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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2021

Mulsanne Group Holding Limited

慕尚集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1817

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT 2021

1   OVERVIEW OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

1.1   About the ESG Report

This ESG Report describes the environmental, social and governance performance of Mulsanne Group Holding Limited (the "**Company**") and its subsidiaries (the "**Group**"). This ESG Report illustrates the principal requirements of the Group in fulfilling its corporate social responsibility ("**CSR**") and also illustrates the vision and commitments of its CSR.

This ESG Report complies with the provision of the ESG Reporting Guide (the "**ESG Guide**") as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. It is recommended that this ESG Report is read in conjunction with the Company's Annual Report 2021. This ESG Report is in line with four principles, namely materiality, quantitative, balance and consistency. The calculation methods implemented in this ESG Report are consistent with last year's report. Any choice, omissions, or presentation format that may influence readers' decision-making or judgment has been avoided.

This ESG Report covers the period between 1 January 2021 and 31 December 2021 ("**FY 2021**"). Through this report, the Group hopes to enhance communication and build consensus with its stakeholders on the strategies and performance of the Group's social responsibility and sustainability performance.

1.2   Reporting Scope

The general disclosure of the environmental and social policies and measures in this ESG Report and the compliance issues contained herein cover the entire Group, while the disclosure scope of the environmental key performance indicators ("**KPIs**") section of this ESG Report covers the operation and manufacturing sites of the Group in the People's Republic of China (the "**PRC**").

The Group's PRC operation represents most of the the Group's environmental and social impacts. As the manufacturing process of the Group's products is conducted by Original Equipment Manufacturers (OEMs), and the transportation process is completed by third-party logistics service providers, this ESG Report covers the main business scope of the warehouses, retail stores, headquarters, and branch offices of the Group.

2   MAIN BUSINESSES AND MISSION OF THE GROUP

2.1   Main Businesses

The Group is a leading fashion menswear company based in China, which also covers the sportswear market and other fashion segments. Its broad and diverse portfolio in both menswear and sportswear categories, execution capabilities, and experience in the fashion industry enables the Group to expand multiple brands to capture future market opportunities. The Group first launched its flagship brand GXG in 2007, then introduced gxg jeans in 2010 which caters to individuals of different menswear styles. The Group also brought its GXG series design philosophy into the kidswear market by launching gxg.kids in 2012. Intending to expand into the rapidly-growing sportswear and techwear industry, the Group introduced its athleisure apparel brand Yatlas in 2014. Yatlas has shifted its business focus from athleisure to high-end commuting smart menswear since early 2020. In 2020, the Group launched Free Volt, a casual wear brand that is sports-styled and lifestyle-friendly, and MODE COMMUTER, a high-quality commuting apparel brand, which helped strengthen the brand portfolio of the Group. Both brands cover menswear and womenswear, further expanding the customer base of the Group. Each of the Group's brands has a uniquely defined design icon and encompasses a range of products, offered in a variety of fits, fabrics, finishes, styles, and price points, which are intended to appeal to a broad spectrum of customers.

2.2 ESG Mission

As an active practitioner of sustainable development, the Group pays much attention to the impact of its operations on the environment, social and governance. In the operation process, the Group actively fulfills its environmental protection responsibilities and fully considers the environmental protection needs in the entire product life cycle, so that the green development strategy can be implemented throughout all businesses. In addition, the Group devotes a large number of resources to social and governance, taking employee development seriously, taking care of vulnerable groups in society, and actively undertaking social responsibilities.

The board of directors of the Company (the "**Board**") has well recognized the significance of ESG measures at the operational level. In seeking to achieve the business objectives, the Board attaches importance to and supervises the Group in balancing business development needs and fulfilling its ESG responsibilities.

The Board has overall responsibility for the Group's ESG strategy and reporting. The Board manages the Group's ESG performance through the establishment of an ESG management and supervision framework, regularly assesses and determines the Group's ESG risks, and ensures that all departments of the Group implement timely and effective measures to comprehensively enhance the Group's ESG performance.

The Board is responsible for formulating the Group's ESG development strategy, guiding the Company's sustainable development direction, and supervising the implementation of ESG measures by various departments in accordance with the strategic direction set by the Board. The Board identifies ESG-related issues through procedures such as analyzing the impact of business activities on the environment and society, examining stakeholder concerns, identifying important issues from the industry, and developing reporting policies that adhere to ESG Guide, and formulates corresponding plans. The Group carries out ESG risk assessment and performance analysis every year, and proposes more effective measures based on the results to promote the sustainable development of the Group.

2.3 Stakeholder Participation

The Group has an extensive network of stakeholders that includes its employees, customers, suppliers and business partners, investors, governments, and community groups. The Group believes that regular communication with stakeholders to fully understand their expectations contributes to the sustainable development of the business. The Group strives to balance opinions and interests through promotive interactions to protect the long-term interests of and maintain a sustainable relationship with all stakeholders.

2.4 Innovation Investment

The Group invests greatly in its business innovation, product innovation and supply chain innovation to obtain a more efficient supply chain system, more accurate product matching and more convenient shopping process, and contributes to the creation of a more efficient society.

The Group adopts an integrated omni-channel business model that leverages on the combination of online and offline channels, delivers a seamless and consistent customer experience, and increases efficiency in terms of inventory management, supply chain management, product selection and logistics. With its deep understanding of customers, the Group has adopted a customer-centred model to offer its customers a one-stop shopping experience. For both its online and offline channels, the Group provides similar products, unified pricing, shared inventories, as well as flexible and efficient logistics support. Moreover, by analysing the big data generated from both online channels and offline retail stores through its product lifecycle management system, the Group can monitor the precise level of demand and quickly react to the latest market trends by adjusting its production and inventory plan, which is tremendously helpful for its inventory control and supply chain management. The Group is a leader in new retail integration amongst the main fashion apparel brands in China, all of which have adopted the new retail business model and innovative initiatives.

2.4.1 New Retail Business Model

The Group has developed and transformed its business model over time from a traditional retail model to separate and unintegrated online and offline channels, and, subsequently, to its current new retail business model. The Group has thoroughly explored the potential of online and offline channels and fully exploited their synergies, enabling the Group to provide a seamless shopping experience for its customers.

2.4.2 Big Data Analytics

The Group's big data capabilities are demonstrated by its data collection, analytics and application methods. The Group collects diversified data, including customer behavior data, product data, regional data and inventory data. The Group uses an application programming interface (API) – a set of functions and procedures that allow the creation of applications which access the features or data of an operating system, application or other service – and data table techniques to connect its different systems.

