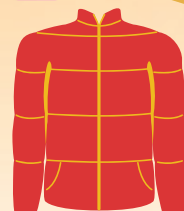
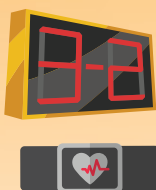
### SUPPLY CHAIN MANAGEMENT

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 collaborates with customers to perform regular compliance assessment of our manufacturing facilities and the raw materials suppliers who can be qualified as designated suppliers.

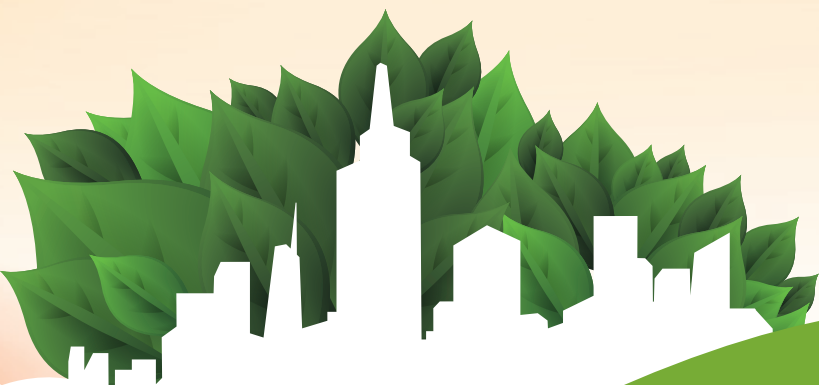
A majority of our suppliers implemented their environmental systems in compliance with ISO 14001:2004 standards respectively and have been correspondingly certified. The Group's compliance team regularly conducts supplier audits to ensure our suppliers operate in compliance with required environmental standards.

#### Number of Suppliers by Geographical Region





# 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 observes and complies in all material respects with the relevant employment legislation and establishes company policies and procedures relating to compensation and dismissal, recruitment and promotion, working hours, and rest periods. Moreover, the Group implements 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 collects comments from employees on a regular basis and forwards them to the management for review, through which a better understanding of the needs of

the employees and an improved employer-employee relationship can be achieved. On top of management and operational effort, the Group also hosts varied activities that involve the family members of employees to cultivate a harmonic atmosphere and work-life balance culture in the organisation.

### Festivals and Celebrations

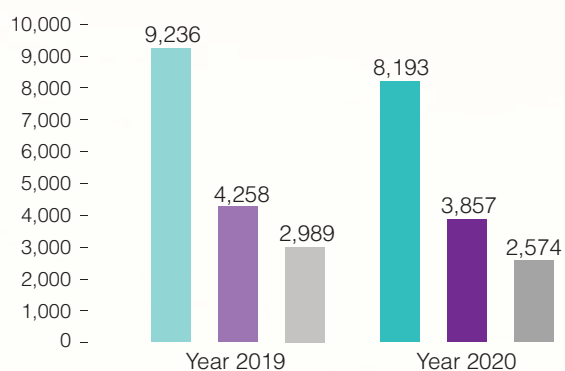
To promote work-life balance, every year, we regularly arrange different kind of parties and gathering activities to our employees, such as monthly birthday party, new year and mid-autumn festival, to let our employees enjoy the happiness and joy after the hard work.



## WORKFORCE COMPOSITION (MAJOR FACTORIES ONLY)

Total Workforce by Geographic Region

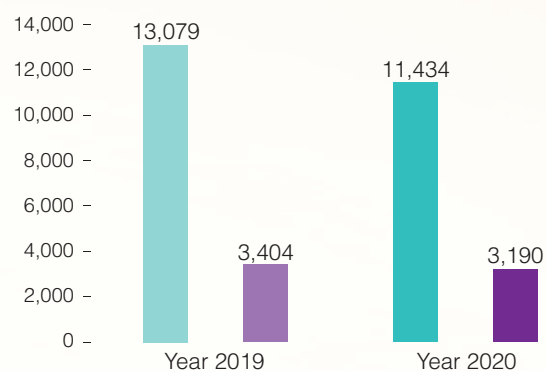
(Unit: Person)



■ Vietnam  
■ Cambodia  
■ Mainland China

Total Workforce by Gender

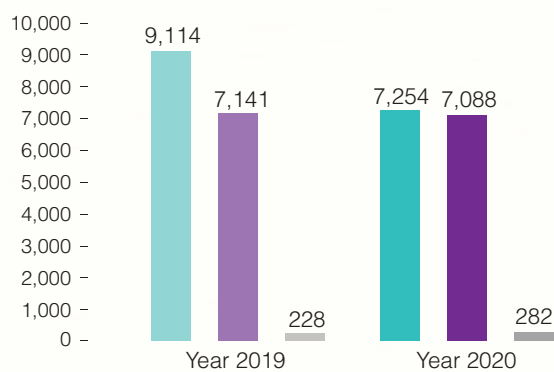
(Unit: Person)



