



Win Hanverky Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code : 3322)



2021

Environmental, Social
and Governance Report

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Win Hanverky Holdings Limited

The board of directors (the “**Board**”) of Win Hanverky Holdings Limited (the “**Company**” or “**Win Hanverky**”) is pleased to present the environmental, social and governance (“**ESG**”) report (the “**Report**”) of the Company and its subsidiaries (collectively as the “**Group**” or “**We**”). This Report summarises our policies, approaches and practices towards ESG management to its stakeholders, enabling them to have a better understanding about the progress and performance of the Group’s ESG development.

SCOPE OF REPORT

The Report focuses on our business in sportswear manufacturing and high-end fashion retailing, and the scope of the Group’s core operations is extended to cover its headquarters in Hong Kong, factories in Vietnam, Mainland China and Cambodia, and retail stores in Mainland China, Hong Kong, Taiwan, Macau and Singapore for the year ended 31 December 2021 (the “**Reporting Period**” or “**FY2021**”), which is the same reporting period as that of the annual report. Unless otherwise specified, the scope of data will cover the same.

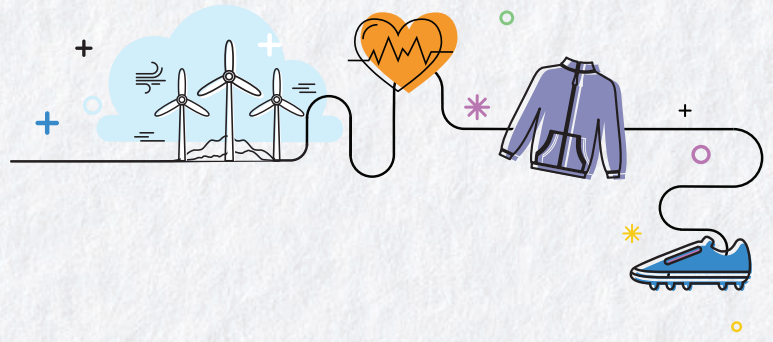
The Company will continue to review the scope of report regularly according to its materiality principles and the key stakeholders’ opinions, and will extend the scope in the future if necessary.

REPORTING STANDARD

This Report has been prepared in accordance with the “Environmental, Social and Governance Reporting Guide” (“**ESG Reporting Guide**”) under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**HKEx**”) and has complied with the “comply or explain” provisions set out in the ESG Reporting Guide during the Reporting Period.



ABOUT THIS REPORT



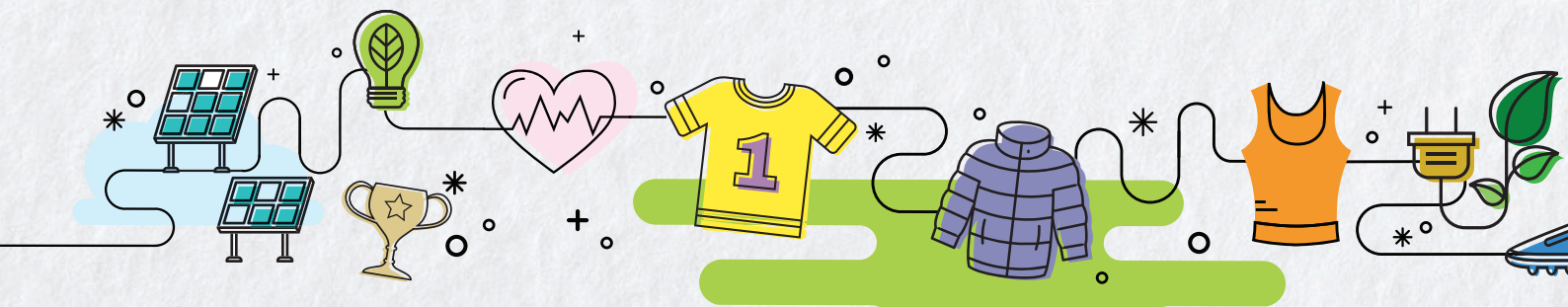
REPORTING PRINCIPLES

During the preparation process, the Group adheres to the fundamental reporting principles, namely materiality, quantitative, balance and consistency, as outlined in the ESG Reporting Guide.

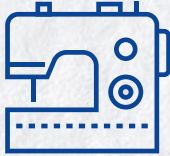
Materiality	A materiality assessment is conducted to determine the material ESG aspects to the Group. The materiality matrix and details of stakeholder engagement are illustrated in the later sections of the Report.
Quantitative	The disclosed data and environmental and social key performance indicators (“KPIs”) in the Report are organised and calculated in accordance with a series of standardised methodologies, of which are illustrated in the relevant sections.
Balance	The Report provides an unbiased picture of the Group’s performance through pursuing balance between qualitative and quantitative information in the Report and providing in-depth analysis of its ESG management during the Reporting Period from both positive and negative sides.
Consistency	Unless otherwise specified, the Report is prepared in the same way in terms of the reporting scope and methodologies when compared to those in previous years. Consistent environmental and social data management approach is adopted to allow a fair comparison of our performance over time.

CONTACT AND FEEDBACK

We value your feedback on this Report and our sustainability performance. If you have any comments or suggestions, please feel free to contact us via email at ir@win-hanverky.com.hk.



With over 40 years of expertise in sportswear manufacturing, the Group provides one-stop service as an integrated manufacturer and retailer. We combine traditional Original Equipment Manufacturing (“OEM”) with a range of value-added services, including fabric knitting, embroidery and printing services. Details of our principal businesses are as follows:



Manufacturing Business

Our manufacturing business operates through OEM arrangements with a number of famous global sports and outdoor brands. The manufacturing facilities are located in Vietnam, Mainland China and Cambodia.



High-end Fashion Retailing Business

Self-owned brands and imported brands are being sold via the fashion retail networks of D-mop and J-01 stores. In addition, we have distribution rights and operate licensed stores for other renowned brands in Mainland China, Hong Kong, Taiwan, Macau and Singapore.

Adhering to our mission of providing high quality products with compelling values, we not only strive for innovative inspiration but also pursue continuous improvement in product quality. The Group is very honoured to be able to build its reputation as well as maintaining strong and close working relations with its customers. Our global sales network spans over Europe, the United States, Mainland China and other countries.

As always, the Group will continue to uphold a high standard of product quality through responsible production to maintain its competitiveness as well as its leading position in the industry. We will continue to evaluate our performance in these areas from time to time.



MANAGING OUR SUSTAINABILITY

As a responsible garment manufacturer and high-end fashion retailer, we are deeply committed to achieving our mission by providing superb products and harmonious working environment to our customers and employees respectively. In addition, the Group upholds the highest standard of business ethics to become a trustworthy business partner. We strive to go beyond the national and local environmental and social regulations whenever possible.

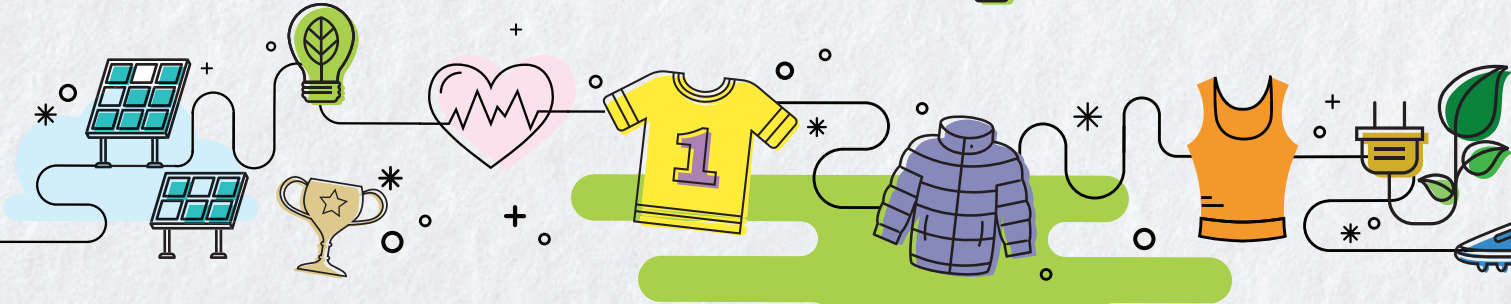
Our Vision To customise your lifestyle with us

Our Mission To be your choice for high-quality products with compelling values

Three corporate values have been established to guide our employees towards the corporate vision and mission.

Our Values		
<p>Be Excellent</p> <p>Have self-belief and ownership mindset for awesome results and growth</p>	<p>Be Bold</p> <p>Embrace new ideas and fail forward, creating a culture that drives innovation</p>	<p>Win Together</p> <p>1 + 1 = 3 (or more!) One company, one team, one vision</p>

Under the corporate values, our five commitments assist us to optimise our performance in product responsibility, employee relationship and development, build mutual trust with our business partners and contribute to the society.



SUSTAINABILITY GOVERNANCE

The Group has established its Sustainability Policy to clearly outline our sustainability vision, commitment and approach as well as the responsibility of the Board and relevant personnel. The Board has the overall responsibility for the Group's ESG governance, which includes:

- (1) evaluating and determining the Group's ESG-related risks and opportunities;
- (2) ensuring that appropriate and effective ESG risk management and internal control systems are in place;
- (3) setting the Group's ESG management approach, strategy, priorities and objectives;
- (4) establishing, monitoring and reviewing the Group's ESG-related goals and targets for continuous improvement; and
- (5) approving ESG-related disclosures including ESG report.