The radio frequency identification (RFID) technology and intelligent management system in use records product movement data such as try on rate and combines them with customers' purchasing records in the Group's Enterprise Resource Planning (ERP) system to further conduct data analytics. Through RFID and intelligent management, the Group may further enhance the sorting, distribution and storage capacity of its new logistics centre. Moreover, the smart logistics centre enhances the Group's sorting and distribution speed significantly.

The introduction of RFID not only greatly improves the management effectiveness of the Group, but also brings certain environmental and social benefits. From the environmental perspective, it speeds up the feedback from sales data to the supply side, enabling the Group to quickly respond to the market, avoiding excessive inventory and reducing resource waste, with many suppliers in the value chain also benefiting from it. From the perspective of society, it improves the working quality of sales persons by eliminating the original operational need to close down or work overtime due to stocktaking, greatly reducing the labour intensity of store and warehouse staff.

2.4.3 Flexible Supply Chain Reactive System

The Group has adopted a flexible supply chain reactive system to all segments in the supply chain, including design, research and development, raw material preparation, procurement, logistics and sales. By adopting the flexible supply chain reactive system, the Group has significantly improved its inventory management and its judgment of market trends and consumer demands, thus leading to reduced energy consumption and higher customer satisfaction.

3   QUALITY CONTROL AND RIGHTS AND INTERESTS OF CLIENTS

3.1   Corporate Social Responsibility

As a leading enterprise in the menswear industry, the Group has always actively undertaken social responsibilities. The Group continued to build a recycling economy for the fashion segment, taking environmental protection, employee benefits, resource utilization, and technological innovation into account. In addition, the Group pays attention to stakeholders' concerns and supply chain issues, as well as sustainable development issues. By establishing an efficient operating model, the Group has made great strides in using resources more efficiently and reducing overall energy consumption in business operations. The Group regards corporate social responsibility as its core obligation, which is the sublimation and extension of corporate value. The Group has formulated clear and detailed instructions for applying and filing to avoid any potential commercial or legal conflicts. The Group attaches great importance to the rights and interests of consumers, investors, and employees, and promotes work related to environmental, social and governance. The Group is committed to comprehensively improving its overall social performance.

3.2 Quality Assurance

In strict compliance with the relevant industry standards, such as the National mandatory standard GB 18401-2010 *National General Safety Code for Textile Products* 《國家紡織產品基本安全技術規範》, GB/T5296.4-2012 *Instructions for the use of products of consumer interest – Part 4: Textiles and apparel* 《消費品使用說明 – 第4部分: 紡織品和服裝使用說明》, apparel industry standard GB/T2660-2017 *Shirts and blouses* 《襯衫》, FZ/T81007-2012 *Casual wear*《單、夾服裝》, the Group arranges for training focusing on promoting knowledge of the standards to ensure that the quality control staff understand their responsibilities and execute them in practice. The Group further improved its already-stringent standard system by revising its corporate quality standard in 2017, further enhancing its internal standards and better ensuring product quality. The Group has established a quality control system co-managed by product managers with their quality control department to enhance market satisfaction and user experience, ultimately protecting the reputation of the Group and its brands.

From raw material procurement and OEM production to packaging and inventory storage, the Group puts stringent quality control standards in place during business operations. The relevant measures and policies to ensure product quality are as follows:

- Before the formal production process, the risk assessment meeting of product quality is held to minimize the quality safety issues.

- In the early stages of production, the management team is dedicated to preventing and early modification of any defects.

- Before the products are delivered to the warehouse, the quality check process and random inspections must be conducted, strictly following the AQL1.5 standard. Furthermore, the physical and chemical testing of goods should also be operated under the national standard.

- After the goods are delivered to the warehouse, the final appearance and functional inspections of the goods are conducted.

- Lastly, the Group continuously optimizes the after-sales service.

If the product is found to have quality problems, the same batch of products will be recalled and removed from the shelves by the relevant departments of the Group. In FY 2021, the Group did not recall any products for safety and health reasons.

The Group actively practices the concept of environmental protection in the process of clothing production and uses recycle zippers and recycled buttons in shirts, jackets, trousers, and other clothing. Recycle button is a bio-resin obtained from plants and fermented and is eventually degraded into water and carbon dioxide, which will not pollute the natural environment. Recycle zippers are made of recycled PET plastic bottles, which are purified and crushed as raw materials, and 30% of the raw materials used are recycled materials. The use of recycled zippers greatly reduces white pollution.

In addition, the Group also explores opportunities for comfort between clothes and body through high technology and continues to upgrade the quality of clothes. The Sorbtek® series of jeans are made with quick-drying denim technology, which utilizes the excellent perspiration-wicking properties of Catch-To-Move™ to enhance the breathability of the jeans, keeping them dry, cool, and comfortable for a long time. The application of the patent of intelligent silver ion antibacterial technology in clothing can effectively inhibit bacteria and remove odor. Leading silver ion technology can effectively destroy protease, inhibit bacterial growth, and isolate odor.

3.3 Supply Chain Management

The Group has formulated supply chain management policies such as "Suppliers Management Regulations", "Supply Chain Efficiency Improvement Execution Plan", "Suppliers Quality Control Risk Assessment Guideline", and the "Suppliers Management System Process" from supplier audit, performance appraisal, and rectification, to monitor procurement and supplier management, thereby ensuring qualified raw materials and final goods. The Group also works closely with various transportation services providers.

The Group implements relevant regulations on all suppliers, introducing 22 new suppliers in 2021 and terminating cooperation with 7 unqualified suppliers. The Group engaged a total of 259 suppliers as of 31 December 2021, all of which are well-equipped to ensure the on-time and high-quality delivery of raw materials and final goods. The Group has established a collaborative working relationship with its suppliers that is widely distributed. The majority of suppliers are located in East China, accounting for 74.1% of the total number of suppliers engaged by the Group as of 31 December 2021. There are 58 suppliers located in South China, accounting for 22.4% of the total number of suppliers. Perceived by function, the group cooperated with 220 OEM suppliers, accounting for 84.9% of the total number of suppliers, and 31 raw material suppliers, and 8 logistic suppliers.