■ Female  
■ Male

Total Workforce by Age Group

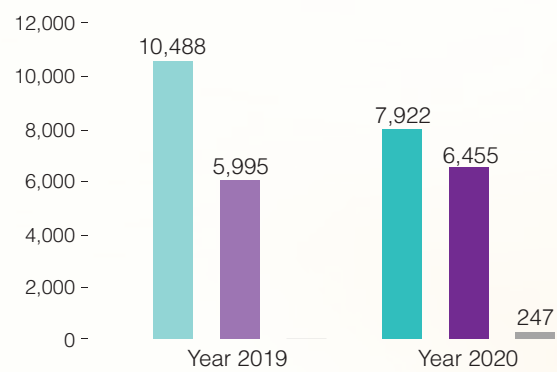
(Unit: Person)



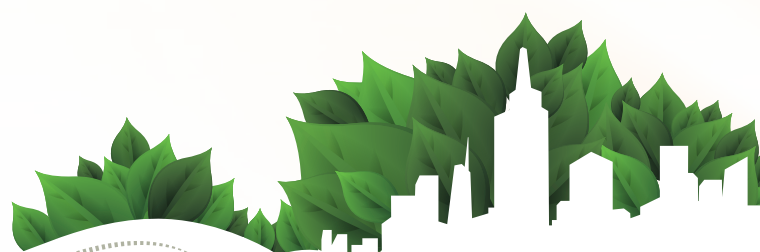
■ Under 30 years old  
■ 30-50 years old  
■ Over 50 years old

Total Workforce by Employment Type

(Unit: Person)



■ Fixed Duration Contract  
■ Undetermined Duration Contract  
■ Temporary/Casual Workers



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

Gender	Age Group	Average Monthly Turnover Rate	
		2020	2019
Male	Under 30 years old	0.36%	0.41%
	30–50 years old	0.15%	0.27%
	Over 50 years old	0.01%	0.02%
Female	Under 30 years old	0.53%	0.37%
	30–50 years old	0.32%	0.30%
	Over 50 years old	0.01%	0.01%

### EQUAL REMUNERATION FOR WOMEN AND MEN

The Group develops a performance appraisal and evaluation mechanism to assess employee performance in a fair and equal manner, and provides discretionary bonus and other incentives based on the evaluation results. The Group establishes 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 formulates 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 are 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.

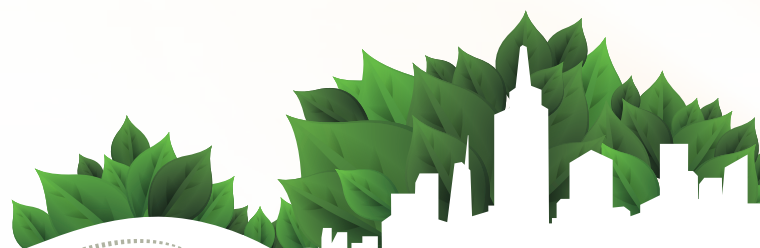
#### International Women's Day

We arrange celebration for Women's Day every year. All employees enjoy the food fair and female employees receive flowers and gifts on Women's Day.



#### Happy Saturdays for Pregnant Employees

Gifts are presented to pregnant employees on selected Saturdays in order to appreciate their contribution during their pregnancies.



### OCCUPATIONAL HEALTH AND SAFETY

With a large number of employees under its wings, the Group establishes 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 and instructions are provided to operational staff before commencement of job duties. The Group requires operational staff to wear safety gear such as protective gloves in specific work areas to prevent injury in the workplace. Staff are also required to wear respiratory masks, and eye guards where necessary, to prevent the spread of COVID-19 since its outbreak.

In order to formalise such management practice, the Group adopts 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 passes 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 implements their occupational health and safety systems in compliance with OHSAS18001:2007 standards and have been correspondingly certified. The Group's compliance team regularly conducts supplier audits to ensure our suppliers operate in compliance with required health and safety standards.





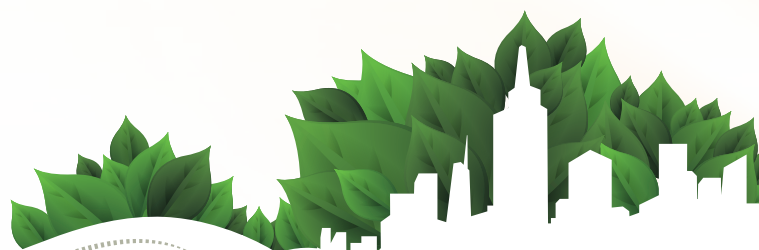
## OCCUPATIONAL HEALTH AND SAFETY (CONTINUED)



### Coronavirus Disease Pandemic ("COVID-19")

The outbreak of COVID-19 presented new challenges in our workplace, the Group strived to keep business running and provide necessary support on health and well-being to our employees.