The Board has also delegated powers and authority to the Corporate Social Responsibility ("CSR") Department and the Sustainability Department to supervise day-to-day ESG matters of the Group, including but not limited to conducting materiality assessment, implementing the Board's ESG strategy and policies, and preparing ESG report. The head of each business unit supports the CSR Department and the Sustainability Department, whenever necessary.



ESG RISK MANAGEMENT

As stipulated in the ESG Risk Management Framework, the Board has the overall responsibility for the ESG risk management of the Group whilst the Board Executive Committee is delegated with the power to oversee and review the Group's ESG risk management system, internal control system and activity on an ongoing basis. Meanwhile, the CSR Department and the Sustainability Department are responsible for maintaining frequent communication between the Board Executive Committee and the functional managers to ensure that the Group has an effective ESG risk management system in place.

ESG risks that may pose or have posed impacts to the Group's business and operations are identified and assessed in terms of likelihood and impact. The identified risks are then prioritised into three levels based on their scores of likelihood and impact. The result is reviewed annually and is subject to adjustment whenever necessary. For material ESG risks, appropriate control strategies are formulated by the functional managers to prevent the risks from occurring or reduce their impact or probability of occurring. The risk level of each ESG risk is tracked, monitored and reported on an annual basis by the CSR Department, the Sustainability Department and the functional managers. The Board and Board Executive Committee will be notified of important changes or updates on the ESG risks status through meetings.

Most of our clients are world-renowned brands with commitments to provide responsible products to consumers. Being part of their value chain, we attach great importance to controlling our ESG risks. Since we are aware that ESG risks may pose great influence to the Group's business opportunities and operations, below are some measures implemented to manage material ESG risks to the Group:

Health, safety and environmental ("HSE") risks	The procedure of identification and assessment of HSE impacts and hazards within our manufacturing operations has been established. The assessment criteria are clearly defined to assess the possibility, exposure and consequences of each HSE risk. When significant risk is identified, control measures are formulated. The HSE risks and effectiveness of the control measures are reviewed and updated at least twice per year.
Regulatory risks	To ensure our manufacturing facilities fulfilling all HSE laws, regulations and other requirements, a procedure has been endorsed. The procedure standardises the workflow to identify all applicable regulatory and other requirements as well as evaluates compliance status of the manufacturing facilities. We check for new or amended laws and applicable requirements at least twice per year to keep abreast of the regulatory change.

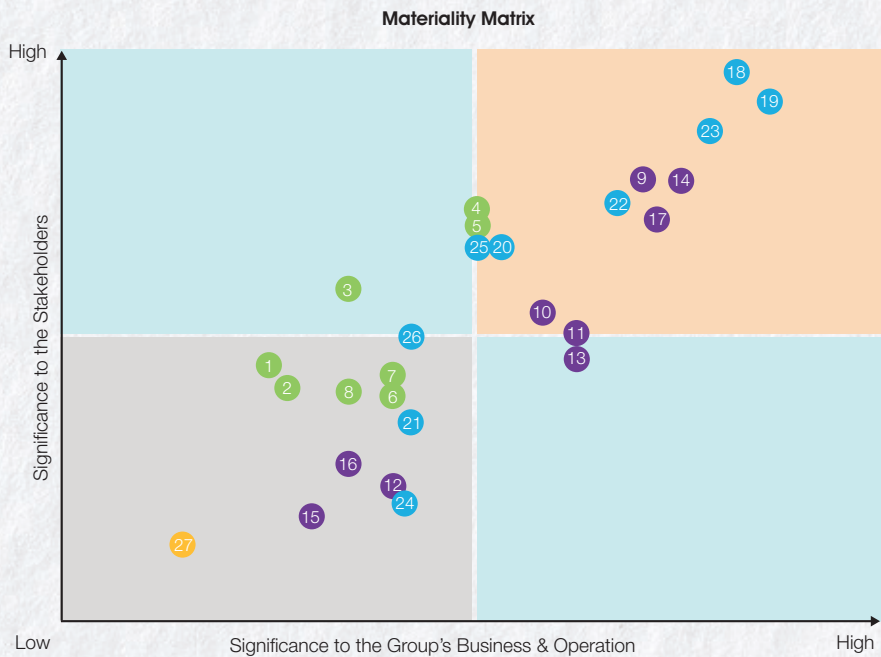


Acknowledging the importance of stakeholders' opinions in assessing and determining our ESG directions, the Group has established various communication channels for key stakeholder groups to express their expectations and concerns. The opinions collected become the backbone of this Report and lay a foundation for our ESG development in the future.

Key Stakeholder Groups	Engagement Channels
Customers	<ul style="list-style-type: none"> • Customer visits • Customer audits • Direct communications (meetings, phone calls and emails)
Suppliers and Sub-contractors	<ul style="list-style-type: none"> • On-site visits • Procurement processes • Compliance reporting • Audits and assessments • Direct communications (meetings, phone calls and emails)
Business Partners	<ul style="list-style-type: none"> • Direct communications (meetings, phone calls and emails)
Employees	<ul style="list-style-type: none"> • Trainings and orientations • Staff meetings and events • Performance appraisals • Employee satisfaction surveys • Company intranet • Hotline • Opinion box
Shareholders/Investors	<ul style="list-style-type: none"> • Company's publications • Annual general meetings • Investor conferences • Company website • Phone calls and emails
Government and Regulatory Organisations	<ul style="list-style-type: none"> • Reports and submissions according to regulatory requirements • Meetings and seminars • Company's publications
Communities and Non-governmental Organisations	<ul style="list-style-type: none"> • Community activities and public events • Charitable donations • Meetings and seminars • Company website • Company's publications
Media	<ul style="list-style-type: none"> • Press conferences, releases and interviews • Company website • Company's publications



After conducting a desktop research, a number of environmental, social and operating topics were selected for materiality assessment. Significance of the topics to the Group and its stakeholders are assessed to help the Group understand the gap between its development direction and stakeholders' expectations. The Group's and stakeholders' matters of concern are presented in the following materiality matrix:



Environment

- 1 Air emission
- 2 Greenhouse gas emission
- 3 Climate change
- 4 Energy efficiency
- 5 Water and effluents
- 6 Use of materials
- 7 Waste management
- 8 Environmental compliance

Employment

- 9 Labour rights
- 10 Labour management relations
- 11 Employee retention
- 12 Diversity and equal opportunity
- 13 Non-discrimination
- 14 Occupational health and safety
- 15 Employee training
- 16 Employee development
- 17 Prevention of child and forced labour

Community

- 27 Community support

Operation

- 18 Customer satisfaction
- 19 Customer service quality and complaints handling
- 20 Customer health and safety
- 21 Marketing and product and service labelling compliance
- 22 Intellectual property
- 23 Customer privacy and data protection
- 24 Responsible supply chain management
- 25 Business ethics
- 26 Socio-economic compliance

Based on the materiality matrix, the top five material issues to the Group are customer satisfaction, customer service quality and complaints handling, customer privacy and data protection, occupational health and safety, and labour rights. Measures for the corresponding aspects are discussed in the following sections of the Report. Moving forward, Win Hanverky will continue to investigate and develop feasible strategies to fulfil stakeholders' expectations on the material issues.



The Group endeavours to make our effort in protecting the environment by complying with national and local environmental laws and regulations. Regarding the business nature of the Group, most of our environmental impacts are attributed to the manufacturing operations. Hence, we proactively review and control our production activities to minimise our environmental footprint. Energy-saving practices are also introduced to our offices and retail stores to further reduce our carbon emissions. A precautionary approach is adopted when formulating environmental protection measures.

Environmental targets regarding greenhouse gas (“GHG”) emissions, generation of hazardous and non-hazardous waste, and use of water and energy are established and endorsed by the Board to provide an overall direction for the Group to move forward in the journey of sustainability. Below are the targets of our sportswear manufacturing business. Moving forward, we will explore reduction targets for the retail business.

Aspect	Target
GHG emissions	By the end of 2022, to develop practical action plan to drive towards long-term decarbonisation goal.
Waste management	By the end of 2025, to achieve 100% production waste diversion from landfill.
Water usage	By the end of 2025, to reduce 3% of water consumption per product against 2021 baseline.
Energy usage	By the end of 2025, to increase the proportion of renewable energy to 50% of the total consumption.

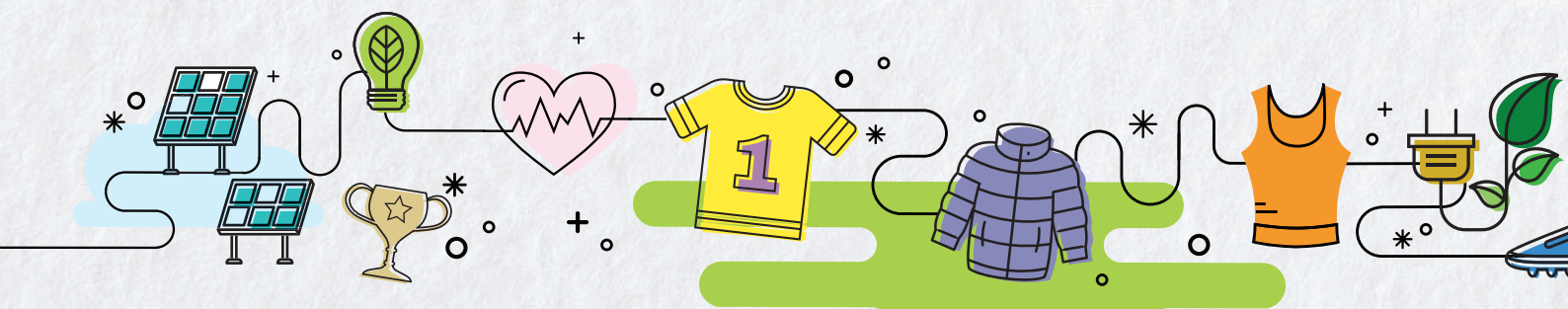
In addition, we engage our employees to participate in our environmental initiatives. Working hand in hand, we hope to raise their awareness of environmental issues and educate them to live and work in a more sustainable way in the long run.