As of 31 December 2021, the percentage of suppliers is shown as follows:

Percentage of suppliers	%
By region	
East China	74.1%
South China	22.4%
Northeast China	1.5%
North China	1.2%
West China	0.4%
Central China	0.4%
By function	
OEM suppliers	84.9%
Raw material suppliers	12.0%
Logistic suppliers	3.1%
Total	**100%**

The Group's supply chain management department and other relevant departments have jointly established a supplier audit and evaluation system. The supply chain management department will conduct an on-site assessment for new suppliers the Group cooperates with. Through the appraisal of vendors' qualifications, scale, product prices, quality, after-sales service, social responsibility, and so forth, the "Supplier Site Evaluation Report" will be formed for each vendor. For suppliers who pass the preliminary audit, the supply chain management department will report to company leaders for collective decision-making and notify the auditee after completing the audit results of admission or elimination.

To ensure that suppliers can deliver goods on time and with high quality, the Group has established an online supplier performance appraisal system and synchronized the results in the SCM system. The Group evaluates suppliers' design, delivery period, product quality, service, production safety, and environmental standards every quarter, of which costume design, delivery period, and product quality account for 90% of the evaluation and other factors, such as cooperation and interaction, account for 10% of the evaluation. For excellent suppliers, the Group will give priority to pay for goods, and for unqualified suppliers, the Group will also supervise their rectification within a time limit. In addition, the Group holds a supplier conference each year according to the actual situation and invites premium suppliers to participate. To improve supplier capability, the group organized the "Mulsanne Supply Chain Academy" program for suppliers and hired professional lecturers and senior professionals in the garment industry.

To promote suppliers preferably use environmental-friendly products and services, the Group has issued a notice on environmental protection to all suppliers, including requiring suppliers to strictly comply with national environmental protection regulations, establish environmental awareness, strengthen the prevention and control of pollutants such as wastewater, noise, solid waste and so forth, and consciously accept social supervision. All the suppliers indicated that they will actively abide by and cooperate with the Group's initiative to establish long-term friendly cooperative relations. Furthermore, the Group also included suppliers' impact on the environment and society in the "Supplier Site Evaluation Report". In addition, the Group arranges for special personnel to check the raw materials and production processes of suppliers to ensure that suppliers can protect the environment and achieve green production as much as possible.

The Group also sets detailed selection criteria for downstream distributors and opening a new offline store. The criteria for distributors are as follows (1) have strong economic strength; (2) have clothing operation experience including mainstream brands in the market such as fashion men's clothing, business men's clothing, and fashion women's clothing; (3) are young people with entrepreneurial enthusiasm, who are interested in the clothing industry, have insights into the clothing industry; and (4) are agree with the Company's brand positioning, product style, support policies, post-company connection, and maintenance.

The requirements for opening a new offline store include but are not limited to the following things: (1) develop new markets in county-level cities and grant authorization; (2) store locations need to be located in major local business districts, such as street shops, shopping malls, and shopping centers; (3) the usable area of the store is more than 120 square meters, and the door head should be no less than 8 meters wide; (4) the annual sales performance of the store should be more than RMB1.8 million; (5) the deposit is approximately RMB150,000; and (6) the purchase price is 45% off the tag price and the return rate should not be higher than 20%. In FY 2021, the Group cooperated with a total of 204 downstream companies, including 34 partners and 170 distributors respectively.

3.4 Handling Complaints from Clients and Solutions to Complaints

3.4.1 Complaints from Clients

The Group highly values the rights of its customers. To better receive customers' opinions, complaints, and other issues, the Group has established multiple transparent channels for expressing complaints such as customer service at Tmall and JD e-commerce platforms, hotline, and email methods. The Group has always maintained a high standard of service attitude to carefully listen to customers' suggestions and timely resolve complaints and disputes. The number of after-sales services or product complaints received by the Group in FY 2021 is 13,709. In FY 2021, the Group did not receive any customer complaints due to safety or health issues.

3.4.2 Solutions to Complaints

The Group always attaches great importance to product quality and safety. To reduce the risk of harming consumers or damaging the brand image, the Group has established several policies to reduce the possibility of defective products being marketed. The Group requires that all goods must meet the requirements of GB 18401-2010 and GB 31701-2015 national physical and chemical standards before entering the warehouse, and the respective product standards for the different products.

In response to complaints about after-sales service, the Group has set up standard guidelines for handling complaints, and promptly assigned the After-sales Department to handle customer complaints. The After-sales Department will communicate with customers to negotiate the best solution. If the defect of the product is not caused by the customer, and the customer agrees to the repair plan, the customer will file a repair request, and the store will send the product that needs to be repaired to the company for after-sales. After confirming that the product has no quality problems after the repair, the After-sales Department will send it back to the customer. The Company confirms that the product with quality problems can be exchanged or returned for a refund.

3.5 Intellectual Property Security

The Group formulates the "Specifications Regarding Intellectual Property Registration Application" to ensure the Group's correct use of design copyrights and trademarks in a reasonable and regulated manner. The purpose is to avoid incidents such as damage to rights and interests or infringement due to the failure to timely declare intellectual property protection and to reduce such economic risks and losses.

In the process of applying for registration, the head of the Group's Procurement Department reviews and confirms the relevant materials and submits them to the Legal Department. The staff of the Legal Department conduct preliminary tests on the applied logos and graphics, analyze the probability of successful registration of intellectual property rights, put forward relevant opinions, and then submit a registration application to the Administration Department and finally confirm the registration.

The Group regularly monitors its domain names and renews them before expiry. The Group also properly and effectively uses its registered domain names and various trademarks for a long period to protect its intellectual property interests. In addition, the Group entrusts independent legal service agencies to enter into an intellectual property legal service agreement to deal with intellectual property related issues and conflicts to protect the Group's legal rights.

3.6 Information Security

The Group attaches great importance to the Group and customer information security. The Group develops two corporate governance codes, namely "Information Security Management Policy" and "Customer Data Security Policy". The "Information Security Management Policy" is an institutional guideline related to safeguarding information security, creating user value, implementing security management, proactively preventing risks, and improving control measures. It includes computer equipment security, operation authority security of various application systems, password management security, personal computer file security, and server data security. The "Customer Data Security Policy" is to further strengthen the company's information security management, clarify the responsibility for customer information security management, effectively prevent and dispose of potential customer information security risks, and formulate this code in line with the actual situation of the company. These governance codes and policies specify the guidelines regarding information security management, including hardware, software, data storage, and management, to better protect customer privacy data.

The Group adopts strict security controls on the collection, processing, custody, use, and retention of customer data, including names, telephone numbers, addresses, and so forth. All sensitive data collected from customers are handled in strict confidence by designated personnel. In accordance with the applicable governance guidelines, the Group provides adequate training to relevant staff on the protection of customer data to enhance their awareness and to protect personal data from loss, unauthorized access, use, modification, or unauthorized disclosure. The Group restricts access to customer data according to different departments and job responsibilities to prevent illegal acts, including providing customer information to any unauthorized third parties.

