

CHINA TING GROUP

華鼎集團

Stock Code : 3398

Environmental, Social and Governance Report 2019

# CONTENT

4	ABOUT THE GROUP
6	ABOUT THIS REPORT
10	MESSAGE FROM CEO
12	SUSTAINABILITY GOVERNANCE
16	COMMUNICATION WITH STAKEHOLDERS
20	CREATING A HEALTHY AND INCLUSIVE WORKING ENVIRONMENT
25	PROTECTING CUSTOMERS' INTERESTS
28	CARING FOR COMMUNITY NEEDS
29	REDUCING ENVIRONMENTAL IMPACTS FROM OPERATION
34	OVERVIEW OF KEY PERFORMANCE INDICATORS
40	REPORT CONTENT INDEX





# ABOUT THE GROUP

China Ting Group Holdings Limited (“China Ting Group” or the “Company”), together with its subsidiaries, (collectively the “Group”), is a diversified and concentrated garment manufacturer with offices and design houses in Paris, New York and Shanghai, engaged in export and retail businesses. The four principal business segments of the Group are (1) manufacturing and sale of garments on an original equipment manufacturer basis (“OEM”); (2) manufacturing and retailing of branded fashion apparel; (3) property development in Mainland China; and (4) property investment in Mainland China.





# ABOUT THIS REPORT

This is the fourth Environmental, Social and Governance Report (the “Report”) released by China Ting Group. By reporting on the Group’s environmental, social and governance (ESG) policies, measures and performance, the Report enhances stakeholders’ understanding of the issue and development direction on ESG management of the Group. This Report is prepared in both Chinese and English and is available on the website of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Company’s website at [www.chinating.com.hk](http://www.chinating.com.hk).

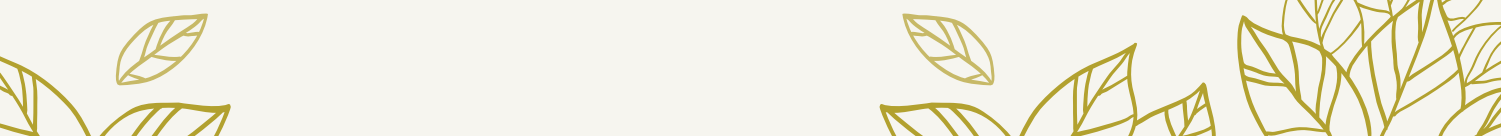


## SCOPE OF REPORT

The Report presents the Group’s ESG performance for the financial year from 1 January 2019 to 31 December 2019 (the “Year”). The Report continue to focus on the Group’s garment OEM businesses, including textile, printing and dyeing as well as clothing businesses. The Report covers the Group’s operations at 18 factories in Mainland China (collectively, “each Subsidiary “or “each Factory”) with respect to garment OEM businesses, representing 76.9% of total turnover of the year, as specified in the table below. Compared with last year, Finity Fashion (Shenzhen) Co., Ltd did not operate during the Year due to business adjustment. As such, the environmental and social performance of that subsidiary has not been included in the Report.

Business Type	Name of Subsidiary
Textile factories	Zhejiang China Ting Jincheng Silk Co., Ltd
	Zhejiang China Ting Textile Technology Co., Ltd
	Zhejiang Huayue Silk Products Co., Ltd
Printing and dyeing factories	Hangzhou Huaxing Silk Printing Co., Ltd
	China Ting Woollen Textile Co., Ltd
Garment factories	Zhejiang Fuhowe Fashion Co., Ltd
	Zhejiang Fucheng Fashion Co., Ltd
	Zhejiang Huali Fashion Co., Ltd
	Zhejiang Concept Creator Fashion Co., Ltd
	Zhejiang Xinan Fashion Co., Ltd
	Zhejiang China Ting Knitwear Co., Ltd
	Hangzhou Fuding Fashion Co., Ltd
	Hangzhou China Ting Fashion Co., Ltd
	Shenzhen Fuhowe Fashion Co., Ltd
	Hangzhou China Ting Tailored Fashion Co., Ltd
	Finity International Fashion Co., Ltd
	China Ting (Hangzhou) Textile Technology Co., Ltd
	Bolinding (Hangzhou) Textile Technology Co., Ltd

The Group understands that its production bases under construction in Guizhou and Jiangxi have not been included in the Report currently. However, the Group will continuously improve its internal data collection procedures to gradually include the operations in the scope of disclosure based on the construction progress of the bases and the reporting principle of materiality.



# ABOUT THIS REPORT

## REPORTING CRITERIA

The Report has been compiled in accordance with the Environmental, Social and Governance Reporting Guide (the “Guide”) under Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, with the four reporting principles, i.e. Materiality, Quantitative, Balance and Consistency, taken as the basis of preparation of the Report.