MANAGEMENT OF EMISSIONS

The Group pays extra attention to its potential impacts to the environment, especially those related to exhaust air, wastewater, noise and various wastes generated during the garment manufacturing process. We believe it is our duty as a socially responsible enterprise to strive for environmental sustainability and resources protection. Hence, all of our manufacturing operations are conducted with approvals from authorities or valid operation licenses. We also pay close attention to the changes in national and local environmental protection laws and regulations. Rather than merely meeting the statutory requirements, we have also adopted a multifaceted sustainability strategy to mitigate our impacts on the environment by reducing emissions from the source, utilising resources efficiently as well as developing an environmentally friendly culture and practices in the workplace.

The environmental management system (“**EMS**”) of our manufacturing facilities are formulated with reference to ISO 14001:2015 international standard. Two of the manufacturing facilities have already obtained ISO 14001:2015 accreditation. Factory management has the overall responsibility to ensure the EMS is endorsed. Internal audit is carried out regularly to monitor the implementation of the EMS. Prevention and mitigating measures and working guidelines are developed based on the significant environmental aspects and risks identified. The effectiveness of the measures and management approach is reviewed regularly with reference to the national and local statutory requirements.



Exhaust Air and Greenhouse Gas Emissions

The exhausts of the manufacturing equipment, staff kitchens and company vehicles are the main sources of our air pollutants. In FY2021, we were not involved in any confirmed violations relating to emissions that had a significant impact on the Group.

One way to prevent air pollutant emission is prohibiting open burning practice. In addition, we also implement mitigation measures to reduce our emissions:

Source of Emissions	Measures Adopted
Manufacturing equipment	For processes that produce air pollutants, treatment facilities have been installed to make sure all exhausts are treated before emitting to the atmosphere. Moreover, emissions of the manufacturing facilities are properly monitored, recorded, and duly reported to the local authority departments in accordance with the national and local statutory requirements. We provide regular maintenance for the air treatment equipment to ensure they operate efficiently at all times.
Staff kitchens	For emissions from our staff kitchens, conventional stoves are replaced by electric cooktops in the staff kitchens. Oil fume filtering system is installed to process up to 85% of the kitchen exhausts before discharging. The filtration system undergoes full examination and maintenance every six months and external inspection is carried out annually to ensure the emissions comply with statutory requirements.
Company vehicles	Vehicle fuel consumption is recorded monthly to monitor usage. Further investigations will be carried out if any irregular patterns are observed. Regular maintenance of company vehicles is carried out to prevent excessive emissions.

Exhaust Gas Treatment Facility for Laser Emissions



During the manufacturing process, air treatment facility is installed to treat air pollutants, such as smoke, sulphur oxides, nitrogen oxides, carbon monoxide, and hydrogen sulphide, generated during laser cutting operations. All collected exhausts are directed to a buffer tower for chemical adsorption treatment before they are emitted from the chimney to ensure the effluent complies with statutory emission requirements. This facility mitigates our impacts to the surrounding environment and people.



12 PROTECTING THE ENVIRONMENT

The manufacturing process and combustion of fuels of our company vehicles are the main sources of our air pollutant emissions. Every year, we entrust qualified third parties to conduct external inspections to ensure compliance with relevant emission standards in the regions where we operate. During the Reporting Period, emission of major air pollutants was within the permitted levels.

Air emissions ¹	Unit	FY2021	FY2020
Nitrogen oxides	Kilogram	0.03	—
Sulphur oxides		352	—
Particles		4	—
Chromic acid mist		228	—
Carbon monoxide		0.44	—

In FY2021, the total GHG emission was 20,110 tonnes of carbon dioxide equivalent (“**tonnes CO₂e**”). The major GHG in our business came from the consumption of electricity (Scope 2 Emission), which accounted for 19,427 tonnes CO₂e or approximately 97% of the total emission. Please refer to the Management of Resources Utilisation Section for more information on our GHG reduction measures.

GHG emissions ²	Unit	FY2021	FY2020
Scope 1 ³	Tonnes CO ₂ e	683	—
Scope 2 ⁴		19,427	—
Total		20,110	19,758
Intensity	Kilogram CO ₂ e per one piece of product	0.58	0.64

¹ The scope of emissions includes the combustion of fuels of our company vehicles and the manufacturing process of one of our manufacturing facilities. The data of FY2020 was unavailable. Internal data collection system has been refined in FY2021.

² GHG emissions breakdown of FY2020 was unavailable. Internal data collection system has been refined in FY2021.

³ Scope 1 represents direct GHG emissions generated by the use of gasoline, diesel and refrigerant of our sportswear manufacturing business. The calculation is made with reference to the published emission factors from 2006 IPCC Guidelines for National Greenhouse Gas Inventories, GHG Protocol for Energy Consumption in China and the guidance worksheets of World Resources Institute.

⁴ Scope 2 represents indirect GHG emissions generated by the use of purchased electricity of our sportswear manufacturing and retailing businesses from local power companies. The calculation is based on the emission factors from 2019 Emission Factors for purchased electricity within Mainland China published by Climate Change Info-Net, CLP 2020 Sustainability Report, CEM 2020 Sustainability Report, EMA Electricity Grid Emission Factor of Average Operating Margin in 2020, Taiwan Bureau of Energy — Energy Statistics Handbook 2017, Determination of Current Emission Factors for Vietnam, and Grid Emission Factor of the Phnom Penh Electricity Grid.



Wastewater Discharge⁵

The Group complies with the Water Pollution Prevention and Control Law of the People’s Republic of China (“PRC”), the Emission Limit of Water Pollutants of the Guangdong Province, the National Technical Regulation on Industrial Wastewater (QCVN 40:2011/BTNMT) of Vietnam, and other applicable regulations and standards. In FY2021, we were not involved in any confirmed violations relating to wastewater discharge that had a significant impact on the Group.

We have established internal policies and procedures and introduced various measures to effectively control and manage wastewater discharges in offices and staff kitchens. Moreover, we conduct checking and provide maintenance for the wastewater treatment facilities and pipelines periodically to prevent leakage and secondary pollution to the environment.

During our manufacturing process, we mainly generate domestic wastewater from offices and staff dormitories as well as wastewater with grease from the staff kitchens. Wastewater has to go through a series of treatment in the three-level septic tank before discharging to public sewage. Every year, we engage qualified third parties to conduct external inspections to ensure the parameters of our effluents are within the requirement of government standards.

Water-saving targets and measures are endorsed to reduce the generation of domestic wastewater in our facilities. Details can be found in the Management of Resources Utilisation Section below.

Noise Control

During our manufacturing process, noise is inevitably generated from the manufacturing equipment. We control the noise level and its impact on the environment by confining all production activities within indoor areas. The noise levels of our facilities are tested annually by external testers to ensure regulations, such as the Emission Standard for Industrial Enterprises Noise at Boundary (GB12348–2008) of the PRC, are met. In addition, all employees are trained to use noise protection equipment properly, such as ear plugs, and undergo occupational health examinations to reduce the chance of occupational deafness.

⁵ We purchase semi-finished textile products and further process them into garments, therefore our manufacturing process does not involve any water consumption.



Disposal of Solid Wastes

As governed by our internal solid waste classification standard, employees under sportswear manufacturing business are required to segregate their wastes into three major categories: hazardous, recyclable, and non-recyclable wastes.



All wastes are stored properly within our premises as well as being collected and treated by qualified third parties. We have a thorough waste vendor selection mechanism to make sure all waste collection and handling service providers comply with the client and local law requirements. Documents and information such as business licenses, environmental permits, company reputation and situation, waste handling methods and so on are examined during the selection process. Vendors who are unable to fulfil the requirements or unable to provide required documents will not be selected as our partners.

Chemicals are inevitably consumed during our manufacturing process. A series of guidelines specifically for hazardous waste management is endorsed to minimise environmental impacts and comply with the relevant national and local laws and regulations. All hazardous waste is stored in sealed containers with proper labelling to prevent secondary pollution to the environment. Qualified environmental agents take charge of the waste handling procedure which may vary depending on the waste category.

During the Reporting Period, the Group generated 1,957 tonnes of non-hazardous waste, with an intensity of 0.057 kilogram per one piece of product, and 2 tonnes of hazardous waste, with an intensity of 0.00006 kilogram per one piece of product.

