

# 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 2022

The logo for i.century, featuring a white circle above a white vertical bar containing the word "century" in blue lowercase letters.

century

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### SUSTAINABLE DEVELOPMENT OBJECTIVES

i.century Holding Limited and its subsidiaries (collectively referred to as the “Group”) is principally engaged in the business of managing the apparel supply chain including product development, sourcing and procurement of raw materials, production management, quality control to logistics arrangement.

The global health and economic crisis resulting from the Coronavirus Disease-2019 (“COVID-19”) pandemic has intensified investors and corporate stakeholders’ concern regarding environmental, social and governance (the “ESG”) matters. The Group also experienced interruption of business activities whereas COVID-19 disrupted the global supply chain. Therefore, it is inevitable for the Group to assess risks and prepare responses to them for the purpose of developing its business sustainably. The Board (the “Board”) of directors (the “Directors”) of the Group is committed to lead and steward the Group with the aim of analysing risks, achieving long-term returns to its shareholders, providing a safe working environment to its employees, and generating a sustainable environment to the community.

#### *ESG Approach and Commitment*

ESG are the key and preferred factors to measure a company’s non-financial performance, as well as for company valuation, risk management and regulatory compliance. ESG performance is also one of the key criteria to demonstrate corporate social responsibility. By assessing and evaluating ESG related risks and reporting performance, the Group is committed to perform in a way that respects and benefits its employees, customers, investors and the communities. The Group also sets the overall strategic goals, supervises management effectiveness, and ensures operational reliance and compliance with the relevant legal and regulatory requirements. Both qualitative information and quantitative data have been collected for this ESG report (the “Report”) to demonstrate the Group’s ESG performance and its commitment to sustainability.

### ABOUT THE REPORT

#### *Reporting Scope*

The Group is committed to transparency and truthful, relevant and precise communication of its ESG information. As such, the Report illustrated and summarised the policies, management approach and performance of the Group’s core and material business in the management of the apparel supply chain. The headquarters of the Group is in Hong Kong, the People’s Republic of China (the “PRC”) and there are representative offices in Ningbo, the PRC, the United States of America (the “USA”), France and Australia. The Report has been prepared in accordance with the reporting principles of ‘Materiality’, ‘Quantitative’, ‘Balance’ and ‘Consistency’. To optimise the reporting process and expand disclosures in the Report with respect to corporate social responsibility, the Group is dedicated in gathering the relevant data, formulating, implementing, and monitoring policies. The Group has made every effort to ensure consistency between the Chinese and English versions of the Report. However, in the event of any inconsistency, the English version shall prevail. The Report was reviewed and approved by the Board on 12 August 2022.

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## Reporting Period

The Report illustrated and summarised the environmental and social performance of the Group for the reporting period from 1 April 2021 to 31 March 2022 (the "Reporting Period").

## Reporting Framework

The Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") contained in Appendix 20 of the Rules Governing the Listing of Securities on GEM (the "GEM Listing Rules") published by the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Report complied with the "comply or explain" provisions of the ESG Reporting Guide. The list of ESG aspects, respective key performance indicators ("KPIs") and their references within the Report, is included at the end of the Report for reference.

## Stakeholder Engagement

Stakeholder engagement is crucial to the success of the Group. As a responsible business enterprise to develop sustainably, it is essential for the Group to understand its stakeholders' expectation and concerns with regards to its business development strategies, risk management measures and internal control systems. The Group strives to foster a collaborative relationship with its stakeholders including policymakers, regulators, employees, customers, shareholders, investors, business partners, suppliers and community members, to understand and identify opportunities and risks during business development. The Group engaged its stakeholders through various communication approaches to exchange thoughts and ideas, review ESG goals and collect comments and feedback with the aim to structure business strategies that can create long-term value for its stakeholders. The following diagram highlighted the Group's key stakeholders and the corresponding communication approaches.



