



**i.century Holding Limited**  
**愛世紀集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code : 8507



Environmental, Social And  
Governance Report  
**2018**

# Environmental, Social and Governance Report

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## 1. ABOUT THIS REPORT

This report is the first Environmental, Social and Governance Report (this “**Report**”) published by i.century Holding Limited (the “**Company**”), which explains the environmental, social and governance performance of the Company and its subsidiaries (collectively the “**Group**”). This Report has been prepared in accordance with the requirements of the Environmental, Social and Governance Reporting Guide set out in Appendix 20 (“**ESG Guide**”) to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Group has complied with the “comply or explain” provisions set out in the ESG Guide for the financial year ended 31 March 2018.

Available in both Chinese and English, this Report has been uploaded to the websites of the Stock Exchange and the Company ([www.icenturyholding.com](http://www.icenturyholding.com)).

### 1.1. Reporting Period

This is the first Environmental, Social and Governance (“ESG”) Report of the Group that illustrates and highlights the environment and social performance from 1 April, 2017 to 31 March, 2018 unless otherwise stated.

### 1.2. Reporting Scope

The content of this ESG report is focused on the Group’s business in apparel design and development, sourcing and procurement of raw materials, production management and quality assurance, logistics management, and final delivery to apparel retailers. This report demonstrates the ESG performance of the Group’s business operation in achieving sustainable development for the future.

### 1.3. Stakeholders’ Feedback

The Group values the opinion of stakeholders. If you have any questions or suggestions regarding the content or format of the report, please contact the Group via the following channels:

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## 2. ENVIRONMENTAL PERFORMANCE

The Group does not operate any production facility and is not involved in air (dust and residues), water, and noise pollution which are regulated under relevant environmental laws and regulations.

### 2.1. Emissions Policies and Compliance

The Group complies with related environmental protection laws of Hong Kong and has been practising energy saving through promoting efficient use of electricity to reduce emissions and cost. In addition, the Group is aware of the industry's Higg Index, which was developed by the Sustainable Apparel Coalition, to measure and score a company's environmental, labour and social impacts on their product's sustainability performance. Thus, improvement on ESG related performance is also the commitment of the Group.

### 2.2. Minimizing Emissions

Carbon footprint generated from the Group will be disclosed in this report. Carbon footprint is defined as the total amount of direct and indirect emissions of greenhouse gas ("GHG") expressed in terms of equivalent amount of carbon dioxide ("CO<sub>2</sub>-eq") emissions. To reduce GHG emissions, the Group has energy saving practice in place by switching off unused air-conditioning, lighting, and equipment.

#### Carbon Footprint – GHG Emissions

The total net GHG emissions generated by the Group were 87.15 tonnes of carbon dioxide equivalent ("tCO<sub>2</sub>-eq") (mainly carbon dioxide, methane and nitrous oxide). With the total audited area of 545.34 square metre ("m<sup>2</sup>"), the total annual carbon emission intensity due to energy usage was 0.16 tCO<sub>2</sub>-eq/m<sup>2</sup>. The following table highlights the total carbon footprint.

Scope	Sources of GHG emissions	GHG* emissions		Distribution
		GHG* emissions (in tCO <sub>2</sub> -eq)	by scope (in tCO <sub>2</sub> -eq)	
1	Stationary/Mobile/Refrigerant	Nil	Nil	Nil
2	Purchased electricity	42.93	42.93	49.26%
3	Disposal of paper waste	44.18	44.22	50.74%
	Fresh water processing	0.03		
	Sewage water processing	0.01		
	Total GHG* emissions	87.15		100%
	Carbon Emission Intensity	0.16		

\* The GHG is calculated according to the 'Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong' jointly published by Environmental Protection Department and Electrical and Mechanical Services Department.

It is noted that nearly 50% of the total GHG emissions was attributed to electricity use at 42.93 tCO<sub>2</sub>-eq, while more than 50% was constituted by paper use, contributed to the Group's carbon footprint of 44.18 tCO<sub>2</sub>-eq.