Waste generation	Unit	FY2021	FY2020
Total non-hazardous waste	Tonnes	1,957	1,400
Non-hazardous waste intensity	Kilogram per one piece of product	0.057	0.046
Total hazardous waste	Tonnes	2	1
Hazardous waste intensity	Kilogram per one piece of product	0.00006	0.00003

During the Reporting Period, the Group was not involved in any breaches of relevant laws and regulations relating to generation and discharge of hazardous waste and non-hazardous waste that had a significant impact on the Group.



MANAGEMENT OF RESOURCES UTILISATION

The Group has been upgrading its environmental equipment in recent years to optimise the use of resources and reduce our carbon footprint. Moreover, each of our manufacturing facilities has proposed a sustainability plan with resource-saving targets and initiatives to demonstrate our commitment in resources utilisation. Below are the initiatives adopted for saving energy, water and paper.

Conservation of Energy

Saving energy not only helps to reduce our operating cost, but also eases the social cost shouldered by society. We keep track of our energy usage across our facilities. The management staff of the Group's factories are also responsible for devising and executing their energy-saving plans, while their Social and Environmental Affairs ("SEA") Department conducts staff training programmes based on the respective training needs.

In addition, several energy-saving measures have been implemented in production lines, offices, staff dormitories and canteens:

- A practical guide is established on the use of air-conditioning. Only under specific circumstances, staff are allowed to turn on the air conditioners;
- Promote the incorporation of new power-saving technologies into our manufacturing process. For example, upgrade electronic steam generators and other equipment with higher energy efficiency;
- Replace traditional lighting with LED;
- Install skylights in several areas to utilise natural light;
- Insulate heat generating equipment such as ironing machines to reduce indoor temperature;
- Install energy meter to keep track of electricity consumption in different divisions of the factories for future improvement; and
- Plan to install solar panels and solar water-heating facilities.

Rooftop Solar Panels



In order to achieve the target of increasing the proportion of renewable energy to 50% of the total consumption for our production activities by 2025, installation plans of rooftop solar panels have been endorsed for the factories. In FY2021, one of our manufacturing facilities has completed phase 2 installation. The remaining installation phase will be continued in the forthcoming fiscal year. It is estimated that a total of 3.2MWp can be generated once the installation is completed.



16 PROTECTING THE ENVIRONMENT

During the Reporting Period, electricity was the main source of energy consumption in our production sites and office, in which we consumed 28,826 MWh with an intensity of 0.84 kWh per one piece of product.

Energy consumption ⁶	Unit	FY2021	FY2020
Direct energy — mobile and stationary fuel			
Gasoline	MWh	321	625
Diesel		825	668
Natural gas		112	387
Liquefied petroleum gas		482	31
Photovoltaic		0	29
Total		1,740	1,740
Intensity	kWh per one piece of product	0.051	0.055
Indirect energy			
Electricity	MWh	28,826	23,918
Intensity	kWh per one piece of product	0.84	0.76
Direct and indirect energy			
Total	MWh	30,566	25,658
Intensity	kWh per one piece of product	0.89	0.83

⁶ The conversion factors from volumetric units of gasoline, diesel, natural gas and liquefied petroleum gas consumptions to energy units are with reference to CDP Technical note: Conversion of fuel data to MWh.



Conservation of Water

Freshwater is crucial not only to our production activities but also to basic survival needs. To conserve this precious natural resource, we conduct weekly inspections and maintenance on water pipes to avoid water leakage. Factory infrastructures upgrade has been planned or is already underway. Details of the upgrade are as follows:

- A split-type cleaning tank will be built for cleaning the utensils in one of our manufacturing facilities;
- Starting from March 2022, one of our manufacturing facilities will start recycling water from rinsing vegetables in the canteen for irrigating plants or cleaning after filtering;
- New water meters will be installed in one of our Vietnam factories to monitor water usage and locate pipe leakages;
- Collect rainwater for irrigation;
- Install flow restrictor in water taps; and
- Adopt dual flush toilets.

Meanwhile, we provide detailed instructions and training periodically to our employees on how they can save water in daily activities. Water usage in each area is being closely monitored to pinpoint inefficient water use and facilitate continuous improvement. In FY2021, there was no issue for the Group regarding water sourcing as all water was supplied by the local water supply authority.

Water consumption ⁷	Unit	FY2021	FY2020
Total	m ³	454,174	320,139
Intensity	m ³ per one piece of product	0.013	0.010

⁷ The water consumption and water recycled/reused accounts for the domestic use of water.



Management of the Use of Paper⁸

The Group advocates conservation of paper and encourages employees to make use of electronic platforms, such as email and intranet, to exchange files whenever possible to reduce physical copies. All paper consumption is recorded to avoid excessive use of paper. Furthermore, we encourage our staff to use both sides of the paper before putting it in recycling bins for further handling by qualified recycler. During FY2021, the Group has consumed 23 tonnes of paper.



Recycling Bin for Disposed Paper

Use of Packaging Materials

During the Reporting Period, carton boxes and plastic bags were our main sources of packaging materials. Details of the packaging materials consumption are illustrated as below.

Packaging materials consumption	Unit	FY2021	FY2020
Total	Tonnes	1,325	1,621
Intensity	Kilogram per one piece of product	0.038	0.052

⁸ The data of FY2020 was unavailable. Internal data collection system has been refined in FY2021.



THE ENVIRONMENT AND NATURAL RESOURCES

Emissions from our production operations may have impact on the surrounding environment and natural resources. To avoid contaminating the water bodies and soil fertility, we have implemented a series of chemicals management procedures and guidelines. No employee is allowed to pour chemicals directly to sewage or land. Wastewater is treated before being discharged to public sewage. All chemicals are properly stored in sealed containers to avoid leakage and causing pollution to the environment.

Environmental activities, such as More Tree, Less Waste Campaign, Environmental Protection Knowledge Week and Tree Planting Day, were organised during the Reporting Period to raise employees' awareness of the importance of environmental protection. We hope to spread the idea of being environmentally responsible to our employees for building a green culture within the Group.



More Tree, Less Waste Campaign



Environmental Protection Knowledge Week



Tree Planting Day



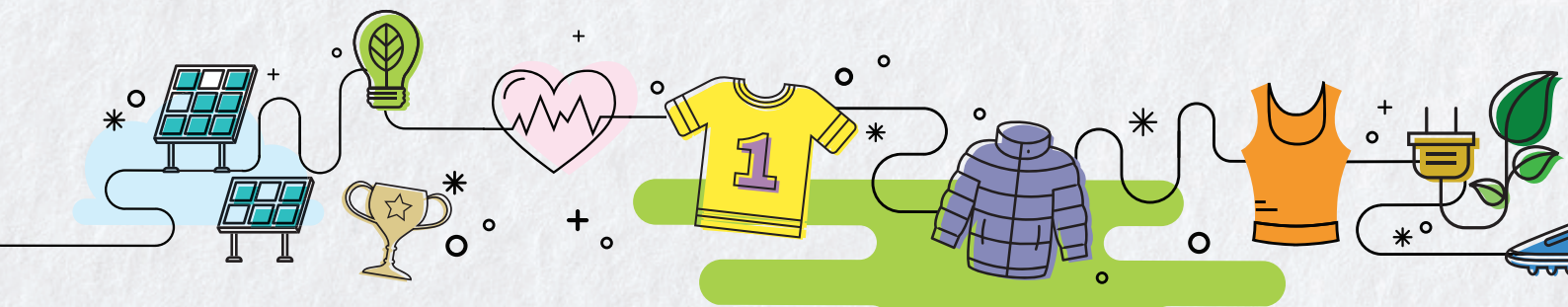
CLIMATE CHANGE RESILIENCE

Climate change has drawn global attention due to its impacts to the environment as well as each business sector. The Group considers the climate-related risks significant to its business. As governments where we operate pledge to reduce their GHG emissions, we feel obliged to contribute to the greater good for our environment. Besides the aforementioned measures we have taken to reduce pollution and waste in the manufacturing process, efforts to enhance the Group’s resilience towards climate-related risks are also key items on our agenda. A Climate Change Policy together with an ESG Risk Management Framework are in place to manage the identification, assessment and management of climate-related risks.

Below are some identified risks as well as the counter measures:

	Top Risks Identified	Counter Measures
Climate Physical Risk	Extreme weather may cause damages to property assets and power supply. For example, floods may occur in a more frequent manner for coastal regions, which may lead to larger expenses on the maintenance of physical assets and recovery of the manufacturing operation.	Widely adopt rooftop solar panel system for onsite electricity supply to reduce dependence on fossil fuel and carbon emission. Frequently conduct drills on climate-related emergency such as flooding and fire for building capability and knowledge of response measures of our workers.
Climate Transitional Risk	More stringent regulatory disclosure requirements and growing expectations from business partners on climate change.	Closely monitor regulatory disclosure requirements and establish annual decarbonisation business plan to conduct climate risk assessment and implement mitigation measures.

We have also distributed training materials to our employees to keep abreast of their knowledge on climate change and are planning to develop training courses to enhance their awareness of the issue.



ENVIRONMENTAL PERFORMANCE DATA SUMMARY⁹

Unit		FY2021	FY2020
Air emissions			
Nitrogen oxides	Kilogram	0.03	—
Sulphur oxides		352	—
Particles		4	—
Chromic acid mist		228	—
Carbon monoxide		0.44	—
GHG emissions			
Scope 1	Tonnes CO ₂ e	683	—
Scope 2		19,427	—
Total		20,110	19,758
Intensity	Kilogram CO ₂ e per one piece of product	0.58	0.64
Waste generations			
Non-hazardous waste			
Total	Tonnes	1,957	1,400
Intensity	Kilogram per one piece of product	0.057	0.046
Hazardous waste			
Total	Tonnes	2	1
Intensity	Kilogram per one piece of product	0.00006	0.00003

⁹ The intensity unit for environmental data has been changed to per one piece of product to align with market practice and the Group's business nature.