In addition, the Group's customer data are backed up promptly and kept in a designated place for safekeeping. Meanwhile, the Information Technology Department regularly checks and reviews customer information, and any data transfer is subject to the joint authorization of the relevant departments and the head of the Information Technology Department to enhance the security management of customer data.

4 PROTECTION OF EMPLOYEE RIGHTS

4.1 Equal Employment and Employment Status

4.1.1 Principles of Equal Employment

The Group strictly abides by the "*Labor Law of the People's Republic of China*", the "*Labor Contract Law of the People's Republic of China*" and other labor laws and regulations and has established comprehensive employment rules and regulations that clearly define the rights and obligations of employees.

In the recruitment process, the Group upholds the principle of fairness and impartiality in recruiting qualified candidates and avoids any discriminatory practices. The Group is committed to creating a diverse and inclusive work environment and providing equal opportunities for all employees. The Group promotes fair competition and provides equal opportunities for all employees and does not discriminate against any employee based on gender, age, marital status, religion, race, nationality, or physical condition in the recruitment, appointment, and promotion process.

4.1.2 Employment Status

As of 31 December 2021, the employment status of the Group is shown as follows:

	%
By gender	%
Male	38.2%
Female	61.8%
By education background	%
Bachelor's degree and above	38.5%
College degree	38.0%
Vocational school and high school degrees	15.5%
Junior high school degree and below	8.0%
By age	%
30 and below	53.1%
31-50	46.2%
51 and above	0.7%
By region	%
Ningbo	95.3%
Shanghai	4.1%
Guangdong	0.4%
Beijing	0.1%
Hong Kong	0.1%

As of 31 December 2021, the Group employed a total of 832 employees, all of whom were full-time employees. The Group has a diverse workforce in terms of gender and age, providing various ideas and levels of competencies that contribute to the Group's success.

Perceived by gender, the number of male employees is 318 and that of female is 514, accounting for 38.2% and 61.8% respectively.

Perceived by education background, 320 employees of the Group obtained bachelor's degrees and above, and 316 employees received college degrees, accounting for 38.5% and 38.0% respectively, demonstrating the high-quality academic background of the Group's employees. The number of employees with vocational school and high school degrees is 129, accounting for 15.5%, while others obtained junior high school degrees and below.

Perceived by age group, 442 employees are at the age of 30 and below, accounting for 53.1% of the workforce. The number of employees between 31 and 50 years old is 384, and only 6 employees are at the age of 51 and above, reflecting that the group's younger workforce can better lead the fashion trend. The Group attaches great importance to the training of young employees and provides various promotion channels for them to ensure the development of the Group and its employees in tandem.

Perceived by region, most employees are in Ningbo, accounting for 95.3%, and 34 employees in Shanghai, 3 in Guangdong, 1 in Beijing, and 1 in Hong Kong.

4.1.3 Employee Turnover

In FY 2021, the total employee turnover of the Group was 380, which was mainly caused by normal business activities. The Group attaches considerable importance to the overall employee turnover rate as it affects the Group's overall human resource allocation, operational efficiency, and employee morale.

The Group attaches great importance to the development and nurturing of its employees and remains committed to attracting and retaining talent with diverse backgrounds to achieve sustainable growth and maintain a stable turnover rate. The employee turnover rate among managerial positions is relatively low, reflecting a high level of employee satisfaction within the Group.

Perceived by gender, 151 male employees and 229 female employees left, accounting for 39.7% and 60.3% of all resigned employees, respectively.

Perceived by age group, the number of employees turnover at the age of 30 and below is 231, accounting for 60.8% of resigned employees. Among all resigned employees, 38.2% aged between 31 and 50, and 1.0% of them are at the age of 51 and above.

Perceived by region, there are 352 employees in Ningbo left, accounting for 92.6% of all separations. Among all resigned employees, 6.6% of them worked in shanghai, 0.5% of them worked in Beijing and 0.3% of them worked in Guangdong, all due to changes in job requirements, which are normal business activities.

As of 31 December 2021, the percentage of employee turnover by gender, by age, and by region is shown as follows:

By gender	%
Male	39.7%
Female	60.3%
By age	%
30 and below	60.8%
31-50	38.2%
51 and above	1.0%
By region	%
Ningbo	92.6%
Shanghai	6.6%
Beijing	0.5%
Guangdong	0.3%

4.1.4 Employee Promotion

The Group provides various transparent promotion channels for employees to ensure the simultaneous development of the Group and its staff. In order to explore the potential of each employee, the Group has established a career path for them. People with outstanding performance can achieve future opportunities for promotion, salary increase, training, overseas work, and selection of outstanding employees.

4.1.5 Working Hours and Rest Periods

The Group has established the "Employee Regulatory Management Handbook" (the "**Employee Handbook**") and specified working hours, labor protections, and labor conditions in the Employee Handbook. The Group implements the standard work system in general positions, which contains the official working time is eight hours per day from Monday to Friday. In addition, for special positions such as warehousing, guard, cleaner, driver, and so forth, the Group will apply to the Ministry of Human Resources and Social Security for processing according to the relevant legal system if comprehensive timing or irregular work timing is required. Furthermore, the Group also adopts a flexible working hour system for the management team.

4.2 Employee Compensation and Welfare

The Group has established employee compensation and welfare systems in accordance with the relevant laws and regulations, such as the "*Labor Law of the People's Republic of China*" and the "*Labor Contract Law of the People's Republic of China*".

As part of the remuneration and benefits plan for employees, the Group pays social insurance and provident fund for employees promptly in accordance with applicable laws and regulations to protect the legitimate rights and interests of employees. Social insurance includes endowment insurance, medical insurance, unemployed insurance, employment injury insurance, and maternity insurance. Furthermore, employees are also legally entitled to remuneration, benefits, and holidays as stipulated by applicable laws and regulations.

Employee welfare provided by the Group includes:

–   **Bonus**

    The Group offers year-end bonuses to employees who meet annual appraisals and project bonuses to employees who bring economic benefits to the Group or reduce production and operating costs.

–   **Transportation subsidy**

    The Group provides shuttle bus services to employees, and the employees could also choose to enjoy transportation subsidies instead of shuttle bus services. The subsidy is RMB100 per month.

–   **Annual leave**

    The Group provides employees with annual leave. Employees with less than ten working years are granted five days of annual leave; employees with ten or more working years but less than twenty working years are granted ten days of annual leave.