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### *Stakeholders' Feedback*

The Group welcomes stakeholders' comments and feedbacks regarding its approach and performance on ESG aspects as they are valuable to its continuous improvement and sustainable development. If you have any questions, suggestions, and recommendations to the Group, please send them to:

Address: Units 212-215, 2/F, Elite Industrial Centre, 883 Cheung Sha Wan Road, Lai Chi Kok, Kowloon, Hong Kong.

Email: [info@icenturyholding.com](mailto:info@icenturyholding.com)

### *Materiality Assessment*

To better understand the views and expectations of stakeholders on the ESG performance of the Group, materiality assessment is conducted annually to assess the importance of ESG issues to the stakeholders and to identify ESG related risks and opportunities. The Group considered the significance of all potential ESG issues by assessing their importance to the stakeholders and the Group through various communication approaches. By conducting stakeholder engagement exercise, management reviews and industry analysis, the Group identified that supply chain management, employee health and safety, and regulatory compliance were issues of high materiality during the Reporting Period.

## **ENVIRONMENTAL PERFORMANCE**

The Group's core business is basically to design, source and procure fabric and raw materials, manage production, control quality, and to arrange the logistics of garment products. The Group complied with all material aspects of applicable environment protection laws and regulations in the countries it has operations and did not involve in air (dust and residues), water, and noise pollution during the Reporting Period. While the Group's administrative work, research and development activities, and trading business were mainly conducted indoor, minimal environmental impact was caused by office-based work.

### *Emissions Policy and Compliance*

The Group is committed to the long-term sustainability of the environment by proactively promoting the environmental awareness of its employees and managing its operations in a sustainable manner. The Group continued to enforce its environmental management policy by using energy efficient technologies and products, environmentally sustainable materials, preventing pollution, and reducing waste. Together with its employees and suppliers, the Group's emissions and waste generation were strictly controlled and monitored.

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**Carbon Footprint – Greenhouse Gas Emissions**

Carbon footprint is defined as the total amount of direct and indirect emissions of greenhouse gas (the “GHG”) expressed in terms of equivalent amount of carbon dioxide (“CO<sub>2</sub>-e”) emission. During the Reporting Period, the total operation area, comprising the Group’s headquarters, offices, and subsidiaries, was 4,134.66 m<sup>2</sup> square metres (2021: 4,221.57 m<sup>2</sup>) and was accounted for 100% of its GHG emissions.

The total net GHG emissions generated by the Group was 39.78 tonnes of carbon dioxide equivalent (“tCO<sub>2</sub>-e”) (mainly carbon dioxide, methane, and nitrous oxide) (2021: 37.79 tCO<sub>2</sub>-e). The carbon emission intensity was 0.010 tCO<sub>2</sub>-e/m<sup>2</sup> (2021: 0.009 tCO<sub>2</sub>-e/m<sup>2</sup>). The electricity used for operational purposes was the major GHG emissions of the Group.

The Group has made significant efforts in controlling its emissions as well as its consumption of resources. Its energy conservation practices included deploying energy efficient lightings, switching off idle lightings, computers and electrical appliances and equipment, monitoring water consumption, using digital technology and recycled paper, encouraging the use of public transport, and using tele or video conferencing as an alternative to business travel.

The following table listed the carbon footprint of the Group.

Scope	Sources of GHG emissions	GHG* emissions (in tCO <sub>2</sub> -e)		
		2022	2021	2020
1	Mobile – Gasoline	5.24	4.26	8.94
2	Purchased electricity	26.70	26.58	42.63
3	Disposal of paper waste	7.57	6.85	22.90
	Fresh water processing	0.18	0.07	0.06
	Sewage water processing	0.09	0.03	0.03
	<b>Total GHG* emissions</b>	<b>39.78</b>	37.79	74.56
	<b>Carbon Emission intensity per m<sup>2</sup></b>	<b>0.010</b>	0.009	0.078
	<b>Carbon Emission intensity per million HKD revenue<sup>^</sup></b>	<b>0.23</b>	0.40	0.69

\* 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.

<sup>^</sup> During the Reporting Period, the total revenue of the Group was HKD170,570,000 (2021: HKD94,509,000, 2020: HKD108,158,000).