Unit		FY2021	FY2020
Energy consumption			
Direct energy — mobile and stationary fuel			
Gasoline	MWh	321	625
Diesel		825	668
Natural gas		112	387
Liquefied petroleum gas		482	31
Photovoltaic		0	29
Total		1,740	1,740
Intensity	kWh per one piece of product	0.051	0.055
Indirect energy			
Electricity	MWh	28,826	23,918
Intensity	kWh per one piece of product	0.84	0.76
Direct and indirect energy			
Total	MWh	30,566	25,658
Intensity	kWh per one piece of product	0.89	0.83
Water consumption			
Total	m ³	454,174	320,139
Intensity	m ³ per one piece of product	0.013	0.010
Paper consumption			
Total	Tonnes	23	—
Intensity	Kilogram per one piece of product	0.0007	—
Packaging materials consumption			
Total	Tonnes	1,325	1,621
Intensity	Kilogram per one piece of product	0.038	0.052



HEALTH AND SAFETY

Adhering to the core value of people-oriented, the safety and health of our employees have always been on the top of our list. The Group endeavours to foster a safe and hygienic working environment for every staff and spares no efforts in the prevention of work-related injuries. We firmly comply with applicable occupational health-related laws and regulations that are relevant to the Group’s operations, including but not limited to the Occupational Safety and Health Ordinance of Hong Kong, the Law of the PRC on Prevention and Control of Occupational Diseases, Production Safety Law of the PRC, the Fire Control Law of the PRC, Chapter VIII of the Labour Law of Cambodia, and the Law on Occupational Safety and Health of Vietnam.

Considering the business nature of our main business sectors, multiple safety measures are implemented in the sportswear manufacturing business. A HSE management system is established with reference to ISO 45001:2018 standard for our manufacturing facilities and two of the manufacturing facilities have attained the accreditation. The HSE management system works as the backbone for formulating applicable safety strategies, policies, guidelines and coherent safety instructions for employees to follow. To make sure the system is carried out properly, a HSE Committee is established in each of the manufacturing facilities. Regular HSE meetings are organised to discuss updates on industry HSE regulations, on-site safety operation procedures and precautions for hidden dangers.

Safety policies regarding the use of energy, machinery and chemicals, working at height and emergency situations are formulated. Safety training, relevant information and instructions relating to internal safety policies are provided to all workers properly. As the last line of defence, personal protection equipment is supplied to workers as a preventive auxiliary measure to protect their occupational health and safety in the manufacturing process.

During the Reporting Period, there were 264 lost days due to work injuries, and no work-related fatality.

	FY2021	FY2020	FY2019
Work-related fatality	0	0	0
Lost days due to work injuries ¹⁰	264	—	—

¹⁰ The data of FY2019 and FY2020 were unavailable. Internal data collection system has been refined in FY2021.



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RESPECTING OUR EMPLOYEES

Chemical Management

Chemicals are being used in the day-to-day manufacturing process. A chemical management procedure is strictly implemented to manage the storage and use of chemicals. A chemical inventory list is established to clearly record the composition and monthly usage of all daily use chemical products. Chemical goods are properly kept in warehouse to prevent chemical incidents. In addition, employees are required to put on personal protective equipment, such as gloves and goggles, before handling chemicals. Relevant training is organised annually to refresh relevant knowledge of our staff.

Emergency Preparedness

Crisis management plan is in place for each manufacturing facility to prepare for unforeseeable emergencies such as fire outbreak, natural disasters, pandemics and so on. The plan outlines the accident reporting mechanism, responsibility of each Crisis Management Committee member in the manufacturing facilities as well as remedial measures. All emergency situations should be reported to the Crisis Management Committee immediately. A written report will be submitted to the Crisis Management Committee within a defined period of time depending on the severity of the emergency event.

In order to enhance employee awareness and prepare our staff for unpredictable emergencies, drills are organised regularly. During the Reporting Period, firefighting training and evacuation drill were arranged to production workers in our manufacturing facilities.



Firefighting Training and Evacuation Drill



Work-life Balance

We pay the same level attention to our employees' mental health and physical health. Due to the gradual relaxation of coronavirus restriction, our manufacturing facilities were able to organise more team building activities, such as year-end party, mid-autumn festival gathering and team building camp during the Reporting Period.



New Year Flower Arrangement Contest



Fashion Walk for International Women's Day



Mid-autumn Festival Gathering



Football Tournament



Team Building Camp



Year End Party



26 RESPECTING OUR EMPLOYEES

Family support is of utmost importance for our employees' mental health. In FY2021, a bulletin board was set up, so that employees could express their appreciations and gratitude to their mothers. A family day was also organised to let employees spend time with their family members and colleagues at the same time. Through the event, which laid a foundation for building a harmonious workplace, everyone was able to bond and get to know each other.



Bulletin Board for Mother's Day Celebration



Family Day



EQUAL OPPORTUNITY AND FAIR EMPLOYMENT

As an equal opportunity employer, the Group is steadfast in promoting fairness and equality in the workplace. All decisions of employment and promotion are solely based on the candidates' qualification, competency and performance regardless of age, gender, family status, disability, ethnicity, religious and political beliefs or any other factors unrelated to the job requirement. Any forms of discrimination and preferential treatments are considered as violations of the Group's Code of Conduct ("CoC"). Employees who violate the CoC are subject to disciplinary actions including immediate dismissal.

The Group safeguards the rights of female manufacturing workers. It is strictly forbidden to request female candidates and employees to take pregnancy tests or make non-pregnancy commitment at any time of the recruitment process or employment. For pregnant workers and mothers with infants under 12-month-old, they are entitled to a reduced working hour arrangement while receiving their full salaries. Working positions of pregnant workers are also secured during maternity leave. Refresh training will be provided when they return to work to facilitate their re-adaptation to the working environment.

EMPLOYEE REMUNERATION

The Group considers the benefits and well-being of its employees as the most important factors in fostering good staff relations. Full time employees are entitled to market competitive salary, paid leaves (including statutory holidays, annual leave, marriage leave and compassionate leave), medical and social insurance depending on the local regulations and laws. In the spirit of cultural diversity and acceptance, we grant foreign workers extra leave on the national days and New Year of their home countries, and key festivals of their cultures or religions.

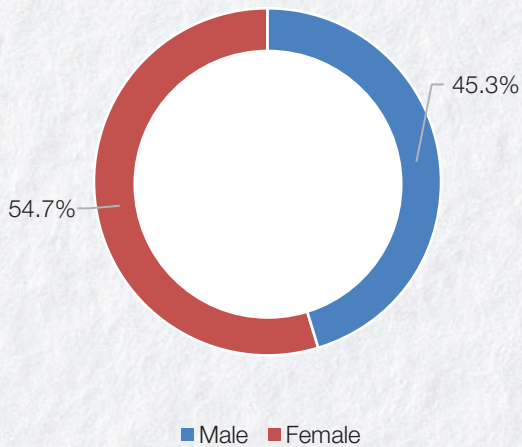
Working overtime is not encouraged. Fixed and maximum working hours are established to ensure that our employees are able to strike work-life balance and not overwhelmed by work. No sensitive workers, including pregnant employees and retiring workers, are allowed to work overtime.



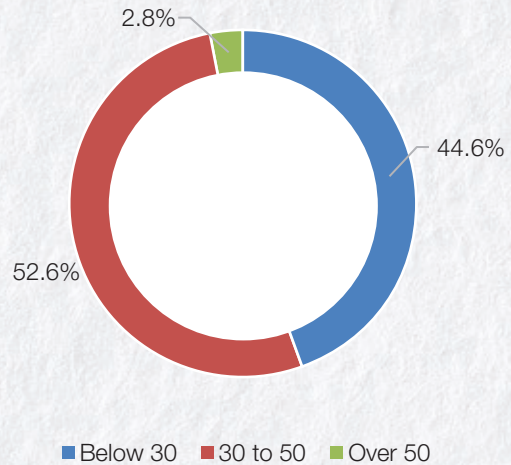
WORKFORCE COMPOSITION

As at 31 December 2021, the number of employees under the scope of this Report was 15,947. Composition of the Group's employees by gender, age group, employment type and geographic region are as follows:

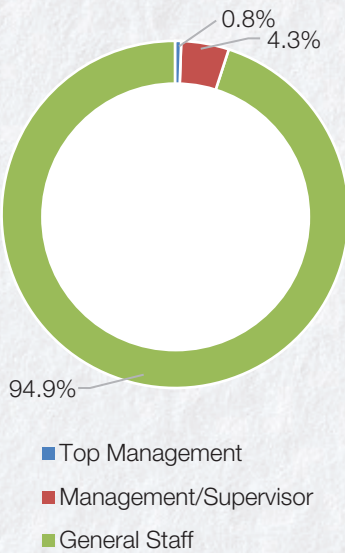
By gender



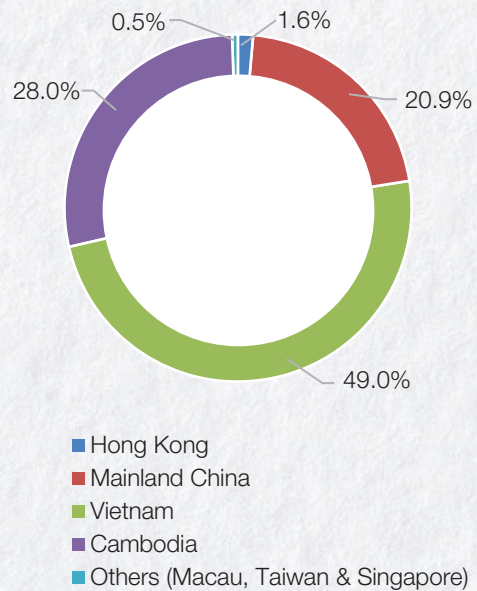
By age group



By employment type



By geographical region



TURNOVER RATE

The average monthly turnover rate during the Reporting Period was 4.5%¹¹. The detailed breakdown is presented in the table below:

Category	Sub-category	FY2021 (%)
By Gender	Male	5.5
	Female	3.6
By Age Group	< 30 years old	5.4
	30-50 years old	2.9
	> 50 years old	2.4
By Geographical Region	Mainland China	8.4
	Hong Kong	4.9
	Taiwan	5.4
	Cambodia	2.4
	Vietnam	5.7
	Singapore	2.8

¹¹ The average monthly turnover rate is calculated using the formula below:
 Average monthly turnover rate = $\frac{\text{The total number of employee who left during the Reporting Period}}{\text{The total number of employee as at 31 December 2021}} \div 12 \times 100\%$
 The disclosure standard has been refined in FY2021. Hence, only the data of FY2021 is illustrated in the table.



TRAINING AND CAREER DEVELOPMENT

To develop employees' strengths and potential, the Group offers a variety of training and development opportunities at all levels. For the sportswear manufacturing business, assessment on training need is carried out by consulting employees in different manufacturing units in order to design appropriate training programmes that best suit their needs and align with the Group's objectives and goals. Annual training plans are devised for each manufacturing unit to properly manage the training implementation.

Below are some of our training programmes for our sportswear manufacturing business:

Induction Training	All new comers will be given an introduction on the company history, organisational structure, policies and regulations on labour management and HSE aspects, workplace standards, customer requirements, in-house HSE rules and communication channels, quality control measures and so on before the commencement of their duties.
On-the-job Training	Every new worker will receive 19-day training to ensure that they are equipped with sufficient technical and safety knowledge in using the machineries.
Compliance Training	The SEA Department of our manufacturing facilities regularly reviews the latest updates and changes in policies and regulations on the HSE aspects. It coordinates with the Human Resources ("HR") Department to provide annual training to ensure staff are trained and aware of the latest compliance requirements.
Functional and Management Skills Training	This programme aims at providing our staff with the knowledge of critical functional skills for workplace including writing, presentation and communication skills, use of communication technologies (including the internet, wireless networks, cell phones and so on) and foreign language classes. For the management staff, training programmes aiming at elevating their management competencies, such as skills on team management, coaching and mentoring, and problem solving and decision making, are offered.
Management Trainee Programme	A 2-phase management trainee programme is provided to develop dedicated fresh graduates to become management executives at an accelerated pace. In the first phase of the training, trainees will take roles in different departments to learn about the operational process and system. The programme will be elevated to the project management level in the second phase of the programme.
Refresh Training	All employees who attended training sessions will be assessed to measure the training effectiveness. Those who failed to meet the passing requirement will be retrained. In addition, employees who returned from leave for more than 3 months will also be retrained on the latest safety standards and other necessary skills.



In addition to the training programmes, we also organised a sewing skills contest in one of our manufacturing facilities in Mainland China during the Reporting Period. Through the contest, we hope to advocate virtuous competition among our workers as well as motivate them to strive for continuous improvement on their technical skills. In FY2021, the average training hours completed per employee was 12.82 hours.



Sewing Skills Contest in One of Our Manufacturing Facilities

Annual appraisal is in place to review employees' working performance as well as competencies. The appraisal is based solely on the capacity of the employee, including the ability to work (knowledge and skills), expertise, credibility and personality (e.g. attitude, proactivity etc.). At the beginning of every year, performance goals are set based on the 'SMART' framework and communicated to employees. During the appraisal, each staff is rated based on the degree of attainment of these goals, core competencies, such as job required knowledge and communication skills, behaviour and other indicators. Adhering to the principle of transparency, the results will be communicated to staff and serve as the objective basis for the Group on making employment decisions, including but not limited to, remuneration adjustment, succession planning and staff development.



3 2

RESPECTING OUR EMPLOYEES

LABOUR STANDARDS

We are firmly against any forms of child and forced labour. During the Reporting Period, the Group was not aware of any breaches of relevant laws and regulations that had a significant impact on the Group relating to preventing child and forced labour in Vietnam, Mainland China, Cambodia, Hong Kong, Taiwan, Macau and Singapore. In addition to complying with the national and local regulations and laws in regions where we operate, the Group has developed its own system to prevent child and forced labour.

Prevention of Forced Labour

The Group recruits directly or via legitimate recruitment agencies. During the recruitment process, we do not request any fee from the applicants, and we strictly forbid our employees from receiving any forms of benefits or commission from applicants. Employment contracts are signed on a voluntary basis and are legally binding. We ensure all of our employees are given free access to their personal information held by the Group when requested.

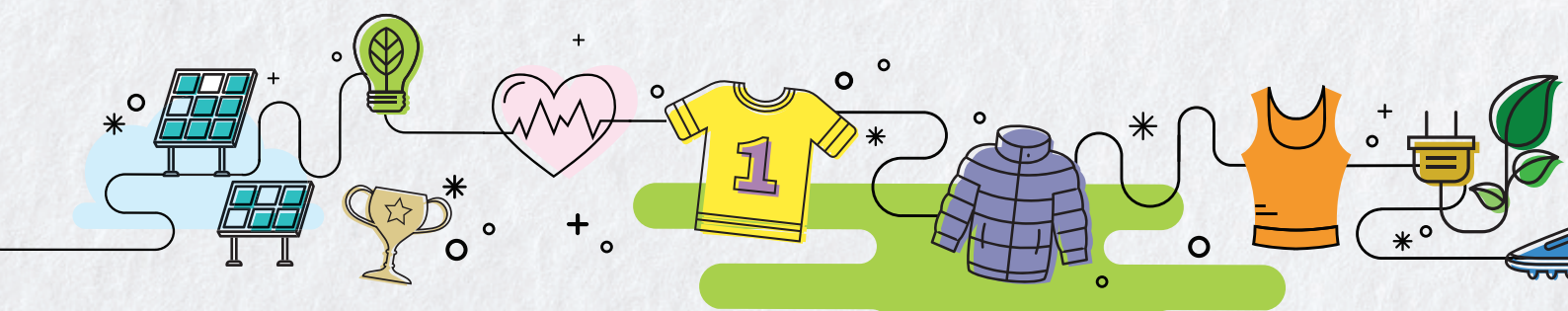
For our sportswear manufacturing business, the production targets are set within a feasible range that can be completed by the production staff within normal working hours. Employees' consent for working overtime is required to prevent forced overtime work, and they are compensated in accordance with the applicable labour laws, regulations and company rules.

In terms of salary, all payments are made directly to the employees or their authorised persons. Employees under probation are paid at least equal to the minimum wage rate as stipulated by local authorities. The Anti-forced Labour Policy is clearly stated in our CoC and regularly communicated to all staff to ensure they are fully aware of their rights.

Anti-Child Labour

Protocols for age verification and background check are in place during the recruitment process to ensure job applicants meet with the legal working age in the operating region. Accordingly, recruitment officers examine official documents to verify the age of applicants. The recruitment process will be suspended when there is any doubt or inconsistency until confirmation from government authorities is received.

Upon discovery, underage labour will be ceased to perform any works promptly. Immediate background checks will be conducted, following up with their guardians and escorting the employees back to their guardians directly. To encourage the children to stay in schools or receive other formal training, the Group will also make recommendations on schools or training programmes to the child's guardians and offer conditional financial support before the children reaching legal working age.



STAFF COMMUNICATION

Effective communication among management and staff is the foundation for fostering positive labour relations and enhancing work efficiency. In view of that, the Group has established a wide range of communication channels to listen to the employees' opinions.

Communication Channels

- Opinion Box
- Hotline
- WoVo and HRIS
- Monthly Meeting
- Employee Satisfaction Survey

Opinion boxes are allocated in workplace and are checked weekly by HR Department and trade union representatives. We aim at responding to each comment or enquiry within 7 days, or within 1 month if an internal investigation is necessary. Feedbacks will be listed on bulletin boards in the workplace. Employees can also voice their suggestions or grievances via telephone hotlines, WoVo and the human resource information system ("HRIS"), monthly meeting, and regular employee satisfaction survey.

The Group listens to opinions from employees carefully and strive to continuously improving our policies to optimise the balance between their needs and business operations. In order to motivate employees to engage in the enhancement of our operations, the employees who offer constructive opinions and suggestions will be rewarded.



34 COMMUNITY INVESTMENT

As an international professional garment manufacturer and high-end fashion retailer, the Group is aware of its power and responsibility to make the world a better place. During FY2021, we focused on making contributions to enhance public health as well as poor alleviation.