–   **Sick leave**

    According to the cumulative working years, the Group offers three months to 24 months sick leave periods to employees. During their sick leaves, employees are eligible to receive salaries from the Group following applicable laws and regulations.

– **Other leave**

Employees of the Group are also entitled to other kinds of leave benefits. For example, the Group provides entitled employees with personal leave, marriage leave, bereavement leave, antenatal check leave, planned parenthood leave, working injury leave, maternity leave, and paternity leave. These and other entitlements are specified in the Employee Handbook.

To ensure that employees are clear about their rights and obligations, the Group has established an "Employee Handbook" and other relevant regulations covering topics such as recruitment, remuneration structure, information security, administration, and fringe benefits. The Group updates its policies from time to time to ensure strict compliance with the latest laws and regulations. In addition, to provide employees with a channel to confidentially express their complaints and concerns to the Human Resources Department or the Group, employees can directly scan the complaint QR code in the Employee Handbook to make suggestions or complaints.

4.3 Employee Health and Safety

The Group pays great attention to the health and safety of its employees, and strictly complies with relevant laws and regulations such as the "*Prevention and Control of Occupational Diseases Law of the People's Republic of China*" and the "*Supervision and Administration Regulations on Occupational Health in the Workplace*" and "*Regulations on Industrial and Commercial Insurance*".

– **Employee safety regulation requirements**

All employees who have worked for more than one year are entitled to an annual health check. For employees working in the warehouses, the Group has set specific safety instructions on several aspects. The instructions include the employee notification of electric forklifts under the Logistics Department and notification of elevator operation. The speed of the electric forklifts should be controlled within 5 km/h and carrying people and overloading are strictly prohibited. Thorough examination and maintenance of the elevator must be implemented, and elevator operators should hold related qualification certificates.

– **Fire drill**

The Group conducts fire drills on a regular basis to enhance employees' awareness of fire safety and improve their self-rescue ability to respond to fire. To ensure the safety of staff working in the plant, the Group developed a reasonable emergency plan.

– **Epidemic prevention and control**

In response to government requirements for epidemic prevention and control, the Group regularly sends out notices and guidance on returning to work during the COVID-19 pandemic. The Group allows employees to work from home to effectively prevent the spread of the virus.

The Group strives to create a safe working environment for employees. No work-related death has occurred in the past three years, and the number of lost working days due to work-related injuries was 73 days in FY 2021, which decreased by 10.4% compared to that of 2020.

The number of work-related injuries per year are shown as follows:

	2019	2020	2021
Deaths due to work-related injuries	0	0	0
Number of working days lost due to work-related injuries	127	81.5	73
Total number of employees at the end of the year	811	842	832

4.4 Employee Development and Training

Talent cultivation is an important aspect of business development. The Group regards talent development as the core of its talent management strategy and helps employees achieve overall improvement by providing various training activities on a regular basis. In 2021, in addition to the quarterly induction training activities for new employees, the Group also held various special training contents such as commodity management training, e-commerce live broadcast training, supplier negotiation skills training, legal affairs and financial knowledge training, and so forth.

To facilitate the career development of employees, the Group provides employees with various forms of training. 405 employees participated in the pieces of training lasting 3,120 hours, including 135 males and 270 females, accounting for 33.3% and 66.7%, and with an average training time of about 7.7 hours, respectively. In terms of employee category, 4 senior managers, 25 middle-level managers, and 376 general employees participated in relevant training with an average training time of approximately 7.7 hours, respectively. Perceived by the function, 29 senior executive administrators, 50 administrative staff, and 326 technicians participated in the training, accounting for about 7.2%, 12.3%, and 80.5% of total trainees, and with an average training time of approximately 7.7 hours, respectively.

The percentages and average training hours of the trained employees by gender, by employee category, and by function are shown as follows:

	Percentage of trained employees	Average training hours
By gender	%	Hours
Male	33.3%	7.7
Female	66.7%	7.7
By employee category	%	Hours
Senior management	1.0%	7.7
Middle-level management	6.2%	7.7
General employees	92.8%	7.7
By function	%	Hours
Senior executive administrative	7.2%	7.7
Administrative	12.3%	7.7
Technical	80.5%	7.7

4.5 Guidelines and Measures to Prevent Child Labour or Forced Labour

The Group strictly complies with relevant laws and regulations, including the "*National Law on the Protection of Minors*" and the "*Prohibition of the Use of Child Labour*", and adopts a zero-tolerance attitude towards any form of child labor or forced labor. The Group has set up strict recruitment process to avoid the use of child labor or forced labor in business operations.

– Firstly, the Group collects and verifies the personal information of candidates during the recruitment process to ensure that the information is valid to select suitable candidates.

– All employees must be of legal working age and in possession of identification documents upon joining the Group.

– The Human Resources Department will strictly and carefully collect and check the above documents.

– The Group also encourages reporting to the Group's management if any suspected irregularities are found.

4.6 Measures on Anti-Bribery and Anti-Fraud

The Group always attaches great importance to prevent corruption situations and has set up prevent measures to monitor employees. The Group has always adhered to the principles of integrity and fairness to create a suitable and comfortable working environment for our employees.

– **Anti-Fraud and Anti-Corruption Management Rules**

The Group follows the "Anti-Fraud and Anti-Corruption Management Rules" to ensure regulation of the professional behaviors of the Group's middle and senior management teams and all other employees. The management teams and all other employees must strictly abide by the relevant laws and regulations and comply with the "Anti-Fraud and Anti-Corruption Management Rules". They must not engage in corrupt or fraudulent acts that may harm the interests of the Group and its shareholders. The "Anti-Fraud and Anti-Corruption Management Rules" clearly states the definition, verification, follow-up remediation, and punishment measures of fraudulent practices, which effectively reduce the occurrence of corrupt and fraudulent practices. In addition, the Group has also launched a new anti-fraud and anti-corruption notification to upstream suppliers and downstream customers. Whistleblowing is encouraged to jointly create and maintain a democratic, transparent, and fair business environment.

– **Procedures for whistle-blowing**

The Group also formulated a grievance procedure to deal with corruption incidents effectively. The Group has attached a QR code for complaints and suggestions in the employee handbook. Employees can scan the code and report the bribery and fraud incidents with a verified real name or anonymously. The relevant departments will verify the content of the report and impose corresponding penalties on the relevant personnel.

– **Anti-corruption Training**

The Group has organized employee training on "Resist temptation and refuses crime", which mainly explained the consequences of corruption and how to prevent corruption. The training lasted for two hours, and 681 employees participated in the training.