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### Air Emission

Air emission is generated from the use of gasoline and diesel-powered motor vehicles for employees commuting and transportation. The combustion of gasoline and diesel fuel in vehicle engines produces emissions of air pollutants into the environment. To reduce air pollution, the Group will continue to encourage employees to use public transportation when possible.

The following table listed the estimated air emission of the Group.

Types of Pollutants	Emission Data (kilogram) ("kg")		
	2022	2021	2020
Nitrogen Oxides (NO <sub>x</sub> )	1.68 <sup>#</sup>	0.84 <sup>#</sup>	1.12 <sup>#</sup>
Sulphur Dioxide (SO <sub>2</sub> )	0.03	0.02	0.05
Particulate Matter	0.12 <sup>#</sup>	0.06 <sup>#</sup>	0.08 <sup>#</sup>

<sup>#</sup> Estimated mileage driven during the Reporting Period

### Hazardous and Non-hazardous Waste Reduction

During the Reporting Period, the operating activities of the Group did not produce any hazardous waste to the environment. Paper and its related printed matters were one of the non-hazardous wastes generated by the Group. Paper waste was collected by the property management of the commercial buildings for recycling and disposal. The Group has reinforced several paper reduction initiatives including duplex printing, the use of recycled papers, and electronic and online technology. On the other hand, municipal solid waste was another non-hazardous waste generated by the employees during work. It was properly classified according to their recycling nature and collected for recycling and disposal.

### Use of Resources

The Group encouraged efficient use of resources by proactively raising the environmental awareness of employees. During the Reporting Period, the primary resources consumed by the Group were electricity, gasoline, water and paper. Due to the Group's business nature, no packaging materials were used.

### Fossil Fuel Consumption – Gasoline

The Group consumed 1,935.99 litres of gasoline which constituted to 13.2% of the Group's total carbon footprint. The Group conducted regular vehicle maintenance to ensure the vehicles were operated at their optimal performance to enhance fuel efficiency, and the use of electrical vehicles shall be considered in the future.

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### Energy Consumption – Electricity

The total electricity consumption was 67,940.40 kilowatt-hours (“kWh”) and was constituted to 67.1% of the Group’s total carbon footprint. It was attributed to the electricity usage of lightings, air-conditioning, and electrical appliances and equipment. The Group’s energy saving practices also include the use of window blinds in the office for heat insulation during summer season. The Group will continue to monitor its performance in the conservation of energy related resources.

### Water Consumption

During the Reporting Period, the Group did not encounter any issue in sourcing water that was fit for purpose. The total freshwater consumption was 413.00 cubic meters (m<sup>3</sup>). However, it did not reflect the actual water use of the Group as its headquarters and some offices were located in office buildings where water usage was included in the property management fee. Besides, the amount of water used was insignificant. Nevertheless, the Group cherished the earth’s water resource, special attention was given to avoid wastage.

### Paper and Printed Matters Consumption

During the Reporting Period, a total of 1,577.37 kg of paper was used by administration, marketing, and report publication purposes. The GHG emissions constituted by paper waste constituted to 19.0% of the Group’s total carbon footprint. Reducing the consumption of paper in its offices has been one of the environmental objectives of the Group, all employees were actively reusing and recycling paper to reduce waste.

The following table summarised the consumption of different resources by the Group.

Scope	Sources of GHG emissions	2022		2021		2020	
		Consumption	Intensity	Consumption	Intensity	Consumption	Intensity
1	Mobile – Gasoline	1,935.99 l	0.12 tCO <sub>2</sub> -e/ employee	1,573.45 l	0.08 tCO <sub>2</sub> -e/ employee	3,303.00 l	0.18 tCO <sub>2</sub> -e/ employee
2	Purchased electricity	67,940.40 kWh	16.43 kWh/m <sup>2</sup>	70,487.00 kWh	16.70 kWh/m <sup>2</sup>	80,653.88 kWh	83.90 kWh/m <sup>2</sup>
3	Disposal of paper waste	1,577.37 kg	0.18 tCO <sub>2</sub> -e/ employee	1,428.10 kg	0.13 tCO <sub>2</sub> -e/ employee	4,771.08 kg	0.46 tCO <sub>2</sub> -e/ employee
	Water processing	413.00 m <sup>3</sup>	0.006 tCO <sub>2</sub> -e/ employee	168.00 m <sup>3</sup>	0.002 tCO <sub>2</sub> -e/ employee	141.00m <sup>3</sup>	0.002 tCO <sub>2</sub> -e/ employee

### The Environment and Natural Resources

While benefiting from the natural resources and the environment, the Group is responsible to fulfil the obligations of protecting them and making appropriate use. The Group has taken all related environmental risk into consideration during its business development. The Group made every endeavour to applying industry standard, complying with relevant environmental laws and regulations, using energy and resources efficiently, and reducing emissions and waste during operations.



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## EMPLOYMENT AND LABOUR PRACTICES

*Employment Policy and Compliance*

Human capital is regarded as the Group's valuable assets as they play a crucial role in managing its supply chain and customers' expectations. By employing and developing dedicated and talented people, the Group is able to provide high quality and reliable services to its customers. The Group strictly complies with the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong) and related employment regulations of respective countries where the Group has operations.

As at 31 March 2022, the total workforce of the Group was 43, the employee composition is listed in the following table. By employing and developing talented employees, the Group has been dedicated to fostering the working culture of business ownership by building a stimulating yet harmonious working environment for its employees.

Employee Structure	2022	2021	2020
<b>Total number of employees</b>	<b>43</b>	54	50
<b>By gender</b>			
Male	<b>23.3%</b>	24.1%	30.0%
Female	<b>76.7%</b>	75.9%	70.0%
<b>By age</b>			
18-25	<b>2.3%</b>	1.9%	0%
26-35	<b>2.3%</b>	5.6%	10.0%
36-45	<b>27.9%</b>	38.9%	30.0%
46-55	<b>62.8%</b>	50.0%	58.0%
56 or above	<b>4.7%</b>	3.7%	2.0%
<b>By employee category</b>			
Senior management	<b>11.6%</b>	N/A <sup>+</sup>	N/A <sup>+</sup>
Middle management	<b>4.7%</b>	N/A <sup>+</sup>	N/A <sup>+</sup>
General staffs	<b>83.7%</b>	N/A <sup>+</sup>	N/A <sup>+</sup>
<b>Employee turnover rate</b>	<b>46.0%</b>	59.6%	40.8%

+ Data not available

To develop devoted and professional employees, the Group provides equal opportunities to them in respect of recruitment, training and development, job advancement, and remuneration and benefits. The Group has dedicated and experienced employees to support its business expansion strategies. Employees' remuneration is structured to encourage a sustainable workforce and to attract, retain, and motivate employees. The objective of the Group's employee performance management is to reward and recognise employees by reviewing their salaries and benefits through the performance appraisal system. Performance appraisal is conducted annually to evaluate employees' work performance, skills, and achievement.

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The Group's staff handbook is a valuable communication resource structured to communicate important policies, company culture and ground rules surrounding employment and labour standard, business conduct and work ethics, occupational health and safety, training and development, and remuneration and benefits. It is an essential tool to define the expectations of the management and to protect employees from unfair or inconsistent treatment and discrimination.

### *Occupational Health and Safety Policy and Compliance*

Ensuring the health and wellbeing of employees is an important material aspect of the Group. In compliance with the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) and the relevant occupational health and safety laws of the locations in which the Group has operations, it is committed to providing a safe and secure working environment for employees. Through communicating occupational health and safety guidelines and precautions in the staff handbook and office memorandums, employees are aware of the related health and safety issues and preventive measures to avoid potential safety hazards during work.

The COVID-19 pandemic crisis has been putting pressure on the Group and its employees during the Reporting Period. As part of the COVID-19 countermeasures and to prevent the spread of the virus, the Group implemented stringent infection preventive measures to protect its employees. The Group provided surgical masks and alcohol-based hand rub in its operating locations and arranged some of its employees to work from home and to conduct business meetings online to minimise physical contact.