In February 2020, the Group established a risk management committee comprising management at Group level, factory leaders and various departments, aiming at building up Group policies, prevention control plan, reporting mechanism, human resources arrangement and risk measures. Simultaneously, we increased the hygiene level in our factory areas and provided all necessary protection, checking and tips on personal hygiene to our employees.



## OCCUPATIONAL HEALTH AND SAFETY (CONTINUED)

**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 conduct 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 carry 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.



### WORKING ACCIDENT CASE REPORTING MECHANISM

Our factories have developed a regular accident reporting and investigation practice, and the health and safety committee (“**HSE Committee**”) is required to report the occupational accident case immediately and apply adequate treatment for the injured employee. The HSE Committee conducts regular risk evaluation, and delivers case sharing to department representatives and the Group in order to formulate an effective preventive action.

### 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 does the Group engage professionals to provide occupational training, but also assigns employees to participate in activities including external training, industry seminars and product launches if necessary. The Group even provides 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.

#### Health and Safety Training

Each factory has established its own HSE Committee, regularly organising group meeting, learning activities and training program to different levels of employee to keep them abreast of the latest knowledge and continuous improvement in emergency rescue, occupational health care and risk management.





# HUMAN RIGHTS





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

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

Extending our human rights commitment, the Group passes on this message to our supply chain and continues 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 specify the requirements and procedures in relation to anti-corruption and fraud. We abstract relevant sections of the Prevention of Bribery Ordinance in Hong Kong into the code of conduct and require our employees to be aware of and declare any conflict of personal interests with that of the Group.

The Group defines 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 during the reporting period.

## 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 undertakes to understand the needs of the communities where it operates and ensures its activities take into consideration the interests of the community.

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

### Donation for Natural Disaster

To support the people living in the Central region of Vietnam who are affected by the continuous bad weather and flood in October 2020, our Vietnam factory hosted a donation event for all employees to join.



## COMMUNITY INVESTMENT (CONTINUED)

### Voluntary Sewing & Mending Services to Local Communities

In November 2020, our China factory provided voluntary sewing and mending services to the community.



### Donation for Children Protecting Fund

In January and September 2020, our Vietnam factory donated clothes, cakes, sweetie, lantern and happiness to 300 children in local orphanage school and village.

### Orphanage Center Visit & Gift Sharing

In July 2020, our Vietnam factory visited orphanage center to give warm heart and care for the children, giving gift and 100 coats for the charity program of local newspaper to support young student in poor area.



# 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 have 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 2020, no request for product recalls due to safety and health issues has been received from the Group's key customers.

## **PRODUCT LABELLING AND MARKETING COMMUNICATIONS**

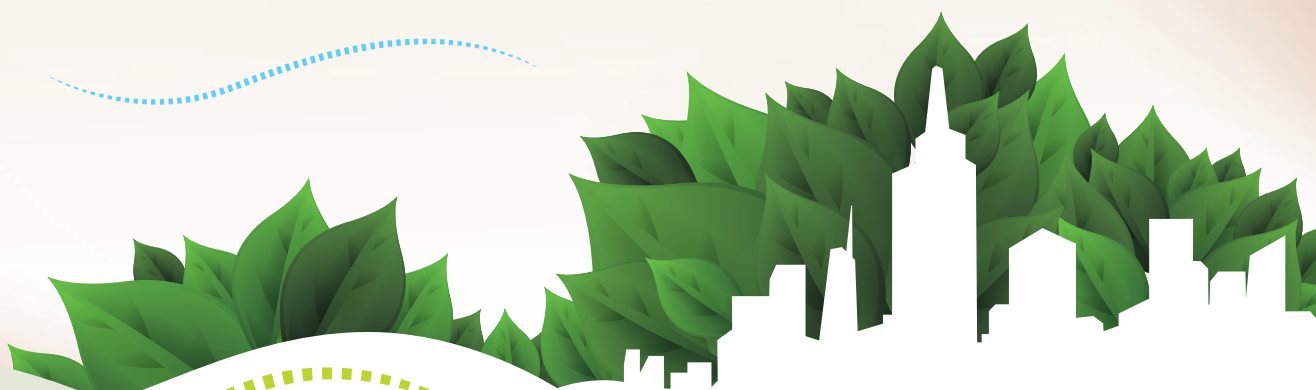
Labelling of products is either performed by our brand suppliers or by us according to our customers' instructions aligned with factual information, and at the same time, with attention to ensure accurate product description in product advertisements in our High-end Fashion Retailing Business. We strictly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