Reporting principle	Definition	Feedback
<b>Materiality</b>	The report should reflect the organisation’s significant impacts on the economy, environment and society, or the aspects that substantially influence stakeholders’ assessment and decision on the organisation.	Identifying through questionnaire surveys and presenting in table form on pages 16 to 19 of the Report the ESG issues which are material to the Group and its stakeholders.
<b>Quantitative</b>	The organisation should ensure the key performance data is measurable and clearly state the measurement criteria and methods.	Guiding each unit in recording environmental and social key performance data, and engaging professional consultants to assess carbon emissions and other environmental key performance based on domestic guidance and international standards.
<b>Balance</b>	The organisation should prepare the report in an unbiased manner to ensure its positive and negative impacts are stated clearly so that stakeholders can make a reasonable evaluation of the overall performance of the organisation.	Adhering to the principles of accuracy, objectivity and fairness in preparation to elaborate on the achievement and challenges of the Group regarding sustainability.
<b>Consistency</b>	The organisation should adopt consistent disclosure and statistical methodologies to allow stakeholders to compare ESG-related data and the performance and progress of the organisation in sustainability.	Adopting consistent statistical methodologies and providing historical data, if practicable, for comparison.





To allow stakeholders to gain a comprehensive understanding of the Group's ESG performance, the Report not only discloses key environmental performance indicators (KPIs) according to the "comply or explain" provisions, but also certain social KPIs according to the "recommended disclosures" of the Guide.

### CONFIRMATION & APPROVAL

The Group has established internal controls and formal review procedures to ensure the accuracy and reliability of the information presented in the Report. The Report has been confirmed and approved by the board of directors on 30 June 2020.

### COMMENTS & FEEDBACKS

The continuous improvement of China Ting Group relies on your valuable comments about our performance and the presentation of the Report. If you have any enquiries or suggestions about the Report, please send your opinions by emailing to [esg@chinatingholdings.com](mailto:esg@chinatingholdings.com) for the continuous improvement of our ESG work.



# MESSAGE FROM CEO



Under the influence of uncertainties such as China-US trade and COVID-19, the textile industry is facing a huge challenge in both the domestic and international business environments. Meanwhile, consumers become increasingly concerned about the performance of the textile industry in sustainability, and their scope of concern gradually expands from the environmental aspect to the social and economic aspects, forming a new mode of consumption and production. This perfectly reflects the importance of a good governance structure, which can effectively direct a company to identify and evaluate every single social and environmental factor that may affect the business so that the company can seize the opportunities for development and stand out from its peers.

Since establishment, we have been reviewing the role of China Ting Group in promoting sustainability and constantly reflecting on how to contribute to a more liveable life and working environment through our own businesses. With constant adherence to the people-oriented governance principle, the ESG management team of the Group maintains close communication with employees, customers, business partners and residents in the community. The team recognises the needs of different stakeholders through various communication channels and regularly reviews the existing policies and measures as to whether they are up to the expectations of stakeholders. In 2019, the Group also reviewed the risk management and internal control systems as well as the risks to social sustainability including human resources and social responsibility so as to reduce the impacts of relevant risks to daily operation.

We deeply believe that the opinions of stakeholders can promote continuous improvement of a corporate, and only through listening and communicating with sincere modesty can a corporate address the needs in daily operation so as to create long-term value. After many years of communication with stakeholders, we realise that stakeholders are increasingly concerned about labor standards, employees' interests, health and safety as well as other issues. The Group has formulated a series of policies and measures with the aim of providing a more favourable working environment for employees. In addition, we strictly adhere to the existing operating practices and continue to provide customers and business partners with quality products. Meanwhile, the Group understands that stakeholders also value if our business activities take into account the needs and interests of the community. In response to the expectations of stakeholders, the Group will continue to launch poverty alleviation projects and support integrating education into the community so as to understand the needs of the communities where we operate in depth.

Looking ahead, China Ting Group will continue to value people as the key of corporate development, and through constantly improving policies and measures and setting clearer ESG goals, to meet stakeholders' expectations for the ESG development of China Ting Group in a more proactive manner.

**Ting Hung Yi**  
CEO

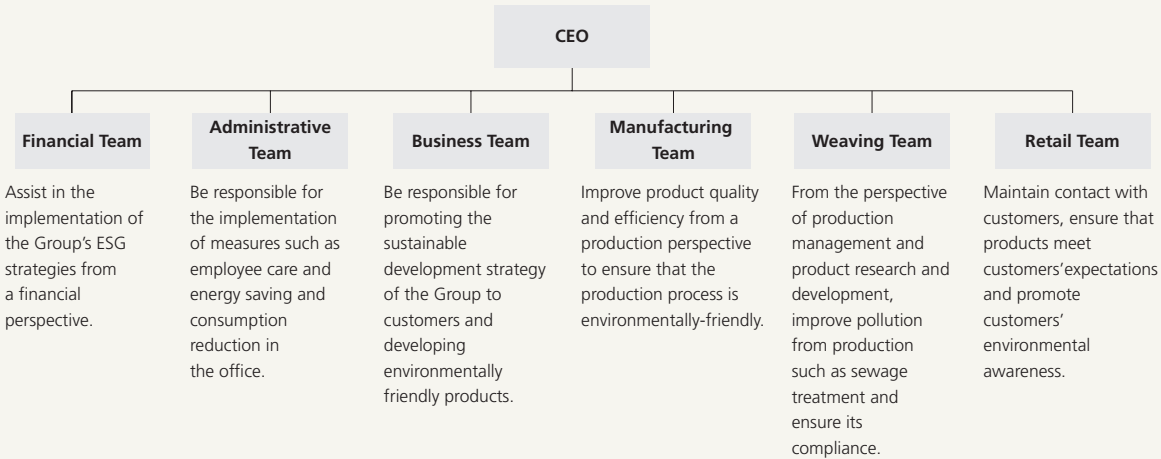
China Ting Group Holdings Limited



# SUSTAINABILITY GOVERNANCE

## GOVERNANCE STRUCTURE

In its business development, the Group puts emphasis on considering possible environmental and social impacts of its operations and ensuring that appropriate measures have been taken to reduce its negative impacts. The Group’s board of directors values corporate ESG development, and has established an ESG management team, in which the CEO leads the executives and supervisors from major business units to rigorously implement the Group’s commitment to sustainability, including formulating and monitoring relevant policies and measures. The Group’s approach to sustainability is “to create a harmonious and inclusive working environment for employees, high-quality products and services for customers and a sustainable industrial environment with all business partners in the supply chain”. In accordance with this approach, the ESG management team holds meetings regularly to consider and review relevant policies and measures and reports the review results to the board of directors at least once a year.



In the Year, the ESG management team has held a total of 4 meetings, in which the discussion covered:

- Review and inspection of the ESG-related work progress of the Group
- Overall planning of the ESG Report



## RISK MANAGEMENT

The Group has devised the Corporate Risk Management and Internal Control Regulation Rules and the Risk Management Manual to regulate the supervision of risk management and internal control for daily operation. The board of directors is responsible for continuous monitoring and review of the effectiveness of such systems and assumes all responsibilities. Through a series of risk management processes, including the establishment of a risk management system, risk identification, risk analysis, risk evaluation and benchmark comparison and risk management, the Group formulates corresponding measures for the identified risks and reviews and revises them as appropriate during implementation to reduce the impacts of the risk to the Group’s operation.

In 2019, China Ting Group reviewed the risk management and internal control systems and updated the risks to the group’s operation. The scope of review included development strategies, human resources, social responsibility, etc. During the Year, no ESG risks that were particularly material or material to the Group were identified. The relevant risks were maintained at normal and moderate levels. Included in the identified ESG risks are:

Risk categories	Impacts on the Group	Corresponding measures
Risk of natural disasters	Extreme weather, including typhoons, floods, etc., poses a threat to employees, especially the safety of employees at production plants, and can cause serious casualties. In addition, extreme weather may also cause production delays and damage the corporate reputation.	Evacuation drills specific to extreme climates are held regularly for various departments, and regular inspections and maintenance of house buildings and facilities as well as reinforcement works for outdoor stairs, fences and other outdoor facilities are conducted.
Risk of human resources	Job vacancies caused by brain drain may affect the operation of the Group in the short term. In addition, the resignation of employees in charge of trade secrets can pose a risk of disclosure.	The employment system will be improved to enhance the corporate cohesion and retain top talent. Employees who are involved with trade secrets shall sign a confidentiality agreement upon resignation to protect the interests of the Group and its business partners.
Risk of corporate social responsibility	If a corporate performs its social responsibilities improperly, it may incur damage to its reputation, shrinkage of market share and other risks.	By establishing and implementing a corporate social responsibility system, the Group manages and monitors the environmental and social impacts of its operation.