The Vietnam government announced a lockdown policy due to the severe COVID-19 pandemic within the country. Residents in lockdown areas were not allowed to exit their districts even for purchasing daily supplies. In view of that, the Group donated food and necessities to assist the residents in lockdown areas to pass through the difficult time.



Delivering Supplies to Lockdown Areas

In addition, we initiated a donation campaign and encouraged employees to support the Vietnam communities through cash donations. A total of HK\$35,000 was collected and the endowment received was given to local communities in need.



Donation Campaign



New year is a time of year for celebration. To allow children living in impoverished families to have a happy new year, the Group donated some new clothing to low-income families to cheer them up.



Clothing Donation to Low-income Families

We also participated in the community investment of the local community in Mainland China. Believing that knowledge enables upward socioeconomic mobility and is the foundation to improving people’s lives and sustainability development, the Group donated HK\$124,000 to Antang Secondary School in Yunfu to provide quality and accessible education to underprivileged children in suburban areas.



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SATISFYING OUR CUSTOMERS

Customer satisfaction is one of the most material ESG issues identified from the materiality assessment. This is also in line with the Group's mission — to be your choice for high quality products with compelling values. A number of measures have been in place to assist us in becoming a trustworthy corporation as well as sustaining the long-term business growth.

We ensure that our operations comply with relevant laws and regulations, including but not limited to, the Product Quality Law of the PRC and the Law of the PRC on the Protection of Consumer Rights and Interests.

QUALITY AND RESPONSIBLE PRODUCT

Upholding the standard of marketing ethics, we fully comply with relevant laws and regulations including the Advertising Law of the PRC to ensure accurate product information is delivered to our customers. Apart from that, various measures regarding the aspects of quality assurance and customers' shopping experience are implemented under our key business sectors. During the Reporting Period, there was no record of breaches of the relevant laws and regulations or product recall due to safety and health reasons.

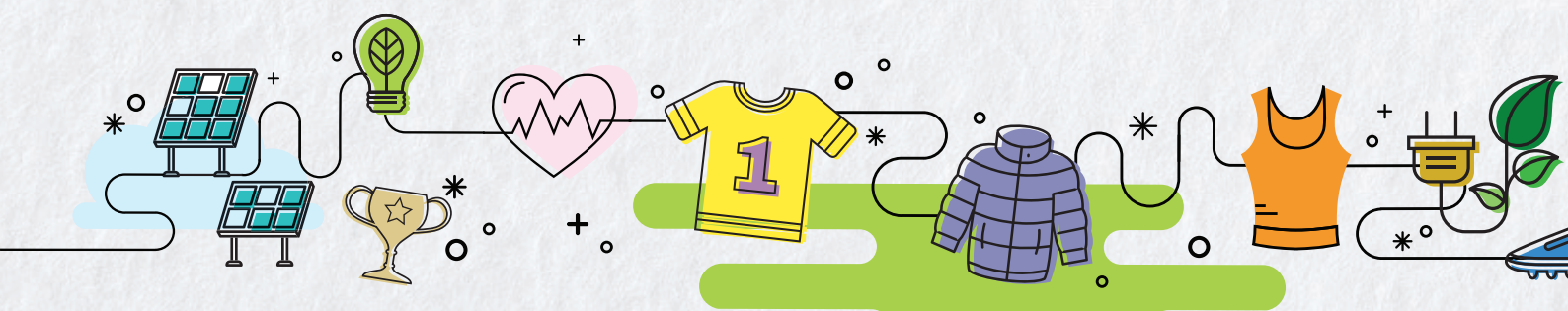
Our sportswear manufacturing business

We strictly follow customer requirements on the material we use for garment manufacturing. To ensure the quality of all materials and products, regular sampling is performed based on our clients' standardised material and product testing specifications and procedures. All non-conforming materials and products are subject to the standardised handling procedures as outlined in our internal policies for the manufacturing facilities to prevent any unintended use or delivery. Any identified non-conforming raw materials, semi-finished and finished products are required to be separated and kept in red baskets with specific labels accordingly. The materials and products will be sent to applicable production units for repair, rework or reprocessing after conducting further analysis and review.

Our high-end fashion retailing business

The procedures of the logistics and inventory management of our high-end fashion retailing business are controlled by the Standard Operations Procedure to keep our service and product quality at the highest level. Detailed instructions on the controls of inbound and outbound shipments are outlined in the procedures to make sure that the Group is capable to provide accurate, efficient and timely deliveries to our customers. A series of stringent inventory management guidelines is also in place to control the hardware and software of our warehouse to safeguard the quality of products. For example, indoor temperature is maintained at a stable level to avoid our products from being deteriorated. In addition, all products are subject to four-eyes principles in checking during the picking and packing operations to reduce the chance of sending out defective products.

A Product Exchange and Return Policy is in place in case of product exchange or refund requests made by our high-end fashion retailing customers regarding product quality issues. Our Retail Operations Director is responsible for overseeing all the refund requests. Approval from the Retail Operations Director is required before arranging refunds to the customers. All refund requests from customers will be replied within two days. All non-conforming products will be transported to inventory and handled based on the non-conforming products handling procedure.



SUPPLY CHAIN MANAGEMENT

The Group is dedicated to producing quality and integrity garment in a responsible manner. On top of the Group’s policy and requirements, we strictly adhere to customers’ policy and requirements in sustainability which include supply chain management on supply chain code of conduct, and environmental concerns. Compliance assessments of our manufacturing facilities and raw materials suppliers who can be qualified as designated suppliers are also performed regularly together with customers.

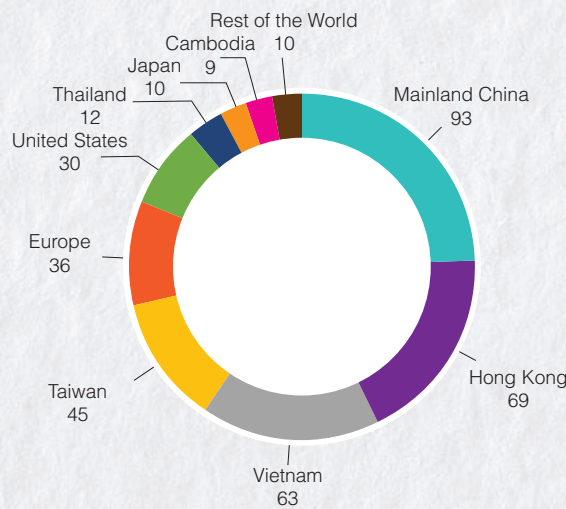
As a means to foster a responsible supply chain, all selected suppliers and contractors are required to sign a contract supplemented with a commitment letter on the Group’s requirements regarding the environmental protection and occupational health and safety aspects before the establishment of formal business relationship. This is to ensure the suppliers and contractors are fully aware of the Group’s requirements.

Basic requirements for our suppliers and contractors

- Comply with relevant legal requirements on the health, safety and environment aspects
- Comply with the Group’s social responsibility rules, including but not limited to anti-child labour policies
- Align with the Group’s requirements on the capacity to provide products and services

In addition, suppliers with international recognised certificates, such as ISO 14001 and ISO 18001, and/or uphold with the requirements of Higg Index and/or Recycled Claim Standard will be granted with higher priority in the procurement process to promote the use of environmentally friendly and responsible products.

As of 31 December 2021, the number of suppliers under the scope of this Report was 377, of which 268 was related to sportswear manufacturing business. Distribution of suppliers by geographical region is illustrated below:



38 SATISFYING OUR CUSTOMERS

For selected waste handling vendors of manufacturing facilities, they will be required to sign a contract which includes commitment regarding environmental protection behaviours. Every year, they are required to conduct self-assessment on their internal operations and submit the self-assessment report to us. An annual on-site audit is also carried out by the SEA Department of each manufacturing facility to check the conditions of the working environment as well as the employment status of the waste service providers. Whenever there is an update on our internal waste management policy, the latest policy together with a revised agreement will be provided to the selected vendors.

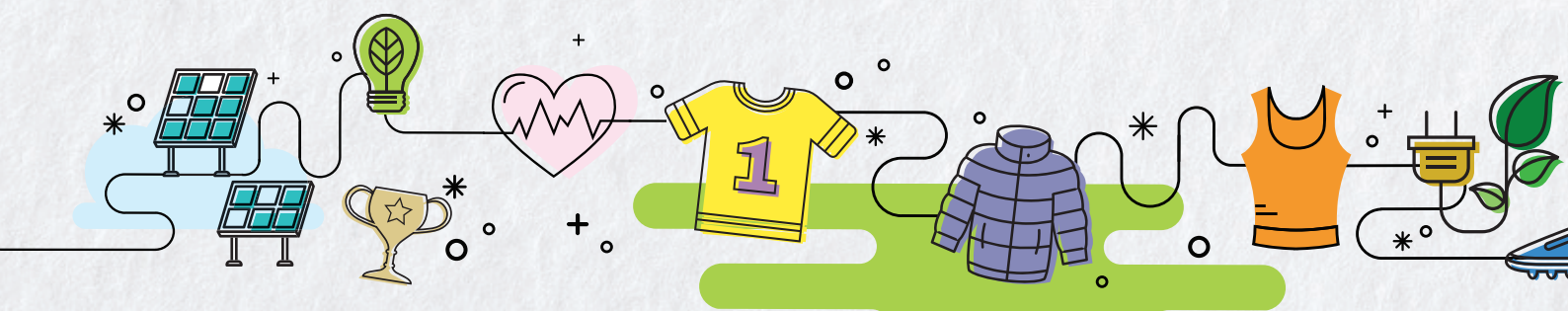
Compliance training is offered to the newly approved suppliers of sportswear manufacturing business to brief them on the latest updates and changes in policies and regulations on the HSE aspects and ensure they are well-informed of and trained to fulfil the latest compliance requirements.