In addition, the Group continues to be a member of the Guangdong Corporate Anti-Fraud Working Committee in FY 2021. Furthermore, the Group actively commended the employee who voluntarily handed in the gifts given to them in June 2021 to strengthen the awareness of integrity.

In FY 2021, the Group was involved in one legal case against the Group and its employer for corrupt conduct, which has not been closed yet.

4.7 Measures on Anti-Extortion and Anti-Money Laundering

The Group adopts an absolute zero-tolerance attitude towards anti-extortion and anti-money laundering and has implemented preventive management measures against extortion and anti-money laundering within the Group. To prevent the occurrence of anti-extortion incidents, the Group requires all departments to retain customer identity information and transaction records and monitor and analyze all transaction data to prevent data leakage from being used by others properly and securely. Regarding anti-money laundering, the Group requires all departments to clearly define their own work responsibilities and management scope and shall not involve related activities beyond their powers. The Group has always strictly monitored the behavior of various departments to prevent managers from using their powers to conduct illegal money transactions.

5 ENVIRONMENTAL PERFORMANCE ANALYSIS

5.1 Corporate Waste Analysis

5.1.1 Overview of Relevant Environmental Protection Policies

The Group deeply understands that it has a pivotal role in seeking long-term sustainability of the environment as a leading menswear brand. The group is committed to integrating environmental consciousness into internal management and encouraging employees to save energy and resources in daily work. The Group has made great efforts in controlling emissions and improving the efficiency of resources and has strictly complied with relevant environmental laws and regulations during daily operations, including but not limited to the "*Environmental Protection Law of the People's Republic of China*" and the "*Atmospheric Pollution Prevention and Control Law of the People's Republic of China (2018 Amendment)*".

5.1.2 Relevant Indicator Analysis of Corporate Waste

– *Total emissions and emission density of exhaust gas*

The exhaust gas generated by the Group is mainly caused by fossil fuel combustion of the vehicles, and the primary pollutants include nitrogen oxides (NO_x), suspended particulate matter (PM), and sulfur oxides (SO_x). Compared with 2020, total emissions generated by the Group has reduced by 53%.

Total emissions and emission density of exhaust gas generated by the Group in FY 2021 are as follows:

Exhaust Gas Type	Total Emission (kg)	Emission Density (kg/RMB100 million)
Nitrogen Oxides (NO_x)	91.2	3.4
Sulfur Oxides (SO_x)	0.2	0.01
Suspended Particulate Matter (PM)	8.7	0.3
Total	**100.1**	**3.7**

– *Total emissions and emission density of greenhouse gas (GHG)*

Various business segments of the Group cause direct and indirect emissions of greenhouse gases due to the fossil fuel consumption of the vehicles and the electricity consumption of daily operations. In FY 2021, the greenhouse gases emitted by the Group reached a total of 2,407.7 tonnes of Carbon dioxide ("CO_2") equivalent, and the emission intensity was 89.3 tonnes of CO_2 equivalent/RMB100 million. Among them, direct emissions of greenhouse gases caused by fossil fuel combustion totaled approximately 30.6 tonnes of CO_2 equivalent, and indirect emissions of greenhouse gases caused by electricity use totaled approximately 2,377.1 tonnes of CO_2 equivalent. As a result of the increase in electricity usage, the greenhouse gas emission increased from 1,438.2 tonnes of CO_2 equivalent in FY 2020 to 2,407.7 tonnes of CO_2 equivalent in FY 2021.

The total amount and density of the Group's emissions in FY 2021 are shown in the following table:

Greenhouses direct emission:

Greenhouses Gases Type	Direct Emission (tonnes of CO_2e)	Direct Emission Density (tonnes of CO_2e/ RMB100 million)
Carbon Dioxide (CO_2)	27.5	1.0
Methane (CH_4)	0.04	0.001
Nitrous Oxide (N_2O)	3.2	0.1
Total	**30.6**	**1.1**

Greenhouses indirect emission:

Greenhouses Gases Type	Indirect Emission (tonnes of CO_2e)	Indirect Emission Density (tonnes of CO_2e/ RMB100 million)
Electricity consumption	2,335.2	86.6
Other indirect emissions	41.9	1.6
Total	**2,377.1**	**88.2**

Note: The direct emissions of greenhouse gases mainly include the greenhouse gases generated by the Group's vehicles. Other indirect emissions include indirect greenhouse gas emissions from electricity, water, and paper consumption.

– *Total amount and density of hazardous and non-hazardous waste generated by the Group*

The total amount of hazardous and non-hazardous waste generated by office, retail stores, and warehouses in FY 2021 are shown in the following table:

Waste type	Unit	Office	Retail Stores	Warehouse	Total
Non-Hazardous Waste	**tonnes**	**6.0**	**3,250.0**	**2.8**	**3,258.8**
Office paper consumption	tonnes	6.0	0.0	2.8	8.8
Retail refurbishing waste	tonnes	0.0	3,250.0	0.0	3,250.0
Hazardous Waste	**tonnes**	**0.5**	**7.8**	**1.2**	**9.5**
Waste batteries	tonnes	0.04	0.12	0.02	0.18
Electronic Waste	tonnes	0.6	7.7	1.1	9.3
Total	**tonnes**	**6.5**	**3,257.8**	**4.0**	**3,268.3**

The density of hazardous and non-hazardous waste generated by office, retail stores, and warehouses in FY 2021 are shown in the following table:

Waste type	Unit	Office	Retail Stores	Warehouse	Total
Non-Hazardous Waste	**tonnes/ RMB100 million**	**0.22**	**120.58**	**0.10**	**120.91**
Office paper consumption	tonnes/ RMB100 million	0.22	0.00	0.10	0.33
Retail refurbishing waste	tonnes/ RMB100 million	0.00	120.58	0.00	120.58
Hazardous Waste	**tonnes/ RMB100 million**	**0.02**	**0.29**	**0.04**	**0.4**
Waste batteries	tonnes/ RMB100 million	0.002	0.004	0.001	0.007
Electronic Waste	tonnes/ RMB100 million	0.02	0.29	0.04	0.35
Total	**tonnes/ RMB100 million**	**0.24**	**120.87**	**0.15**	**121.26**

In FY 2021, the Group generated 3,268.3 tonnes of hazardous and non-hazardous solid waste, including 3,258.8 tonnes of non-hazardous waste and 9.5 tonnes of hazardous waste. All solid wastes have been properly disposed of by relevant environmental protection legislation and regulations. Compared to the waste released in FY 2020, the increase in emissions is mainly due to the addition of refurbishing waste caused by the expansion and renovation of retail stores.