The Group's COVID-19 response mechanism detailed the practices in responding to scenarios where employees are infected by COVID-19 to minimise the impact to other employees, the neighbour of the Group and the members of the public. The Group also followed the quarantine requirement in Hong Kong and in the countries in which it has operations to reduce the spread of the virus.

During the Reporting Period, the Group was not aware of any non-compliance relating to health and safety related laws and regulations.

<b>Occupational Health and Safety Data</b>	<b>2022</b>	2021	2020
<b>Number of work injury cases</b>	<b>0</b>	1	0
<b>Number of work-related fatalities</b>	<b>0</b>	0	0
<b>Lost days due to work injury</b>	<b>0</b>	4	0
<b>Work injury rate</b>	<b>0</b>	18.5	0

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*Human Capital Development and Training*

The Group understands that human capital is one of its most valuable assets and developing them by improving their knowledge, experience and skills are important and critical to the Group's continued success and growth. To create an environment of continuous improvement and encourage employees to pursue excellence by developing their potential, both management and employees can initiate training needs and engage external professional training institution to organise training programs for the employees. The Group also offers educational grant and encourages training through job induction, job rotation, on-the-job training and secondment, so employees can strengthen their skills and knowledge to further develop themselves and progress on their career path in the industry.

The following table listed the average number of training hours of employees during the Reporting Period.

Training Hours	2022	2021	2020
Total (hours)	99	127	149.5
Average (per employee) (hours)	2.3	2.4	3.0

By Employee Category (Average training hours and percentage of employees who received training)

Senior management	By hour	2	15.9	4.5
	By percentage	100%	100%	100%
Middle management	By hour	12.7	10.5	44.8
	By percentage	100%	100%	100%
General staffs	By hour	0	N/A <sup>+</sup>	N/A <sup>+</sup>
	By percentage	0%	N/A <sup>+</sup>	N/A <sup>+</sup>

+ Data not available

*Labour Practices and Compliance*

The Group complies with the applicable laws and regulations on employment, child and forced labour practices. Recruitment of employees is strictly abided by the hiring process and guidelines as stipulated in the Group's recruitment policy so that suitable talents are recruited in accordance with the relevant labour laws, job requirement and candidates' expectation for a fair, harmonious and sustainable workforce. During the Reporting Period, the Group was not aware of any cases of non-compliance with laws and regulations that have a significant impact on the Group in relation to compensation and dismissal, recruitment or promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination or other benefits and welfare.

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### OPERATING PRACTICES

#### *Supply Chain Management*

Transparency and integrity across the supply chains is one of the top priorities of the Group. Stringent procurement policy has been established to ensure goods and services are procured in an honest, competitive, fair, and ethical manner that delivers the highest cost performance. The Group engaged with many different material suppliers and garment manufacturers across its supply chain to ensure responsible sourcing of resources and materials, and managing waste. 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 garments must be made in accordance with the specifications and requirements as requested by customers, manufacturers and material suppliers are chosen carefully based upon a strict tendering process and selection criteria with documented procedures and due diligence check, to select the right business partners for the Group to ensure product quality and standard.

#### *Supplier and Manufacturer Engagement*

The Group believes that establishing a strong cooperative relationship with its suppliers can enhance and improve the effectiveness of its supply chain and the quality of its garments. By engaging strategic material suppliers and manufacturers who offer high quality, reliable, safe, environmentally friendly and technologically advanced products, the Group is able to ensure the superior quality of its garments. During the Reporting Period, 105 suppliers (2021: 198) were listed 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, labour standard, quality management system, environmental consciousness, and logistics arrangement to ensure its supply chain is operated effectively and efficiently that guarantees the quality and standard of its garments.

#### *Product Responsibility and Quality Assurance Process*

The Group is committed to providing high quality, stylish and fashionable garments to its customers. During the Reporting Period, the unisex and the women's apparel received both the Global Organic Textile Standard (the "GOTS") and the Organic Content Standard (the "OCS") certification, while the men's apparel received the OCS. GOTS covers the processing, manufacturing, packaging, labelling, trading and distribution of all textiles made from at least 70% certified organic natural fibres, and the OCS confirms the percentage of organic content of clothing, the use of resources and processes that have the least possible impact on people, animals, and the planet. Furthermore, to ensure the garments are manufactured according to the customers' product design specification, pre-production meetings are conducted to understand customers' budget, expectation, and brand requirement. At the same time, ideas are exchanged for quality assurance and on-going cooperation. Prototype and salesman samples are made for customers' approval once the manufacturing details are confirmed; while pre-production samples are made for customers' final approval before the bulk production is scheduled.

The Group performs annual assessment to evaluate the overall performance of its suppliers and manufacturers with documented reports for continuous improvement and record keeping. During the Reporting Period, the Group shipped a total of 1,694,150 pieces of garment (2021: 895,299 pieces) to over 33 countries (2021: 30 countries) including Australia, Canada, France, Japan and the USA, and there were no significant complaints received regarding the quality of the garments and their delivery commitment.

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### *Data Protection and Privacy Policy*

The Group is committed to managing and protecting the data of its employees, customers, suppliers and manufacturers to ensure their privacy and confidentiality. To comply with the Personal Data (Privacy) Ordinance (Chapter 362 of the Laws of Hong Kong) and as stipulated in the code of conduct on document confidentiality and computer security, employees are instructed of their responsibility to ensure the safekeeping of all personal data, trade secrets and proprietary information they have accessed to or collected from business activities. The Group's servers and computers are protected from access passwords, employees are responsible for the integrity and confidentiality of the data when using computers for data processing.

### *Protecting Intellectual Property Rights*

The Group understands that the protection of industrial design in the apparel industry is a critical and important material aspect. To comply with the intellectual property (the "IP") rights regulation and to protect its customers, the Group has made tremendous effort in protecting the IP rights of its customers by obtaining the approval and consent to manufacture the garments. During the Reporting Period, there was no material infringement of any IP rights, and the Group was confident that all reasonable measures were taken to prevent any infringement of its own IP rights and the IP rights of its customers and third parties.

### *Anti-corruption Policy and Compliance*

The Group is committed to conducting business with the highest standard of business ethics, integrity, and professionalism, which is key to maintaining trust and building sustainable relationships with its stakeholders. Employees must adhere to the Group's code of conduct which provides clear guidance on how business activities should be conducted. All employees including the Directors must comply with the applicable laws and regulations with regards to corruption, extortion, fraudulent activities and conflict of interest. The Group strictly complies with the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong). To formalize the commitments, employees are required to take personal responsibility for observing the highest standards of integrity and conduct when dealing with the Group's business. All non-compliance with the code of conduct or any fraudulent practices including the action to offer, provide, obtain, receive an advantage or to avoid an obligation are strictly prohibited.

### *Conflict of Interest Policy*

The Group requires its employees to avoid the conflict between personal and financial interest and the professional official duties to act in the best interest of the Group. A situation in which the employees exercise authority, influence decisions and actions or gain access to valuable information when dealing with third parties with their profession to achieve financial and personal gain is strictly prohibited. The Group's code of conduct requires its employees to declare any potential conflict of interest by completing a disclosure form to the company secretary on an annual basis.

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

The Group encourages whistleblowing whereas an employee or a third party could report any suspected cases of corruption, misconduct, fraudulent activities, or conflict of interest to the company secretary in strict confidence. Incidents and allegations or suspected fraud will be assessed and investigated. The Group conducts periodic and systematic risk assessment and communicates related anti-fraud policies and procedures to employees on a regular basis. During the Reporting Period, the Group was not aware of any non-compliance with relevant laws and regulations that would have any significant impact on the Group, nor any corruption litigation against the Group or its employees.

### **COMMUNITY INVESTMENT**

#### *Community Care and Charitable Donations*

The Group's Community Investment Policy is designed to ensure its business is conducted in a sustainable manner that can benefit its customers and its shareholders, and at the same time, minimise any potential environmental and social impact to its stakeholders, particularly to its employees and the community. The Group is also dedicated to support charitable and non-profit organisations through donations and community care programs. During the Reporting Period, garment samples and usable clothing products were set aside for donating to The Salvation Army, however, the COVID-19 pandemic has affected the arrangement. The Group will continue to explore more opportunities in giving back to the community by supporting charity projects and community events.

#### *The Sustainable Future*

2021 was characterised by a significant recovery in world demand for textile-garment industry products due to the rebound of consumer demand. However, 2022 appears to be full of unknowns for the industry's supply chain due to an increase in inflation. Nevertheless, the Group is confident that the apparel sector will continue to remain a key economic growth engine because clothing is an integral part of people's lives.

On the other hand, the increasing concerns towards resources deprivation and environmental degradation surrounding the textile-garment industry continues to be a challenge. The Group will work with its employees, customers and suppliers to be eco-conscious with respect to product lifecycle, from fabric and materials selection to the design, production management and logistics arrangement to overcome the challenges and be able to expand and flourish in the industry.

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## ESG REPORTING GUIDE KPIS REFERENCE TABLE

Reference KPIs of the ESG Reporting Guide		Corresponding KPIs in the sections of the Report
<b>A. Environment</b>		
<b>A1: Emissions</b>	A1.1: Emissions Data A1.2: Greenhouse gas emissions A1.3: Total hazardous waste A1.4: Total non-hazardous waste A1.5: Measures to mitigate emissions A1.6: How hazardous and non-hazardous waste are handled	– Emissions Policy and Compliance – Carbon Footprint – Greenhouse Gas Emissions – Air Emission – Hazardous and Non-hazardous Waste Reduction
<b>A2: Use of Resources</b>	A2.1: Direct and/or indirect energy consumption A2.2: Water consumption A2.3: Energy use efficiency A2.4: Issue in sourcing water A2.5: Total packaging materials used	– Use of Resources
<b>A3: The Environment and Natural Resources</b>	A3.1: Significant impacts of activities on the environment and natural resources	– Emissions Policy and Compliance – Hazardous and Non-hazardous Waste Reduction – Use of Resources – The Environment and Natural Resources
<b>B. Social</b>		
<b>Employment and Labour Practices</b>		
<b>B1: Employment</b>	B1: Policies and compliance	– Employment Policy and Compliance – Labour Practices and Compliance
<b>B2: Health and Safety</b>	B2: Policies and compliance	– Occupational Health and Safety Policy and Compliance
<b>B3: Development and Training</b>	B3: Policies on improving employees' knowledge and skills	– Human Capital Development and Training
<b>B4: Labour Standards</b>	B4: Policies and compliance	– Employment Policy and Compliance – Labour Practices and Compliance

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Reference KPIs of the ESG Reporting Guide		Corresponding KPIs in the sections of the Report
<b>Operating Practices</b>		
<b>B5: Supply Chain Management</b>	B5: Policies on managing environmental and social risks of the supply chain	<ul style="list-style-type: none"> <li>– Supply Chain Management</li> <li>– Supplier and Manufacturer Engagement</li> </ul>
<b>B6: Product Responsibility</b>	B6: Percentage of total products sold subject to recalls	<ul style="list-style-type: none"> <li>– Product Responsibility and Quality Assurance Process</li> <li>– Data Protection and Privacy Policy</li> <li>– Protecting Intellectual Property Rights</li> </ul>
<b>B7: Anti-corruption</b>	B7: Legal cases regarding corrupt practices	<ul style="list-style-type: none"> <li>– Anti-corruption Policy and Compliance</li> <li>– Conflict of Interest Policy</li> <li>– Preventive Measures and Whistle-blowing Procedures</li> </ul>
<b>Community Investment</b>		
<b>B8: Community Investment</b>	B8: Policies on community engagement	<ul style="list-style-type: none"> <li>– Community Care and Charitable Donations</li> <li>– The Sustainable Future</li> </ul>