### *Waste Reduction*

Due to the business nature, paper was the only waste generated from office operations. It was recorded that 9,200.00 kg of paper and printed matters were used, the main reason for the high quantity use was owing to the printing need of the Group's initial public offering during the reporting period. Paper waste was collected by office building management for disposal. The Group has been recycling single side printed papers for reuse and using digital technology to replacing papers.

## **2.3. Conservation of Resources**

### *Energy – Electricity Consumption*

The total electricity used was 68,143.00 Kilowatt-hour (kWh), with the total operation area of 545.34 m<sup>2</sup>, the energy intensity was 124.95 kWh/m<sup>2</sup>. The Group's energy saving practice includes the use of energy saving lighting fixtures and window blinds in the office.

### *Water Consumption*

The total fresh water consumption was 81.00 cubic meters (m<sup>3</sup>). Water is used by employees working in the office. The Group is conscientious in water conservation as it is one of the most precious natural resources on earth.

### 3. EMPLOYMENT POLICIES AND COMPLIANCE

As at 31 March 2018, the total workforce of the Group was 32 with a combination of 28 women and 4 men and the following age distribution.

	18-25	26-35	36-45	46-55	56 and above
2018	0%	21.9%	34.4%	40.6%	3.1%

The Group complies with the laws and regulations related to employment, child and forced labour practices. The Group has dedicated and competent employees to support its business expansion strategies, employees' remuneration is structured to encourage a sustainable workforce and to attract, retain, and recognize employees and its annual employee turnover rate was zero.

The Group's staff handbook is designed to communicate important laws and work ethics surrounding employment, benefits and welfare, training and development, occupational health and safety, and code of conduct guidelines. It is an essential tool in helping to define the expectations of both the management and the employees, and to protect them from unfair or inconsistent treatment and discrimination. The Group provides equal opportunities for employees in respect of recruitment, remuneration and benefits, training and development, and salary review and job advancement.

Recruitment of employees is strictly abided by the hiring process and guidelines administered by Human Resource Department so that suitable talents are recruited in accordance to job requirement, relevant laws, and both the human resource department and the candidates' expectation for a harmonious and sustainable workforce.

During the reporting period, there was no incidence of work stoppages, labour disputes, litigation, claims, administrative action or arbitration against the Group.

#### **3.1. Occupational Health and Safety Policies and Compliance**

The Group cares about the well-being of its employees and strives to protect them with a safe and healthy working environment. Through communicating various occupational health and safety awareness guidelines in the staff handbook and memorandums, the work-related injury rate was zero and the Group has not violated any related safety and health ordinance and provisions during the reporting period.

#### **3.2. Development and Training Policies**

The Group understands that human resource is its one of its most valuable assets and the knowledge, experience and skills of employees are important and critical to its continued success and growth. To encourage and assist employees to develop their potential, both management and employees can initiate training needs and engage external professional training institution to organise training programs. The Group also encourages training through job induction, job rotation, on-the-job training and secondment so employees can learn dynamically for personal and career development and progression in the industry.

#### 4. SUPPLY CHAIN MANAGEMENT

By positioning in the middle stream of the value chain in the apparel industry, the quality compliance and performance of upstream manufacturers is of utmost importance. Since the final garment products must be made in accordance with the specifications and requirements requested by customers, manufacturers and material suppliers are chosen carefully to ensure quality compliance and timely delivery. Manufacturers and suppliers are selected based upon rational and clear criteria to procure goods and services in an honest, competitive, fair, and transparent manner that delivers the best value for money results.

The Group recognizes the importance of using strategic manufacturers and material suppliers who offer high quality, reliable, safe and technologically advanced products and service to meet the needs of its customers. There are 18 upstream suppliers (including manufacturing and materials suppliers) on the approved suppliers list which the Group would review periodically and provide updates to its employees. The Group also monitors, audits and manages processes from materials selection, production, quality management system and transportations to ensure its supply chain is operating effectively and efficiently that guarantee the quality and standard of its products.