5.1.3 Emission Targets and Steps Taken to Reduce Emissions

In 2022, the Group's goal is to reduce the sulfur oxides (SO_x) emission, greenhouses direct and indirect emission by 5%, respectively. To achieve the emission goals, the Group plans to take steps below, such as ensuring the rational use of air conditions, promoting green mobility, and delivering goods and products directly from plants to stores.

– *Air condition energy-saving measures*

To strictly implement the government's dual control of total energy consumption and energy intensity requirements, the Group actively carries out energy-saving actions for air conditioners. For example, employees are advocated to use air conditioners reasonably in office areas, and it is recommended that air conditioners in public areas be turned off half an hour before the end of work. Employees are required to check again to confirm whether the air conditioners are turned off before leaving.

In summer, the Group only turns on air conditioners when the temperature exceeds 30°C and sets the temperature at 26°C. In winter, when the average daily temperature is lower than 6°C, the office air conditioners can be activated for heating, and the temperature is set at 24°C.

– *Green mobility*

The Group always actively advocates a green lifestyle and promotes the practice of the "135" travel program, which suggests walking to the destination within 1 km, cycling to the destination within 3 km, and taking public transportation within 5 km. The Group supports energy saving and emission reduction through green and low-carbon travel, which reduces pollution and is good for health.

– *Direct delivery from factories to stores*

To reduce emissions and improve logistics efficiency, the Group has successfully operated the mode of direct delivery from factories to stores, that is after the factory completed the costume production and the quality of the clothes is inspected by the Group's special personnel, apparel products are sent directly to the store without going through the company's warehouse, which shortens the logistics time, and reduces emissions during transportation.

5.1.4 Solid Waste Targets and Steps to Reduce Solid Waste

In 2022, the Group's solid waste-related goals include reducing paper usage by 5%, reducing retail store furnishing wastes to 3,200 tonnes, and reducing electronic waste including mainframes, monitors, and printers to 570 units. To achieve the targets, the Group encourages employees to make full use of paper to reduce paper consumption and strictly requires suppliers to improve manufacturing processes to improve production efficiency and reduce emissions.

– *Reduce paper waste*

The Group actively promotes energy-saving behaviors to enhance employees' awareness of environmental protection and to achieve the reduction of solid waste discharge. The Group's "Energy-Saving and Resource-Saving Measures" clearly stipulates the way to conserve paper. When using paper in the office it is recommended to print on both sides to ensure paper can be fully used. If there is a printing error, the paper can be used as a draft, note, or made into a notebook for reuse. The Group encourages employees to bring their own water cups, use less disposable tableware and reduce the use of disposable paper cups.

–   *Strictly require suppliers to improve manufacturing processes*

As a garment brand, the Group is aware of the need for strict control of pollution emissions in the textile industry. Therefore, the Group requires the relevant garment fabric suppliers to improve the technology of the fabric dyeing manufacturing process to reduce the discharge of sewage and waste during the fabric production process and suggest the factories be equipped with photovoltaic generators and new energy equipment to reduce the demand for electricity during peak periods. The Group has been visiting and following up with each supplier regularly to supervise suppliers to strictly manage waste discharge.

5.2   Use of Resources

5.2.1 Major Energy Consumption Structure

In FY 2021, the overall energy consumption of the Group was 1,637.8 tonnes of standard coal equivalent in total, of which approximately 0.9% of the energy consumption came from direct energy in the form of gasoline, diesel oil, and natural gas, and the remaining 99.1% came from electricity, which is indirect energy. As a result of the increase in electricity usage, the resource consumption increased from 734.4 tonnes of standard coal equivalent in FY 2020 to 1,637.8 tonnes of standard coal equivalent in FY 2021.

The consumption volume of various resources by the Group in FY 2021 is shown in the following table:

Resource	Resource type	Unit	Consumption Volume
Gasoline	Direct energy	L	7,500.0
Diesel oil	Direct energy	L	3,730.0
Natural gas	Direct energy	m^3	1,061.0
Natural water	Direct energy	tonnes	103,893.0
Electricity	Indirect energy	kWh	4,019,341.0

The consumption density of various resources by the Group in FY 2021 is shown in the following table:

Resource	Resource type	Unit	Consumption Density
Gasoline	Direct energy	L/RMB1 million	2.8
Diesel oil	Direct energy	L/RMB1 million	1.4
Natural gas	Direct energy	m^3/RMB1 million	0.4
Natural water	Direct energy	tonnes/RMB1 million	38.5
Electricity	Indirect energy	kWh/RMB1 million	1,491.3

5.2.2 Energy Use Efficiency Targets and Steps Taken to Achieve

In 2021, the Group sold a commercial vehicle and encouraged employees to use public transportation for travel to reduce gasoline consumption, and the travel rate decreased by 27.8%. In 2022, the Group aims at reducing petrol, diesel, and electricity consumption by 5%, respectively. To achieve energy use targets, the Group has taken steps below, such as installing sensor lights in the office area to cut electricity usage.

– *Carton recycling*

To reduce the waste of cartons in the office area, the Group has set up recycling signs in relevant areas. The Group actively encourages its employees to recycle waste cartons and to unpack and stack them neatly after use to ensure continuous recycling in the future.

– *Energy saving in the office area*

The Group actively follows the regulations related to energy conservation and emission reduction, scientifically controls the use of electricity in the office corridor and installs voice-activated lighting in the stairwell. The Group also stipulates the operating hours when air conditioners can be turned on in summer and winter and prohibits the use of high-power electrical appliances in winter. All employees will be penalized for failing to turn off related electrical equipment after getting off work. The Group strongly advocates a green office and encourages employees to actively save energy in work and life.
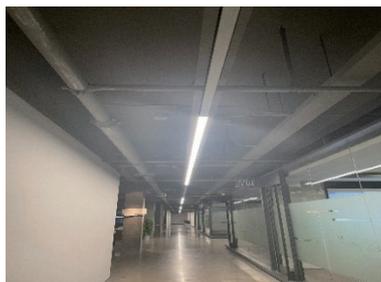
Sensor lights **Recycling of waste cartons**

5.2.3 Results of Obtaining a Suitable Water Source, Water Efficiency Targets, and Steps Taken to Achieve

The Group obtained a suitable water source by the relevant national environmental protection policies and regulations, and there was no issue encountered in sourcing water.

In FY 2021, the Group consumed a total of 103,893 tonnes of water from daily operations, with a consumption density of 38.5 tonnes/RMB1 million. Compared with 2020, water consumption of the Group increased from 29,916.5 tonnes to 103,893 tonnes. Regarding water consumption, the Group strives to reduce the water consumption density by 5% by 2023, which is based on the target set out for 2017. To achieve the goal, the Group is taking steps below to encourage employees to bear an obligation to save water.

– *Encourage water conservation in office*

The company advocates water conservation for all employees. For example, people can turn off the faucet during hand sanitizer use and take the appropriate amount of water from the water dispenser as needed.

–   *Recycle water in daily life*

In addition, much of the wastewater can be recycled. The water used for washing face, hands, vegetables, bathing, and clothes can be collected to wipe the floor, flush the toilet, and water the flowers. Water after rinsing rice is a good stain remover and can be left behind to wash dishes.

5.2.4 The Total Amount of Packaging Materials Used in the Finished Products

The packaging waste the Group generated is mainly from the selling process, thus the packaging materials used by the Group include plastic bags, paper boxes, and paper bags. The Group generated a total of 2,423 tonnes of packaging waste in FY 2021, 17.7% less than that in FY 2020.The consumption volume and consumption density of packaging materials in FY 2021 are shown in the following table:

Packaging Materials	Unit	Consumption Volume	Unit	Consumption Density
Packaging materials used for products				
Plastic bags	tonnes	298	tonnes/ RMB1 million	0.11
Packaging materials used in the offline retail process				
Paper bags	tonnes	196	tonnes/ RMB1 million	0.07
Paper boxes	tonnes	152	tonnes/ RMB1 million	0.06
Packaging materials used in the online retail process				
Paper bags	tonnes	921	tonnes/ RMB1 million	0.34
Plastic boxes	tonnes	856	tonnes/ RMB1 million	0.32

In 2022, the Group aims at reducing the total consumption of packaging materials used in the finished products by 10%.

5.3   Environment and Natural Resources Analysis

5.3.1 Analysis of the Significant Impacts of Corporate Business Activities on the Environment and Natural Resources and Related Measures

The Group conducts its business operations in accordance with all relevant environmental protection and emission laws and regulations. In FY 2021, the main sources of waste emissions and disposals of the Group include product packaging, retail processes, daily operations, and automobiles, all of which comply with the requirements set by relevant national environmental protection and emission regulations. Therefore, the Group's business activities have not shown a significant impact on the environment or natural resources in FY 2021.

– *Using photovoltaic power generation*

From September 2021, more and more garment supply factories of the Group are equipped with photovoltaic power generators and photovoltaic power generators could meet the electricity demand for garment factories during the off-peak period. Compared with traditional thermal power generation systems, photovoltaic power generation is safer and more reliable, with less noise, pollution emissions, fuel consumption, and higher energy efficiency.

– *The denim environmental project*

The Denim Environmental Project adopts laser technology to achieve the style of water-tanned jeans, which effectively reduces the pollution of wastewater caused by the denim washing process. In addition, denim products made of reactive dyeing fabrics can retain the original color longer, achieve less water pollution during the washing process, and reduce the risk of dying while wearing.

– *Application of zero-emission dyeing technology*

Since October 2021, one of the fabric suppliers began to apply the zero-emission dyeing technology to most steps of fabric production, including fibers, yarns, rough fabrics, and finished cloth. The dyeing process can achieve zero pollution to water resources. Compared with traditionally dyed fabrics, zero-emission dyed fabrics can achieve a 26% reduction in carbon emissions and 72% in water consumption.

– *Using low liquor ratio dyeing vats*

From November 2021, one of the Group's garment fabric supply factories began to use low liquor ratio dye vats for dyeing and finishing operations to reduce water consumption and recycle the treated water. In addition, waste gas generated by the setting machine and dryer is recovered by thermal energy technology to reduce waste gas pollution.

5.3.2 Analysis of the Significant Impacts of Corporate Business Activities on the Environmental Change and Related Measures

As an apparel business, our business inevitably faces risks and opportunities from climate change. On the one hand, with the aim of achieving a green transition, we are actively adapting to climate change and managing the risks that this brings to our operations; on the other hand, we are making every effort to reduce carbon emissions in our business to mitigate climate change.

– *Measures adopted for severe weather*

To adapt to climate change, the Group established the Climate Management Team. The Team organizes daily cleaning activities to prevent waste and sediment from clogging the drainage pipes in the plants. During the rainy season in summer, bad weather is common, and the Climate Management Team of the Group actively organized the cleaning of roof silt and drainage ditch bottom mud in advance. In addition, to cope with the disasters caused by typhoons, the Group has established relevant emergency teams to observe the changes in the water level of the park every day, regularly check the drainage outlets, and notify the staff in advance.

6   GIVING BACK TO THE SOCIETY

To become a responsible corporate citizen, the Group always insists on giving back to society and proactively devotes itself to public welfare undertakings. The Group actively organizes fundraising and participates in various volunteer activities to promote the common development of the Group and society. In FY 2021, the Group donated a total of RMB250,000 to the society.

–   Activities in children's welfare institution

The Group actively participated in public welfare and charity. On Children's Day in 2021, the Group actively recruited volunteers to go to the welfare center in Ningbo, prepared gifts for children in the welfare institution, and gave them warmth and care during the festival.

After interesting activities with teachers and children, volunteers helped to clean the institution, carefully decorated the classroom and ate cakes with them, and meticulously prepared special gifts for each child.

Volunteers interacting with children

Gifts for children

Food for children

–   Donate goods and materials to help control the flood

In support of flood areas in the Dongqiao area due to typhoon damage, the Group actively prepared goods and materials immediately in response to the severe situation of the flood. And the Group organized volunteers to deliver the materials to the frontline in a timely manner.

The Group was awarded the banner of "Flood Control and Disaster Relief, Showing Great Love" by the local government of Haishu District, Ningbo City, in recognition of the Group's contribution in providing goods and materials to support the disaster during the arrival of Typhoon In-fa.

Awarded for flood control activity

Delivering goods and materials to the front line of flood control

– **Support impoverished area**

While paying attention to its own business development, the Group actively fulfills social responsibilities. Under the strategic guidance of Zhejiang Province, the Group has carried out poverty alleviation activities in Yuexi County, Sichuan Province.

Afterwards, the Group received a letter of appreciation from the Management Committee of Qianyang Economic Development Zone in Zhejiang Province, expressing sincere gratitude to the Group for its high sense of social responsibility and its sincere and kind deeds in Liangshan, Sichuan.

Letter of appreciation

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