

# 長江製衣有限公司 YANGTZEKIANG GARMENT LIMITED

股份代號 Stock code : 294

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT  
環境、社會及管治報告

## 2021/22

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## 1. ABOUT THIS REPORT

### 1.1. Overview

This report provides the performance of corporate social responsibilities (“CSR”) of YangtzeKiang Garment Limited (the “Company”) (HKEx Stock Code: 00294) and its subsidiaries (hereafter referred to as the “Group” or “We”). This report discloses all relevant information aligned with the “comply or explain” provisions in the Environmental, Social and Governance Reporting Guide (“ESG Guide”) issued by the Hong Kong Stock Exchange Limited.

### 1.2. Scope of the Report

This report covers the CSR management approach and performance with respect to the Environmental, Social and Governance (“ESG”) during the year from 1 April 2021 to 31 March 2022 (“FY2021/22”). The Report focuses on the relevant operational information of the core businesses related to the manufacturing and sales of garments during FY2021/22. Given that both revenue contribution and the impact of our business activities on the environment and society, the scope of the Report encompasses the Group’s Hong Kong Head Office as well as subsidiaries in Mainland China, Bangladesh, Myanmar and Ethiopia as follows:

Location of Head Office	Name of the Head Office
Hong Kong	YangtzeKiang Garment Limited (“the Company” or “Head Office”)
Location of subsidiaries	Name of subsidiaries
Panyu, China	Exquisite Knitters (Guangzhou) Limited (“EQK”)
Myanmar	Dagon Talent Garment Limited (“DTG”)
Bangladesh	Lavender Garment Limited (“LAV”)
Location of joint ventures	Name of joint ventures
Wuxi, China	Wuxi YGM Textile Co., Ltd. (“Wuxi”)
Taizhou, China	Taizhou Changxin Textile (Xinghua) Co., Ltd. (“TZCX”)
Ethiopia	Wuxi Number One Cotton Ethiopia Textile Plc (“WNOC”)

### 1.3. Reporting Standard

This Report is compiled in accordance with the ESG Guide under Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

#### **1.4. Reporting Principles**

The preparation of this report follows the materiality, quantitative, balance and consistency reporting principles.

**I. Materiality**

The disclosed information in the Report was carefully gathered, evaluated and presented based on its materiality to the Group's business and its stakeholders (See section 3.2 for further details). The reporting scope is defined based on the significance of operations in terms of revenue contribution and ESG impact.

**II. Quantitative**

All the disclosed information, statistics of key performance indicators ("KPIs") in particular, were organized and calculated according to a series of standardized methodologies which are illustrated in the relevant sections.

**III. Balance**

Information is disclosed as objectively as possible to provide stakeholders with an unbiased picture of the Group's overall ESG performance.

**IV. Consistency**

The report is written in accordance with the ESG Guide, in order to ensure consistency with its contents. In the event of inconsistency, including any changes in reporting scopes and/or methods of computation for KPIs, the Group will explain in the Report.

#### **1.5. Feedback for this Report**

Your views and suggestions help formulate and reinforce the Group's future sustainability direction and strategy. We hope you can provide us with your valuable comments at [cs\\_info@ygm.com.hk](mailto:cs_info@ygm.com.hk).



## 2. BOARD STATEMENT

We are pleased to present the 2022 YangtzeKiang Garment Limited's ("YGM") ESG report. Since being established in 1949, YGM has grown to become a leading garment manufacturer that provides high-quality products and services. We are committed to creating a positive impact on our communities, conserving the environment while maintaining the quality of our businesses.

This year, we continue our pathway towards greater transparency to our stakeholders with our disclosure on sustainability management approaches and performances. As a corporate citizen, we regard social contribution as one of our sustainability pillars. Through our joint operations with our partners in different countries, the business helps provide job opportunities in the global community and ensures that all employees are rewarded fairly in a healthy and safe working environment. We also partnered with charity organizations and donated to support community services.

Adhering to our commitments, we will consistently enhance our sustainability strategy during business operation. We strive to reduce our carbon footprint in the manufacturing process and sales. This enables us to minimize climate change risk and enhance our carbon management performances. In the long run, we will support the Chinese and Hong Kong government's goals with the vision of Zero-carbon Emissions. With sound management principles in our operations, we take up our corporate responsibility to raise environmental awareness not only in the Group but also in our business partners such as factories and suppliers.

The board of directors (the "Board") takes full responsibility for the Group's ESG strategy, management and performance, as well as reviews material ESG-related issues and development progress. In order to enhance the managerial level oversight of ESG issues, we have an ESG committee, led by senior management. The ESG committee is responsible for reporting ESG issues and risks to the Board and chairman regularly. To address the ESG risks, all department heads and factory managers are required to identify, evaluate and report the existing and potential ESG risks of their business lines to the board's risk management committee for internal discussion and review on a regular basis. The Group will continue to improve our ESG governance through regular monitoring of the ESG progress and proposing countermeasures.

On behalf of the Board, I would like to thank all shareholders, clients and business partners for their long-term support, and all employees for their continuous contributions and efforts. Looking forward, the Group will actively strengthen its ESG strategy to promote sustainable development in all respects.

By Order of the Board

**Chan Wing Fui, Peter**

*Chairman, YangtzeKiang Garment Limited*

Hong Kong, 29 August 2022

### 3. OUR ESG APPROACH

#### 3.1. Stakeholder Engagement

Communication is the key to success. The Group believes that listening to stakeholders' opinions and effectively responding to their concerns are of paramount importance. This is the foundation for us to get prepared for future sustainable development and the role of a corporate citizen. As such, our sustainable development strategies primarily focus on facilitating stakeholders' understanding of our targets and collecting their feedback so as to implement better approaches and strengthen our sustainable development.

Our major stakeholders include shareholders, clients, employees, suppliers and business partners, and communities. Over the past year, we have engaged through various channels, which are illustrated in the table below:

Stakeholder groups	Communication channels
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>• The Company's website</li> <li>• Company announcements</li> <li>• Annual and general meetings</li> <li>• Annual and interim reports</li> <li>• Survey</li> </ul>
<b>Clients</b>	<ul style="list-style-type: none"> <li>• Meeting and promotion activities</li> <li>• Company website</li> <li>• Customer direct communication</li> <li>• Customer feedback and complaints</li> <li>• Survey</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Training and orientation</li> <li>• Emails and opinion box</li> <li>• Regular meetings</li> <li>• Employee performance evaluation</li> <li>• Employee activities</li> </ul>
<b>Suppliers and business partners</b>	<ul style="list-style-type: none"> <li>• Supplier meetings</li> <li>• Performance assessment</li> <li>• Regular communication with business partners (e.g. emails, meetings, on-site visits etc.)</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>• Training</li> <li>• Email</li> <li>• Survey</li> </ul>

### 3.2. Materiality Analysis

Materiality assessment helps us identify ESG priorities that we should focus on and report to our stakeholders. It also helps us better utilize our resources to address the most critical issues identified by our stakeholders. In order to identify the ESG issues that are material to the Group in formulating appropriate ESG strategies for ESG management and determining the direction of the Report, a materiality analysis is conducted through the following process:





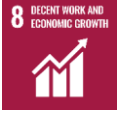






Considering our businesses did not undergo significant changes compared with the preceding financial year, the materiality results with reference to the industry standards and benchmarks remain relevant and applicable this year as well. The following six material issues covering social, operations and environmental aspects have been identified as being material to our stakeholders and the Group's business and are thus focused on by the Group.



### 3.3. United Nations Sustainable Development Goals

We consistently support the United Nations 2030 Agenda for Sustainable Development and the Sustainable Development Goals (“SDGs”), which provide a shared blueprint for prosperity and peace for people as well as the planet. The SDGs comprise 17 global goals designed to call for proactive actions towards a more sustainable future. We strive to achieve these goals by maintaining quality, ensuring environmentally friendly operations, as well as contributing to society. We work on our priority areas and apply SDGs as the theme of this report to illustrate the values that our business has created for the society and the environment. For more details about the SDGs, please visit <https://sdgs.un.org/goals>.

Material issues identified and their relevance to the Group’s business:

Aspect	Material issues	Relevance to our business operations	Relevance to the SDGs
Caring For People	Child and forced labour	The Group prudently prohibited all forms of child labour and forced labour. We undertake due diligence throughout the recruitment process. All job applicants are required to provide personal identity documents for verification of age. To prevent forced labour, all employees are required to sign a labour contract to ensure the employment is on an equal and voluntary basis.	  
	Human rights	The Group is dedicated to protecting the human rights of our employees by promoting the freedom of trade unions and collective bargaining.	
	Health and safety	The Group strives to provide a healthy and safe working environment to our employees. We implement workplace safety guidelines and comply with relevant laws and regulations.	
Operations Practices	Anti- corruption	The Group regards corruption-free work culture as the foundation of our business development. We do not tolerate any forms of bribery, extortion, fraud or money laundering in our business operations.	
	Product responsibility	Product responsibility is always our main focus. We are in full compliance with relevant laws and regulations to ensure our products conform to safety standards with minimal environmental impacts.	 
Environmental Management	Use of electricity	As the business nature of a garment manufacturer, electricity consumption is essential to our business machines operation, daily office operations and dormitories.	 



## 4. CARING FOR PEOPLE

The success of our business depends on the untiring efforts and dedicated service of all employees. The Group is committed to paying double efforts to attract, retain, and cultivate our talents for the sake of maintaining its market competitiveness. Not only do we formulate a series of employment policies to ensure that employees are treated fairly, but also provide competitive and attractive remuneration packages as well as benefits including medical insurance, retirement schemes, performance-based bonuses and suchlike. We encourage our employees in their professional training and development and support them to achieve a healthy work-life balance. We regularly review employment policies, remuneration packages as well as health and safety practices in an attempt to create a safe and caring working environment for our employees.

### 4.1. Labour Standards



The notion of “Protecting children from harm” is every company which bears the burden of social responsibility must strictly adhere to. Referencing relevant laws and regulations concerning labour and forced labour in each operational region, we formulate and prudently comply with the *Code of Conduct* and *Employee Handbook*, which clearly states the prohibitions of any forms of child or forced labour. The Group undertakes due diligence throughout the recruitment process. All job applicants are required to provide personal identity documents for verification of age. The Group also ensures that all employees work on a voluntary basis and they can resign according to the requirements of their respective employment contracts. Bonded or forced labour, corporal punishment or coercion of any type related to work are prohibited. Besides, we will eliminate any incident of child labour and forced labour in accordance with the relevant laws and regulations of the operating regions. During the reporting period, there was no violation regarding child and forced labour.

### 4.2. Employment



The Group conducts our business and operation with the notion of “equality for all” in mind. On this ground, we are dedicated to promoting equal opportunities for all our employees in several different areas, including but not limited to recruitment, compensation and benefits, training, staff promotion, transfer, and dismissal. The *Recruitment Policy* established by DTG, EQK, LAV and the *Equal Opportunity Policy* established by our head office outlines our commitment to providing a fair and inclusive working environment that embraces and promotes diversity.

All job applicants are treated fairly and reasonably throughout the recruitment process. The group evaluate job applicants in terms of their work experiences, skills and knowledge. We never reject applications based on gender, marital status, religion, age, race, political affiliation, and physical or mental disability. Furthermore, we respect the rights of employees to join associations freely and bargain collectively.

Our employment contract is aligned with relevant local labour laws and regulations. These relate to terms such as wages, overtime payment, maximum working hours, compensation, rest period and dismissal. Remuneration packages are determined in accordance with employees’ performance and experience, taking into account of prevailing salary levels in the market. We provide meal allowance for employees who work overtime. All employees are entitled to paid holidays, which include statutory holidays and leave such as sick leave, as well as maternity and paternity leave as per local laws. In addition, the Group provides year-end double pay, provident fund scheme, medical insurance and training to staff.

During the reporting period, the Group was in full compliance with relevant laws and regulations in which we operate.

The following table shows the Group's number of employees by gender, age, geographical location and employment type as at 31 March 2022:

	<b>FY21/22</b>	<b>FY20/21</b>
<b>Total workforce</b>	4,014	7,322
By gender		
Male	2,015	3,047
Female	1,999	4,275
By employment type		
Full-time	4,012	7,319
Part-time	2	3
By age		
16-29	1,975	3,502
30-50	1,585	3,008
51 or above	454	812
By region		
Hong Kong	111	123
Mainland China	1,801	3,713
Myanmar	2	1,303
Bangladesh	1,238	1,470
Others	862	713
By employee category		
Senior management	53	44
Middle management	204	252
Non-management	3,757	7,026
<i>Note:</i> <i>The calculations are based on the Reporting Guide for Social Key Performance Indicators issued by the Stock Exchange</i>		

The Group's employee turnover rate by gender, age group and geographical location as at 31 March 2022 is as follows:

	<b>FY21/22</b>	<b>FY20/21</b>
<b>Employee turnover rate</b>	<b>21.50%</b>	<b>26.56%</b>
By gender		
Male	20.79%	17.95%
Female	22.21%	32.70%
By region		
Hong Kong	18.92%	37.40%
Mainland China	18.77%	28.14%
Myanmar	250.00%	13.35%
Bangladesh	34.17%	34.42%
Others	8.82%	24.40%
By age		
16-29	27.24%	-
30-50	18.17%	-
51 or above	8.15%	-
<i>Note:</i> - The calculations are based on the Reporting Guide for Social Key Performance Indicators issued by the Stock Exchange - The employee turnover rate by age group in FY20/21 is not recorded		

### 4.3. Health and Safety



With the notion of “Safety first”, the Group considers people’s health and safety as well as psychological and physical well-being are always placed in our top priorities. We consistently put tremendous efforts on the provision of comfortable and safe environment to all employees in our premises with the goal of creating an accident-free workplace. The Group has also outlined the health & safety standards for our employees in the *Health & Safety Policy* and *Code of Conduct*. Standard procedures such as special and routine inspections are formulated to identify safety risks and provide guidance on appropriate health and safety practices at the workplace to prevent potential accidents. The smoke detectors, first-aid boxes and fire extinguishers are provided, as well as regular testing of ventilation, temperature and dust is conducted in order to guarantee the safety of the working environment. Besides, we provide relevant health and safety training to employees especially to those who are responsible for handling chemicals or machines including electricity generators and boilers. The corresponding personal protective equipment such as gloves and ear protectors are provided to the employees who are required to wear such equipment during work to avoid any acute or chronic diseases.

The Group has taken additional measures in Bangladesh and Myanmar to ensure the safety of our employees. In Bangladesh, as required by some of our clients, we comply with the requirements of the *Accord on Fire and Building Safety* in Bangladesh (“*Accord*”), which is an independent, legally binding agreement between global brands and retailers and trade unions designed to build a safe and healthy workplace in Bangladesh. The clients that require us to comply with the *Accord* are mainly European brands. In addition, we arrange meetings with doctors and nurses for our employees every two months to promote health and safety in our factory and minimize any potential risks and hazards.

#### Safeguarding against COVID-19

In response to the COVID-19 outbreak, the Group continue to implement a series of operational reinforcement measures to ensure employee health and safety and continued operations. Some of these actions taken by the Group include:

- Intensified hygiene and cleaning procedures in line with sanitary authorities’ guidelines
- Provided individual protection facemasks and hand sanitizers
- Established flexible working arrangements for the employees when they, or their family members or close contacts, display relevant symptoms, or when they are in self-quarantine following a recent trip to a high-risk location
- Distributed COVID-19 brochure to employees to enhance their safety awareness
- Conducted body temperature check before entering the factory
- Physical segregation of teams for a meal break to minimize personal contact
- Frequent cleaning and disinfection of the factories

The Group had zero work-related fatalities for three consecutive years, including the reporting period. The number work related injuries and lost days due to work-related injury were 12 and 119.5 days respectively during the reporting period. In light of the increased frequency of accidents in FY21/22 compared with that in FY20/21, the factories have increased the frequency of health and safety training to employees by leveraging on the factory doctor. The Group will continue to develop improvement plans to achieve the zero occupational incident rate target. During the reporting period, there were no reported incidents of non-compliance with laws and regulations regarding occupational health and safety.

	FY21/22	FY20/21
Work-related fatalities	0	0
Work-related injuries	12	10
Lost days due to work-related injury	119.5	7

#### 4.4. Development and Training



The coupling of globalization and geopolitics renders the market much more unpredictable. The professional competence and development of our employees are crucial elements to make us more resilient to these challenges. The Group offers all-round training for our staff to enhance their professional knowledge and motivations in order to drive the Group towards a business breakthrough. Hence, the development and training are essential to nurture our talents and help us to prosper further.

We provide opportunities for our staff to develop their knowledge and skills through various seminars conducted by third parties, in-house discussion meetings and on-the-job training. We continually review the education needs of our staff and encourage our staff to pursue work-related training courses by providing education allowance upon the completion of probation.

Courses in health and safety and suchlike, along with technical training, are organized regularly for our employees in Mainland China, Myanmar and Bangladesh to raise their awareness and knowledge over health and safety as well as environmental issues so as to meet our client's expectations and requirements. Besides, the Business Social Compliance Initiative ("BSCI") training and sexual harassment training are conducted to enhance the knowledge and attitude of both new employees and existing employees at DTG.

During the reporting period, the percentage of trained employees in the Group and the average number of training hours per employee are as follows:

Percentage of employees trained (%)	FY21/22	FY20/21
By gender		
Male	54.52%	-
Female	45.48%	-
By employee category		
Senior management	0.68%	-
Middle management	5.79%	-
Non-management	93.53%	-
Average training hours per employee (hour)		
By Gender		
Male	12.04	6.8
Female	8.98	4.1
By employee category		
Senior management	5.17	23.8
Middle management	15.24	12.1
Non-management	10.34	4.9
Note:		
- The calculations are based on the Reporting Guide for Social Key Performance Indicators issued by the Stock Exchange		
- The percentage of employees trained by gender and employment type are not recorded in FY20/21		

## 5. OPERATING PRACTICES

The Group emphasizes the quality of goods and services with the highest degree of integrity to our clients. Not only do we endeavour to satisfy the requirement of clients through the continuous improvement of our products and services, but also adopt a zero-tolerance approach against any bribery and corruption behaviours within our business. According to the materiality analysis results, the top six material ESG issues including “Anti-corruption” and “product responsibility” are highlighted in this section.

### 5.1. Anti-corruption



The Group advocates integrity and ethical operation, expecting all employees to uphold integrity, ethical and professional standards. The reputational capital of the Group is built on its long-established standards of ethics in conducting business.

The Group adopts a zero-tolerance approach toward any forms of corruption, including bribery, extortion and money laundering as stipulated in our social policy. We are also committed to strictly complying with all applicable anti-bribery laws of different jurisdictions, such as the *Criminal Law* of the People’s Republic of China and the *Anti-Unfair Competition Law* of the People’s Republic of China.

As stipulated in our social policy, we have implemented a zero-tolerance approach to bribery extortion, fraud or money laundering. In addition, our *Anti-Corruption & Anti-Bribery Policy* established by DTG and LAV specify the standards of conduct in relation to conflict of interests. Regular corruption assessments are conducted to detect bribery, fraud or other malpractice activities. All employees are required to report any potential violation of the *Anti-Corruption & Anti-Bribery Policy* or other Group Policies to the management or the relevant government department. We also strive to maintain strict confidentiality concerning the identity of the whistle-blowers, a whistleblowing procedure is in place whereby potential breaches including misconduct, malpractices and/or suspicions of fraudulent activities can be reported confidentially, anonymously and without any risk of reprisal. Any director or employee in breach of relevant policy will be subject to disciplinary action.



Apart from the above policies, the Group conducted 12 anti-corruption trainings for employees to reinforce the alertness of anti-corruption and business ethics during the reporting period. Through the trainings, we provide some case studies for guiding employees in handling different situations. From the top management to general employees, there is a mindset of anti-corruption. The Group will continue to review and improve our anti-corruption policy and training regularly to prohibit any violations.

During the reporting period, there were no reported incidents of non-compliance with laws and regulations in relation to anti-corruption.

## 5.2. Product Responsibility



In line with our value of “Quality First”, we not only strive to provide quality products and excellent services, but also ensure the health and safety of our products by preventing the risks of health and safety accidents owing to product usage. Besides, we guarantee the provision of clear and unbiased information which allows our clients to make an informed decision from an indispensable part of our values and principles.

### Quality Control

The Group implements quality control systems to manage our product quality performance and enhance the quality. Our product quality is in accordance with the requirements of clients and operating areas. For instance, our joint venture in Wuxi has obtained ISO9001: 2015 certification and thus maintained the quality management system with respect to the design and manufacture of yarn and textile products. Moreover, factory compliance audits have been conducted by our clients or audit firms assigned by our clients regularly for ensuring optimum product quality and production capabilities, as well as compliance with international labour and environmental laws.

In addition to satisfying client’s requirements, the Group ensures all manufacturing stages, namely fabric selection, marker making, fabric cutting and testing of our products conform to the product standards. The *Code of Conduct* as well as the *Product Safety and Quality Policy* which set out by LAV outline our standards regarding product quality, health and safety, labelling and privacy matters relating to products provided and methods of redress. These policies contribute to sustainable and profitable growth by providing guidance on how to offer products that provide customer satisfaction while complying with the relevant laws and regulations.

The Group pays attention to all complaints and recall requests and takes corrective measures to ensure the provision of high-standard products and services. To further ensure the quality of our products, we conduct regular inspections before their departure from the warehouses. Shipments are only executed after receiving approval from the clients on the Acceptable Quality Limit (“AQL”) report. We also have a recall process ranging from checking the product or service to notifying the customers. Besides, the Group observes strict compliance with the relevant local and national regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

During the reporting period, there was no product recall incurred by health and safety problems as well as zero products and service related complaints received.

### Intellectual Property Rights

The Group values confidential information, which covers any trade secrets or any confidential information that is essential for running the business. To safeguard the intellectual property rights of our customers’ clothing design, visitors or employees (excluding relevant staff) are prohibited from taking photographs in the production area. Employees are prohibited to share any information related to the Group’s trademarks, raw materials, product development, craftsmanship, orders, prices and profits with any irrelevant personnel.

Additionally, the relevant department shall sign agreements with respect to intellectual property rights and confidentiality with its suppliers. The agreements allow all parties to be aware of the ways the intellectual property will be used and the ultimate rights of using and distributing the materials. Thereby, the interest of our customers, the Group and any parties involved are highly protected.

During the reporting period, we strictly complied with relevant laws and regulations of the operating regions in relation to product quality, health and safety, intellectual property right, privacy and suchlike.

### 5.3. Supply Chain Management



Over the years, the Group has strictly monitored the quality performance, environmental and social management of each supplier. We always work closely with both clients and suppliers, primarily located in Mainland China, Myanmar and Bangladesh. Regular audits, such as social audits, safety audits and/or technical audits are conducted at our factories by some of our clients to check whether their *Supplier Code of Conduct* is being observed. If any issue remains outstanding within the period, they also run a follow-up audit to leave no room for non-compliance.

During the reporting period, the Group engaged 517 suppliers from different locations. The following table is the number of suppliers by geographical region during the reporting period:

Region	Number of suppliers
Mainland China	194
Hong Kong China	188
Myanmar	7
Bangladesh	57
Other	71

The Group endeavours to drive responsible practices along the entire supply chain and align with the principle of open, fair and just procurement. Our selection of suppliers is mainly in accordance with five criteria — availability for production, price, credibility, capability, and full compliance with local laws and regulations. The *Supply Chain Management Policy* established at EQK defines standards and guidelines for transparent, fair and efficient supplier selection by the Group as well as for quality- focused collaboration.

In light of the impacts of climate change, the regulatory requirement has been tightened in operations, products and services in recent years. In an attempt to promote green procurement, we always encourage suppliers and clients to apply environmentally-friendly designs and packaging. We give priority to suppliers with sound environmental management and local suppliers whenever appropriate. These allow consistent production of high-quality green products from the start to finish, thus the supply chain and the entire product life-cycle become more sustainable, resilient and ever-growing.

### 5.4. Community Investment

The Group continuously undertakes the corporate responsibility to create an overall positive impact on the communities we operate. We have encouraged our employees to engage in community activities by setting up the YGM Corporate Volunteering Team back in 2014. The team provides employees with the opportunities to participate in volunteering work and activities. For the sake of promoting the participation of our employees, we offer several incentives to the participants. For instance, we provide fare subsidies, certificates, insurance purchases by the Group and Colleagues taking part in charity and volunteer services are granted a half-day leave for every two activities participated.

Besides, we consistently seek opportunities to support the communities through donations as some community activities are postponed or cancelled due to the COVID-19 pandemic. During the reporting period, charitable donations made by the Group amounted to HKD11,000 supporting *Lifeline Express hospital Eye-trains* and *Po Leung Kuk*. These charity organizations have made great contributions to society, the former strives to help poor cataract patients in the mainland regain their eyesight while the latter is dedicated to serving the community. Looking forward, we will continue to support the communities in which we operate to maintain a healthy, resilient and sustainable community development.

## 6. ENVIRONMENTAL MANAGEMENT

Environmental conservation is one of the aspects of sustainable development. The Group is committed to making contributions to environmental protection so as to achieve sustainable development. To address the environmental issues and mitigate their impacts on our operations, our subsidiaries have either developed an overall Environmental Policy or implemented various environmental requirements. In addition, our joint venture in Wuxi has obtained ISO 14001:2015 Environmental Management System certification with respect to the design, manufacture and relevant management process of yarn and textile products. As such, our management systems' effectiveness is evaluated regularly to ensure the pathway towards sustainable development.

We strictly comply with relevant laws and regulations of the operating regions. There was no prosecution case involving the Group in respect of any environmental law during the Reporting Period. To further practice environmental protection, we usually review our manufacturing process if there is any improvement, draw up plans and implement a set of mitigating measures for a better environment.

We are committed to avoiding, mitigating and monitoring the environmental impacts through the following measures, whenever practicable:

- Efficient use of resources such as energy, water and raw materials
- Waste reduction by minimizing waste at source and recycling used products
- Optimization of material use
- Compliance with applicable environmental legislation, rules and regulations
- Regular review of our operational controls to enhance our environmental performance
- Communication with internal and external stakeholders on environmental performance
- Environmental awareness building of employees through education and corporate activities

The Group's emissions targets and steps taken to achieve them are as follows:

Environmental targets	Directional statements	Measures taken during the year
Energy efficiency improvement	<ol style="list-style-type: none"> <li>1. Reduce the number of office equipment that unduly consumes energy</li> <li>2. Apply energy saving products that increase energy efficiency</li> </ol>	<ol style="list-style-type: none"> <li>1. Turned off idle electrical appliances, computers, lighting and air conditioning when leaving the workplace, thereby reducing the number of power consumption equipment</li> <li>2. Shutdown unnecessary machines for running during non-office hours or non-peak hours to reduce the energy consumption</li> <li>3. Promoted energy saving through training regularly to conserve energy</li> <li>4. Applied energy efficient appliances and products such as LED light bulbs, thereby increasing energy efficiency</li> <li>5. Inspected the implemented machinery scheduling regularly to improve energy efficiency</li> </ol>
Water efficiency improvement	<ol style="list-style-type: none"> <li>1. Reduce and monitor the water consumption</li> <li>2. Prevent water leakages</li> </ol>	<ol style="list-style-type: none"> <li>1. Turned off the water tape after use to eliminate the unnecessary water consumption</li> <li>2. Applied auto-stop water tap, wherever applicable, to improve the water use efficiency</li> <li>3. Collected rainwater to brick tanks and used it for flushing workers' toilets in DTG, to reduce flushing water consumption</li> <li>4. Promoted water saving messages to our staff by updating water-saving signage in common area, thereby reducing the water consumption</li> <li>5. Installed water meter gradually to monitor the water consumption</li> <li>6. Implemented proper maintenance to prevent water leakage, thereby avoiding the waste of water resources</li> </ol>

Environmental targets	Directional statements	Measures taken during the year
Emission reduction	<ol style="list-style-type: none"> <li>1. Reduce the need of the purchased electricity, thereby reducing the generation of indirect greenhouse gases (GHG)</li> <li>2. Minimize air emission from fuel combustions to reduce the generation of direct GHG</li> </ol>	<ol style="list-style-type: none"> <li>1. Turned off the idle electrical appliances, computer, lighting and air conditioning during non-office hours or when leaving the workplace to reduce GHG emitted indirectly from power consumption</li> <li>2. Shutdown unnecessary machines for running during non-office hours or non-peak hours to minimize GHG emitted indirectly from power consumption</li> <li>3. Motivated employees to minimize the use of fuel through training, thereby reducing the generation of direct GHG</li> <li>4. Monitored the mobile combustion of vehicles as well as the emission of air pollutants from the use of boilers and back-up generators to ensure compliance with relevant legal standards</li> <li>5. Inspected gas lines regularly to prevent gas leakage, thereby avoiding the waste of fuel and air emission</li> </ol>
Waste reduction	<ol style="list-style-type: none"> <li>1. Reduce paper waste generated from the office operation</li> <li>2. Reuse materials from the office operations</li> <li>3. Recycle waste such as paper, aluminium cans and plastics items</li> <li>4. Environmental education</li> </ol>	<ol style="list-style-type: none"> <li>1. Used paper on both sides to reduce the waste of paper</li> <li>2. Reused materials such as yarn, gum tape, and polythene, thereby minimizing the waste of materials</li> <li>3. Set up recycle boxes for recyclable materials including paper, aluminium cans, and plastics</li> <li>4. Posted environmental information at the operating places, to enhance employees to reduce both hazardous and non-hazardous waste</li> </ol>



## 6.1. Emissions

### 6.1.1 Air and Greenhouse Gas Emissions



#### Air Emission

As the garment manufacturing process is involved in materials transportation, use of boiler and back-up generator, these activities cause air emissions in the surrounding environment. The main air emissions sources of the Group are generated from the fuel consumption of the vehicles. Nitrogen Oxides (NO<sub>x</sub>), Sulphur Oxides (SO<sub>x</sub>) and Particulate Matters (PM) are the major air pollutants. As a responsible enterprise, we make every effort to control air emissions through a series of environmental measures. We monitor the fuel consumption of vehicles for our regular review and nurture the awareness of employees. We also minimize activities that cause environmental impacts such as the combustion of fossil fuels. In order to avoid the pollution of surrounding soil and water, all factories are required to monitor emission quality on a regular basis and measure the level of air pollutants emitted from the use of boilers and back-up generators, all of which are in full compliance with the relevant legal standards of the operating regions.

The Group's air pollutant emissions during the reporting period are as follows:

Type of Pollutants	Unit	Pollutant emissions
NO <sub>x</sub>	kg	158.29
SO <sub>x</sub>	kg	5.79
PM	kg	15.09
<b>Notes:</b> - The calculations are based on the Reporting Guidance on Environmental KPIs published by the HKEX - The data in FY20/21 is not captured, the data comparison between FY21/22 and FY20/21 cannot be conducted The data availability of Dagon Talent Garment Limited (Myanmar) ("DTG") in FY21/22 covers the period of Apr – Jul 2021 only		

#### Greenhouse Gas Emission

Greenhouse gas ("GHG") emissions are categorized into Scopes 1 and 2 expressed in tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e). Emission from electricity purchased is the major emission source which shares 99.74% of the overall emission. The remainder comes from mobile combustion of gasoline, diesel and compressed natural gas, as well as stationary sources of diesel oil and natural gas combustion under the operational control of the Group.

The Group endeavours to reduce the GHG emissions across its operation and targets to reduce its operational footprint gradually. For the sake of managing the GHG emissions controlled by the Group, particularly in energy consumption along its production line. We formulate various energy conservation measures to reduce the carbon footprint during operations such as applying energy-efficient LED lighting systems and switching off idle electric appliances. Furthermore, the gas lines are inspected regularly to prevent gas leakage. We also implement the CO<sub>2</sub> Emission Policy at LAV in Bangladesh. We will continuously minimize our environmental impacts by exploring more energy-saving plans such as adopting solar energy.

Set forth below are the Group's greenhouse gas ("GHG") emissions during the reporting period:

Type of GHG Emissions	Unit	Total
<b>Total GHG Emissions</b>	<b>tCO<sub>2</sub>e</b>	<b>162,427.62</b>
Direct (Scope 1) Emissions	tCO <sub>2</sub> e	416.39
Energy Indirect (Scope 2) Emissions	tCO <sub>2</sub> e	162,011.23
<b>Intensity of GHG Emissions</b>		
Head Office	tCO <sub>2</sub> e/ m <sup>2</sup> (floor area)	0.02
Subsidiaries (EQK, DTG, LAV)	tCO <sub>2</sub> e/ piece of garment produced	<0.001
Joint venture (Wuxi, TZCX, WNOC)	tCO <sub>2</sub> e/ tonne of yarn	8.46
<b>Notes:</b> <ul style="list-style-type: none"> <li>- The calculations are based on the Reporting Guidance on Environmental KPIs issued by the Stock Exchange, 2006 IPCC Guidelines for National Greenhouse Gas Inventories, IPCC Fifth Assessment Report and the China's Regional Power Grids Baseline Emission Factors for Emission Reduction Projects in 2019, IEA Emission Factors in 2021</li> <li>- Scope 1 includes emissions from stationary combustion of natural gas and diesel; Mobile combustion of gasoline and diesel; and</li> <li>- Scope 2 includes the energy indirect emission from the purchased electricity</li> <li>- The data is not captured in FY20/21, the data comparison between FY21/22 and FY20/21 cannot be conducted</li> <li>- The data availability of Dagon Talent Garment Limited (Myanmar) ("DTG") in FY21/22 covers the period of Apr – Jul 2021 only</li> <li>- The data of a private car in LAV is not included due to insufficient information for calculation. We will explore and improve the data collection system.</li> </ul>		

### 6.1.2 Waste Management



The Group emphasizes waste management. We require all factories to prudently implement the relevant requirements for the treatment of waste. Both hazardous waste and non-hazardous waste are treated in full compliance with local laws and regulations. Any non-reusable fabric pieces were collected by a qualified waste handler in Mainland China while fabric scraps were also regularly collected by recyclers in Bangladesh and Myanmar. As our manufacturing process mainly involves sewing of garments, lubricant oil and light tubes are the only hazardous waste generated, and they are stored in designated areas and disposed of properly through qualified contractors.

In terms of wastewater management, we endeavour to responsibly handle wastewater discharge. The Group abided by the relevant laws and regulations in which we operate. In both Hong Kong and Mainland China, our domestic wastewater generated is properly managed by the municipal treatment facilities provided by the government. In Myanmar and Bangladesh, the sewage generated from domestic use is collected by septic tanks, and further removed by a qualified contractor on a regular basis.

The hazardous waste and its intensity produced during the reporting period are shown below:

<b>Hazardous waste</b>	<b>Unit</b>	<b>Total</b>
<b>Total hazardous waste</b>	Tonne	<b>2.42</b>
Head Office		-
EQK		2.34
DTG		0.08
LAV		-
Wuxi		-
TZCX		-
WNOC		-
<b>Hazardous waste intensity</b>		
Head Office	Tonne /m <sup>2</sup> (floor area)	-
Subsidiaries (EQK, DTG, LAV)	Tonne/piece of garment produced	<0.001
Joint venture (Wuxi, TZCX, WNOC)	Tonne /tonne of yarn produced	-
<b>Notes:</b> <ul style="list-style-type: none"> <li>- The calculations are based on the Reporting Guidance on Environmental KPIs issued by the Stock Exchange</li> <li>- The data is not captured in FY20/21, the data comparison between FY21/22 and FY20/21 cannot be conducted</li> <li>- The data availability of Dagon Talent Garment Limited (Myanmar) ("DTG") in FY21/22 covers the period of Apr – Jul 2021 only</li> <li>- The data marked as "-" implies the data is not recorded during the reporting period, we will review and improve the data collection system</li> </ul>		

The non-hazardous waste and its intensity produced during the reporting period are shown below:

Non-hazardous waste	Unit	Total
<b>Total non-hazardous waste</b>		<b>9.13</b>
Head Office	Tonne	-
EQK		-
DTG		9.13
LAV		-
Wuxi		-
TZCX		-
WNOC		-
<b>Non-hazardous waste intensity</b>		
Head Office	Tonne / m <sup>2</sup> (floor area)	-
Subsidiaries (EQK, DTG, LAV)	Tonne /piece of garment produced	<0.001
Joint venture (Wuxi, TZCX, WNOC)	Tonne /tonne of yarn produced	-
Notes:		
<ul style="list-style-type: none"> <li>- The calculations are based on the Reporting Guidance on Environmental KPIs issued by the Stock Exchange</li> <li>- The data is not captured in FY20/21, thus the data comparison between FY21/22 and FY20/21 cannot be conducted</li> <li>- The data availability of Dagon Talent Garment Limited (Myanmar) ("DTG") in FY21/22 is the period of Apr – Jul 2021 only</li> <li>- The data marked as "-" implies the data is not recorded during the reporting period, we will review and improve the data collection system</li> </ul>		

## 6.2. Use of Resources

The Group continues to double our efforts to ensure prudent use of resources through implementing strict resources management policies and measures. According to the materiality analysis results, the use of electricity and water are identified as the most material environmental issues. In this section, we primarily focus on water and energy consumption, particularly the use of electricity.

### 6.2.1 Energy Consumption



Our major sources of energy consumption come from our factories, dormitories and offices. Considering our main sources of energy consumption are attributed to electricity consumption, we primarily focus on electricity saving measures.

In order to reduce energy consumption and improve energy efficiency, we implemented a number of measures in our operations during the reporting period as follows:

Minimizing the use of electricity:

- replace lighting fixtures with LED gradually to improve energy efficiency
- motivate employees to conserve energy by switching off lighting and electric appliances during lunch hours and idling period
- avoid leaving the electric appliance in standby mode when not in use to reduce energy consumption
- inspect the implemented machinery scheduling regularly to improve energy efficiency
- Promote energy saving through training regularly to conserve energy

Reducing direct energy consumption:

- Inspect gas lines regularly to avoid gas leakage to reduce waste of energy
- Monitor mobile and stationary sources of combustion such as fuels consumed by vehicles, boilers and backup generator

We consistently review and improve energy consumption management so as to integrate energy-saving awareness into the Group's daily operations.

The breakdown of energy consumption in FY2021/22 is presented below:

	Unit	FY21/22
<b>Use of energy</b>		
<b>Total energy consumption</b>	<b>kWh</b>	<b>272,576,681</b>
<b>Direct energy consumption</b>		<b>1,969,938</b>
Natural gas		600,073
Head office		-
Subsidiaries		600,073
Joint-venture		-
Diesel		703,023
Head office		-
Subsidiaries		435,559
Joint-venture		267,464
Gasoline		666,842
Head office		65,888
Subsidiaries		409,654
Joint-venture		191,300
<b>Indirect energy consumption</b>		<b>270,606,743</b>
Electricity		270,606,743
<b>Energy use intensity</b>		
Head Office	kWh/m <sup>2</sup> (floor area)	43.98
Subsidiaries (EQK, DTG, LAV)	kWh/piece of garment produced	1.26
Joint venture (Wuxi, TZCX, WNOC)	kWh/tonne of yarn produced	14,119.36
<b>Use of electricity</b>		
<b>Total electricity consumption</b>	<b>kWh</b>	<b>270,606,743</b>
Head Office		763,939
EQK		1,198,909
DTG		197,361
LAV		962,689
Wuxi		229,481,262
TZCX		15,094,511
WNOC		22,908,072
<b>Energy use intensity</b>		
Head Office	kWh/m <sup>2</sup> (floor area)	40.48
Subsidiaries (EQK, DTG, LAV)	kWh/piece of garment produced	0.78
Joint venture (Wuxi, TZCX, WNOC)	kWh/tonne of yarn produced	14,095.18

**Notes:**

- The calculations are based on the Reporting Guidance on Environmental KPIs issued by the Stock Exchange
- The conversion of the energy data unit to kWh is based on the lower calorific value
- Direct energy consumption includes fuel consumption (diesel and gasoline consumption), mobile combustions (diesel and gasoline)
- Indirect energy consumption refers to electricity consumption
- The data availability of Dagon Talent Garment Limited (Myanmar) ("DTG") in FY21/22 covers the period of Apr – Jul 2021 only
- The data of a private car in LAV is not included due to insufficient information for calculation. We will explore and improve the data collection system.



## 6.2.2 Water Consumption



Since our businesses do not involve heavy use of water like fabric processing (e.g. dyeing and washing), the Group consumes relatively less amount of water in the production process compared to other garment manufacturers. During the reporting period, there was no issue in sourcing water that is fit for purpose. Nevertheless, we continuously pay attention to conserving water resources and executing various water-saving measures.

For monitoring water consumption, we apply water meters at our operations in Hong Kong and Mainland China. We will continue to seek opportunities to install water meters in other factories in the future.

	Unit	FY21/22	FY20/21
<b>Use of water</b>			
<b>Total water consumption</b>	<b>m<sup>3</sup></b>	<b>344,666</b>	<b>354,038</b>
Head Office		4,617	5,201
EQK		17,683	26,612
WGG*		-	19,728
DTG		-	-
LAV		-	-
Wuxi		248,600	255,484
TZCX		46,606	36,037
WNOC		27,160	10,976
<b>Water use intensity</b>			
Head Office	m <sup>3</sup> /m <sup>2</sup> (floor area)	0.24	0.28
Subsidiaries (EQK, WGG*, DTG, LAV)	m <sup>3</sup> /piece of garment produced	0.01	0.049
Joint venture (Wuxi, TZCX, WNOC)	m <sup>3</sup> /tonne of yarn produced	16.99	20.61

**Notes:**

- The calculations are based on the Reporting Guidance on Environmental KPIs issued by the Stock Exchange
- WGG\*: The Whampoa Garment Manufacturing (Guigang) Co., Ltd. ("WGG") is not included in the reporting scope of the reporting year (FY21/22) due to closure, the data involving WGG is not directly comparable with FY20/21
- The data availability of Dagon Talent Garment Limited (Myanmar) ("DTG") in FY21/22 covers the period of Apr – Jul 2021 only
- During FY21/22 and FY20/21, the water consumption is not captured in DTG and LAV. We will review and improve the data collection measures.

In Mainland China, water is used mainly for domestic purposes throughout our business operations such as for consumption in dormitories. Not only does the Group encourage our employees to use water wisely, but also implements proper maintenance to prevent leakages. In addition, we examine water safety and quality through regular inspections at our business operations in Mainland China, Bangladesh and Myanmar.

We strive to reduce our water consumption through the following water-saving measures at our operations during the reporting period:

- Turn off the water tap after use to eliminate the unnecessary water consumption
- Apply auto-stop water tap, wherever applicable, to improve the water use efficiency
- Conduct regular quantity and quality checks for drinking water as a continual measure (as part of the BSCI compliance audit requirements)
- Promote water-saving messages to our staff by updating water-saving signage in the common area
- Reduce flushing water in our Myanmar (“DTG”) office by collecting rainwater in brick tanks
- Treat domestic sewage properly in sewage treatment plants at our Wuxi factory

### 6.2.3 Packaging Materials



The packaging materials used in our operations are mainly paper cartons, paper hand tags, tissue paper and plastic bags. As the use of packaging materials not only depends on the client’s preferences and requirements but also needs to be sourced from suppliers that are approved or chosen by the clients, our control over the selection of packaging materials is very limited. Nevertheless, the Group continues to make efforts to prevent over-packaging and encourage our clients to use more green materials.

The following are the total amount and intensity of packaging materials used by the Group during the reporting period:

	Unit	FY21/22
<b>Packaging materials used</b>		
<b>Total Packaging materials used</b>	tonne	<b>2,183.44</b>
Head Office		0
EOK		95.61
DTG		28.10
LAV		225.39
Wuxi		1,684.02
TZCX		75.37
WNOC		74.95
<b>The intensity of packaging</b>		
Head Office	tonne /m <sup>2</sup> (floor area)	0
Subsidiaries (EOK, DTG, LAV)	tonne /piece of garment produced	<0.001
Joint venture (Wuxi, TZCX, WNOC)	tonne /tonne of yarn produced	0.10
Notes:		
<ul style="list-style-type: none"> <li>- The calculations are based on the Reporting Guidance on Environmental KPIs issued by the Stock Exchange</li> <li>- The data in FY20/21 is not captured, thus the data comparison between FY21/22 and FY20/21 cannot be conducted</li> <li>- The data availability of Dagon Talent Garment Limited (Myanmar) (“DTG”) in FY21/22 covers the period of Apr – Jul 2021 only</li> </ul>		

### 6.3. The Environment and Natural Resources



The Group assesses the garment manufacturing processes and the material used to prevent environmental impact as much as possible. The Group is committed to taking care of the environment and investing in green practices. Hence, we are purposefully adopting sustainable business processes. As required by our clients, we have manufactured products with the *Global Organic Textile Standard* (“GOTS”), which is recognized as the world's leading processing standard for textiles made from organic fibres. We strive to comply with the international standards or initiatives, such as the *Business Social Compliance Initiative* (“BSCI”) and *Ethical Trading Initiative* (“ETI”) and *Better Cotton Initiative* (“BCI”), which promote better standards in cotton farming and practices. In addition, we nurture the mindset of environmental conservation from top management to general employees through training. When the Group executes green programs, the programs will be promoted to employees to gain more support. This allows the Group to maximize the positive impacts on the environment and natural resources.

### 6.4. Climate Change

Given that climate change exacerbates extreme weather such as severe typhoons, flooding and heat wave, we regularly assess and manage the risks of climate change to us. On this ground, the Group takes initiatives to reduce greenhouse gas emissions and remedy climate change.

Type of Risk	Description of the Risk	Risk Response Measures
Acute risk	Extreme weather will bring physical risks related to climate change to the Group's operations in the short and medium-term, such as facility damage caused by strong typhoons, and production delays caused by continuous flooding.	The Group regularly manages and controls natural disasters that may be caused by identified climate change or emergencies arising from extreme weather conditions. To prevent damage caused by climate change, the Group formulates work principles, notification mechanisms, evacuation systems and accident investigation requirements in emergencies to help employees effectively respond to emergencies. In addition, the Lavender in Bangladesh is one of the <i>Accord on Fire and Building Safety</i> in Bangladesh (“Accord”) factories, which is regularly checked by the relevant authorities to strengthen the fire and building structure of the factory.
Chronic risk	Extreme weather events may destabilize the supply of raw manufacturing materials and cause delays in production. The Group's assets may be damaged and factory operations disrupted, resulting in reduced access, higher maintenance costs and increased insurance premiums.	The Group gives priority to suppliers with sound environmental management so as to mitigate the effect of climate change. We also give priority to local suppliers whenever applicable to stabilize the supply of manufacturing materials due to the risk of transportation delay. This also shortens the travelling distance so that the Greenhouse gas emitted by vehicles can be greatly reduced, which remedies climate change. Besides, the Group usually makes purchase orders at an early stage by paying a deposit to avoid insufficient supply.
Market Risk	Increasingly concerns about climate change issues and standards for green products, thus increasing the Group's operation costs in the medium to long term.	The Group continues to evaluate operational risks due to climate change in the business, and analyze the potential impact, such as electricity supplies, increasing cost of raw materials, unstable transportation and any uncertainties due to the instability of climate, and devote resources to control the risks.

### Outlook

The Group is committed to making contributions to the environment and society in which it operates. Through the regular reviews process, we put tremendous effort to uphold good corporate governance to prudently comply with the requirements of laws, Listing Rules, and internal management. Looking forward, the Group will continue to take a proactive approach to social, environmental, and governance.

**APPENDIX: HKEX ESG REPORTING GUIDE CONTENT INDEX**

<b>A</b>	<b>Environmental</b>	<b>Chapter</b>
ASPECT A.1	Emissions	6. Environmental Management; 6.1 Emissions
KPI A.1.1	The types of emissions and respective emissions data.	6.1.1 Air and Greenhouse Gas Emission
KPI A.1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A.1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.1.2 Waste Management
KPI A.1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A.1.5	Description of emission target(s) set and steps taken to achieve them.	6. Environmental Management; 6.1 Emissions
KPI A.1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	6. Environmental Management; 6.1.2 Waste Management
ASPECT A.2	Use of resources	6. Environmental Management; 6.2 Use of Resources
KPI A.2.1	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).	6.2.1 Energy Consumption
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KPI A.2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	6. Environmental Management; 6.2.1 Energy Consumption
KPI A.2.4	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.	6. Environmental Management; 6.2.2 Water Consumption
KPI A.2.5	The total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	6.2.3 Packaging Materials
ASPECT A.3	Environment and natural resources	6. Environmental Management
KPI A.3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6. Environmental Management; 6.3 The Environment and Natural Resources  During the reporting period, there was no incident that had a significant impact on the environment and natural resources
ASPECT A.4	Climate change	6. Environmental Management
KPI A.4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	6.4 Climate Change

B	Social	Chapter
ASPECT B.1	Employment	4. Caring For People
KPI B.1.1	Total workforce by gender, employment type (e.g. full or part-time), age group and geographical region.	4.2 Employment
KPI B.1.2	Employee turnover rate by gender, age group and geographical region.	
ASPECT B.2	Health and safety	4. Caring For People
KPI B.2.1	The number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	4.3 Health and Safety
KPI B.2.2	Lost days due to work injury.	
KPI B.2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	
ASPECT B.3	Development and training	4. Caring For People
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KPI B.3.2	The average training hours completed per employee by gender and employee category.	
ASPECT B.4	Labour standards	4. Caring For People
KPI B.4.1	Description of measures to review employment practices to avoid the child and forced labour.	4.1 Labour Standards
KPI B.4.2	Description of steps taken to eliminate such practices when discovered.	
ASPECT B.5	Supply chain management	5. Operating Practices
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KPI B.5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	
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ASPECT B.6	Product responsibility	5. Operating Practices
KPI B.6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	5.2 Product Responsibility
KPI B.6.2	The number of products and service related complaints received and how they are dealt with.	
KPI B.6.3	Description of practices relating to observing and protecting intellectual property rights.	
KPI B.6.4	Description of quality assurance process and recall procedures.	
KPI B.6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	



ASPECT B.7	Anti-corruption	5. Operating Practices
KPI B.7.1	The 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.	5.1 Anti-corruption  Although the anti-corruption training for directors was not provided during the reporting period, we will improve and arrange the anti-corruption training for directors in the near future.
KPI B.7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	
KPI B.7.3	Description of anti-corruption training provided to directors and staff.	
ASPECT B.8	Community investment	5. Operating Practices
KPI B.8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	5.4 Community Investment
KPI B.8.2	Resources contributed (e.g. money or time) to the focus area.	



**長江製衣有限公司**  
**YANGTZEKIANG GARMENT LIMITED**