#### 5. PRODUCT RESPONSIBILITY AND QUALITY ASSURANCE PROCESS

The Group is committed to providing high quality, stylish and fashionable products to customers. During the reporting period, a total of 942,989 pieces of garment were shipped to over 12 countries including Australia, Canada, France and other European countries, Japan, and United States of America. To ensure the apparel is produced according to customers' specification on the design and materials use, pre-production meetings are conducted to understand customers' budget, thought, brand requirement and at the same time exchange ideas on the design and on-going cooperation. Prototype and salesman samples are produced for customers' approval once the production details such as production specifications and production schedule are confirmed. Before bulk production is scheduled, pre-production samples are produced for customers' final approval.

Together by partnering with the Group's selected suppliers and manufacturers, product quality and service stability are maintained and guaranteed. The Group periodically monitors the overall performance of manufacturers by conducting on-site audit with documented report for continuous improvement and strategic alliance. During the reporting period, there was no significant complaints received on product quality and delivery.

### **5.1. Protecting Intellectual Property Rights**

The Group registered several domain names as they are important to its brand and corporate image. The Group understands and complies with the intellectual property (the "IP") rights regulation. During the reporting period, there was no material infringement of the IP rights and the Group is confident that all reasonable measures have been taken to prevent any infringement of its own IP rights and the IP rights of third parties.

### **5.2. Consumer Data Protection and Privacy Policies**

The Group properly manages and protects the data collected from its business partners, customers, employees and suppliers to ensure their privacy and confidentiality. The Group complies with the Personal Data (Privacy) Ordinance, all personal data collected from employees, customers and suppliers are neatly organised and stored in computers and servers which are protected from access passwords. As stipulated in the Group's Code of Conduct on confidentiality and human resources guidelines, employees are instructed of their responsibility to follow the confidentiality code on access to information and ensure the safekeeping of all personal and business data, trade secrets and proprietary information.

## **6. ANTI-CORRUPTION AND ANTI-FRAUD POLICIES AND COMPLIANCE**

The Group is committed to conducting business with the highest level of business ethics and integrity. Employees must adhere to the Group's Code of Conduct to ensure business activities are engaged with integrity and effectiveness. To formalize the commitments, employees are required to observe the Group's Code of Conduct when dealing with the Group's business. Corrupt and fraudulent practices including the action to offer, provide, obtain, receive an advantage or to avoid an obligation are strictly forbidden. The Group conducts periodic and systematic risk assessment and communicates related anti-fraud policies and procedures to employees on a regular basis.

### **6.1. Conflict of Interest**

The Group requires its directors and employees to avoid the conflict between personal and financial interest and the professional official duties in the Group. A situation in which directors or employees exercise authority, influences decisions and actions or gain access to valuable information when dealing with third parties with his profession to achieve financial and personal gain is strictly prohibited.

### **6.2. Preventive Measures and Whistle-blowing Procedures**

The Group's Code of Conduct requires directors and employees to declare any conflict of interest to the Human Resource Department. The Group encourages whistleblowing whereas an employee or a third party could report any suspected cases of corruption, theft, fraud and embezzlement, and conflict of interest to the Company Secretary in strict confidence. During the reporting period, communication was performed to ensure employees understand the Code of Conduct and there were no related fraudulent cases reported against the Group in Hong Kong.



## 7. COMMUNITY CARE

The Group is committed to conducting business in every aspect to minimize any potential environmental and social impact by continuously considering the community and performing its works in an environmental friendly and sustainable way. The Group will explore opportunities in future charity or community events to play a part in making a difference and strengthening the Hong Kong community.

## 8. CONSIDERING THE FUTURE OF SUSTAINABLE DEVELOPMENT

Developing sustainably in the industry's fierce competition with high labour cost, meeting all applicable legal and regulatory requirements on ESG matters and communicating to customers on environmental consciousness are continued to be challenging, but the Group will leverage on its solid executive experience, strengths on compliance and long-term relationship with customers to expand and flourish in the industry.