SATISFACTORY CUSTOMER SERVICE

We appreciate feedbacks from our customers. All feedbacks are treated as the cornerstone for optimising our products and services quality and efficiency. Several communication channels, including client meeting, hotline and email, are established for our clients to express their expectations and opinions.

In the event of feeling unsatisfied, customers of our high-end fashion retailing business are encouraged to communicate directly with our salespersons, so that we can address their needs with prompt response. Details of complaints received will be recorded in the form of customer comment/complaint report, and will be sent to the Retail Operation Department for follow-up investigations and handling. As stipulated in the customer complaint procedure, the handling progress has to be reported to the customer within three days after receiving the complaint.

Meanwhile, the complaints from customers or any related parties of our sportswear manufacturing business are handled by the Quality Assurance Department. The Quality Assurance Department is responsible for conducting investigations on the complaints to identify the root causes of the issues. Suitable remedial solutions will be taken to satisfy the customers or related stakeholders. The investigation results and corrective action plans will be reported to the complainants promptly. We will also reassure the implementation of the corresponding preventive measures to avoid any reoccurrence. During the Reporting Period, no product and service-related complaints was received.



CUSTOMER PRIVACY & INTELLECTUAL PROPERTY PROTECTION

The effectiveness of privacy management is closely linked to the Group's reputation. We place a strong emphasis on safeguarding customers' privacy by endorsing a comprehensive privacy management system. Confidential information includes but not limited to the business information, proprietary products, technologies, research and development information (including self-developed software systems) and trade secrets of the Group and its business partners. As stipulated in the CoC, all employees are strictly prohibited from disclosing any confidential information to third parties or using the information to exchange for personal advantages during or after their employment unless approval from directors is granted. Any breach of the CoC is subject to disciplinary actions including immediate termination. To protect the personal information collected from the membership programme of our high-end fashion retailing business, all information of the members are properly stored at our office.

In addition to the CoC, an anti-piracy approach is adopted for intellectual property ("IP") protection. In our operations, we only purchase computer software and hardware from licensed sources to prevent unauthorised use of copyright products. We also respect the IP rights of our business partners that internal brand security policies are endorsed and implemented in our manufacturing facilities to protect their IP rights. The policies focus on not only the lifecycle of our products, including the stages of product development, production, storage or logistics, but also visitors' access, information exchange, and archival processing. During the Reporting Period, the Group was not aware of any infringement of any law and regulations relating to privacy or intellectual property.



ANTI-CORRUPTION

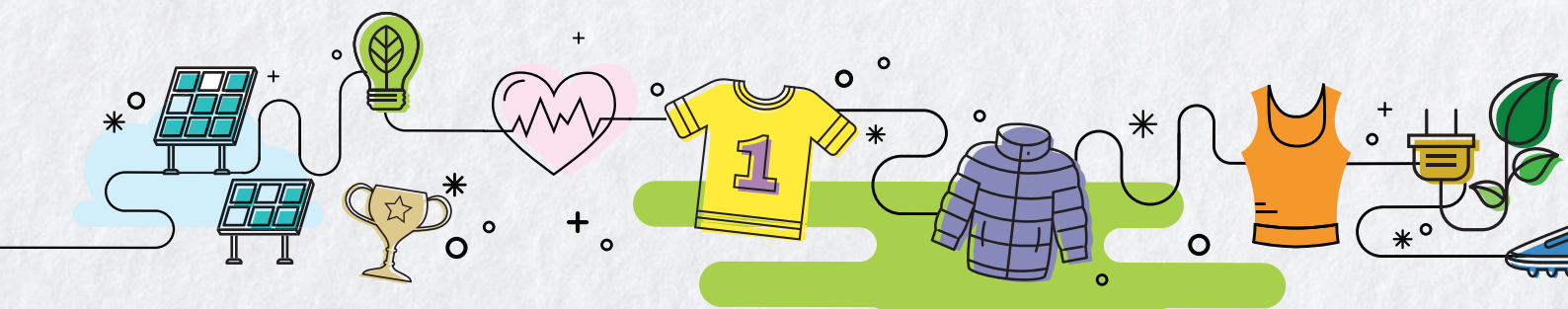
Any form of fraud, bribery, extortion and money laundering is strictly prohibited, as clearly stated in the CoC. In FY2021, the Group was not aware of any material non-compliance with laws and regulations relating to fraud, bribery, extortion and money laundering in the regions where we operate. During the Reporting Period, there was no legal case regarding corrupt practices brought against the Group or our employees.

All employees are forbidden to solicit, offer or accept any gifts, gratuities or any form of advantages in dealings with any stakeholders to obtain and retain business. All employees should avoid any situation that may lead to actual or perceived conflicts of interest. In any circumstances that may induce conflict of interest, employees should fill in the Conflict of Interest Declaration Form to make a written declaration to the management. Employees who violate the CoC will face disciplinary actions, including immediate termination. Serious offense will be handed over to local authority for further handling.

In case of any suspicious cases, employees are welcomed to report via whistleblowing hotline, email or directly to the HR Director. All reported cases will be handled timely and fairly by the Board Executive Committee.

The complaint process including details and the identity of the complainant must be kept confidential. Any acts of retaliation to the complainant or obstruction of the investigation are considered violations of the CoC.

With the aim to reinforce the implementation of our anti-corruption practices and further foster an integrity corporate culture, anti-corruption training programs and relevant materials are arranged to our employees at all levels on a regular basis. In FY2021, training materials were sent to the Board and employees to refresh their knowledge on the Group's standards on business ethics as well as the latest anti-corruption resources published by the Independent Commission Against Corruption.



HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
Aspect A: Environmental		
A1 Emissions	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Note:</p> <p>Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>	<p>Protecting the Environment</p> <p>– Management of Emissions; Management of Resources Utilization</p>
KPI A1.1	The types of emissions and respective emissions data.	Protecting the Environment – Management of Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Protecting the Environment – Management of Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Protecting the Environment – Management of Emissions
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Protecting the Environment – Management of Emissions
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Protecting the Environment – Management of Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction targets set and steps taken to achieve them.	Protecting the Environment – Management of Emissions



HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
A2 Use of Resources	Policies on efficient use of resources including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Protecting the Environment – Management of Resources Utilisation
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Protecting the Environment – Management of Resources Utilisation
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Protecting the Environment – Management of Resources Utilisation
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Protecting the Environment – Management of Resources Utilisation
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Protecting the Environment – Management of Resources Utilisation
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Protecting the Environment – Management of Resources Utilisation
A3 The Environment and Natural Resources	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Protecting the Environment – The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Protecting the Environment – The Environment and Natural Resources
A4 Climate Change	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Protecting the Environment – Climate Change Resilience
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Protecting the Environment – Climate Change Resilience



HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
Aspect B: Social		
B1 Employment	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>	Respecting Our Employees – Equal Opportunity and Fair Employment; Employee Remuneration; Workforce Composition; Turnover Rate
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Respecting Our Employees – Workforce Composition
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Respecting Our Employees – Turnover Rate
B2 Health and Safety	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to providing a safe working environment and protecting employees from occupational hazards.</p>	Respecting Our Employees – Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Respecting Our Employees – Health and Safety
KPI B2.2	Lost days due to work injury.	Respecting Our Employees – Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Respecting Our Employees – Health and Safety



HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
B3 Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Respecting Our Employees — Training and Career Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Respecting Our Employees — Training and Career Development The data by gender and employee category were not recorded. Moving forward, the Group will improve its data collection system.
KPI B3.2	The average training hours completed per employee by gender and employee category.	Respecting Our Employees — Training and Career Development The average training hours completed per employee is disclosed in the corresponding section. However, the data by gender and employee category were not recorded. Moving forward, the Group will improve its data collection system.
B4 Labour Standards	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour.	Respecting Our Employees — Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Respecting Our Employees — Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Respecting Our Employees — Labour Standards



HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	Satisfying Our Customers – Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Satisfying Our Customers – Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Satisfying Our Customers – Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Satisfying Our Customers – Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Satisfying Our Customers – Supply Chain Management
B6 Product Responsibility	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Satisfying Our Customers – Quality and Responsible Product; Customer Privacy & Intellectual Property Protection
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Satisfying Our Customers – Quality and Responsible Product
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Satisfying Our Customers – Satisfactory Customer Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Satisfying Our Customers – Customer Privacy & Intellectual Property Protection



HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
KPI B6.4	Description of quality assurance process and recall procedures.	Satisfying Our Customers — Quality and Responsible Product
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Satisfying Our Customers — Customer Privacy & Intellectual Property Protection
B7 Anti-corruption	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Upholding Business Ethics — Anti-Corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Upholding Business Ethics — Anti-Corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Upholding Business Ethics — Anti-Corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Upholding Business Ethics — Anti-Corruption
B8 Community Investment	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment