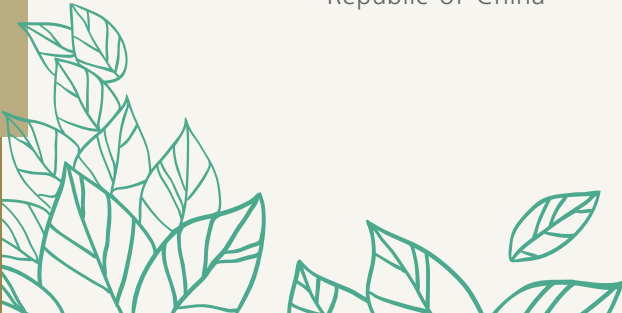


# SUSTAINABILITY GOVERNANCE

## Compliance management

The compliance team of the Group regularly reviews the operation and management system of the Group and its compliance with laws and regulations that have a significant impact on the operation of the Group to ensure the legal and compliance of the Group’s daily operation. The following are the laws and regulations that the compliance team has identified as having a significant impact on the Group and the compliance status for the Year:

Aspects	The laws that have significant influences to the Group	Related influences and compliance disclosure
EMISSIONS	Environmental Protection Law of the People’s Republic of China Water Pollution Prevention and Control Law of the People’s Republic of China Environmental Noise Pollution Prevention and Control Law of the People’s Republic of China Solid Waste Pollution Prevention and Control Law of the People’s Republic of China	Increasingly stringent environmental laws and regulations are conducive to the Group’s alleviation of the environmental impact from production, but meanwhile they also increase the Group’s environmental operating costs and even affect the Group’s industrial structure.  During the Year, the Group was not in violation of any of the relevant laws and regulations that have a significant impact on it.
EMPLOYMENT	Labor Law of the People’s Republic of China Labor Contract Law of the People’s Republic of China Social Insurance Law of the People’s Republic of China	As employees’ awareness of relevant labor regulations has increased, the Group needs to deploy more resources to maintain a positive employment relationship.  During the Year, the Group was not in violation of any of the relevant laws and regulations that have a significant impact on it.
HEALTH AND SAFETY	Production Safety Law of the People’s Republic of China Occupational Disease Prevention Law of the People’s Republic of China Industrial Injury Insurance Regulations Social Insurance Law of the People’s Republic of China	Violation of relevant laws and regulations may not only lead to litigation or fines, but also threaten the health and safety of employees.  During the Year, the Group was not in violation of any of the relevant laws and regulations that have a significant impact on it.



Aspects	The laws that have significant influences to the Group	Related influences and compliance disclosure
LABOR STANDARDS	Labor Contract Law of the People’s Republic of China Law of the People’s Republic of China on the Protection of Minors Provisions on Prohibition of Child Labor	Incidents such as child and forced labor violate not only domestic laws and regulations, but also international conventions, affecting the Group’s reputation adversely.  During the Year, the Group was not in violation of any of the relevant laws and regulations that have a significant impact on it.
PRODUCT RESPONSIBILITY	Contract Law of the People’s Republic of China Advertising Law of the People’s Republic of China Tort Liability Law of the People’s Republic of China Trademark Law of the People’s Republic of China	Infringement of intellectual property rights, trademarks, etc. can lead to litigation. During the Year, the Group was not in violation of any of the relevant laws and regulations that have a significant impact on it.
ANTI-CORRUPTION	Criminal Law of the People’s Republic of China Anti-money Laundering Law of the People’s Republic of China Anti-unfair Competition Law of the People’s Republic of China Tendering and Bidding Law of the People’s Republic of China	Incidents such as bribery and corruption can affect the integrity of the Group. During the Year, no corruption-related lawsuits were brought against the corporate or employment and there was no violation of relevant laws and regulations that have a significant impact on the Group.



# COMMUNICATION WITH STAKEHOLDERS

The Group values the opinion of each stakeholder and regards it as a driving force for continuous improvement. Through regular stakeholder communication, the Group shares with stakeholders the latest business development and the work and performance regarding the key issues that they are concerned about, and strives to continue to integrate the opinions of stakeholders into the Group's ESG policies and strategies. The major stakeholders identified by China Ting Group include employees (internal stakeholders) and customers, suppliers, shareholders, investors and community bodies (external stakeholders), and it maintains communication with different groups of stakeholders through various communication channels. The Group maintains communication with both internal and external stakeholders via channels such as meetings, emails and social media to understand their expectations and opinions.

## MATERIAL ISSUES

During the Year, China Ting Group collected opinions from stakeholders through a questionnaire survey to identify the material issues of the Group. Stakeholders participating in the questionnaire survey include employees, customers, business partners, investors and professional bodies.

### 1 Identify relevant issues

By reviewing the results of past communication with stakeholders, trends of sustainability and standards such as the Guide, a list of 24 ESG issues related to China Ting Group's operation is compiled.

### 2 Collect stakeholders' feedback

Through the questionnaire survey, internal and external stakeholders are invited to assess the materiality of each issue and express opinions on the Group's ESG policies and strategies.

### 3 Identify material issues

Based on the ranking of the stakeholders on each issue, the consultancy conducts materiality analysis and identifies the material issues for the Year.

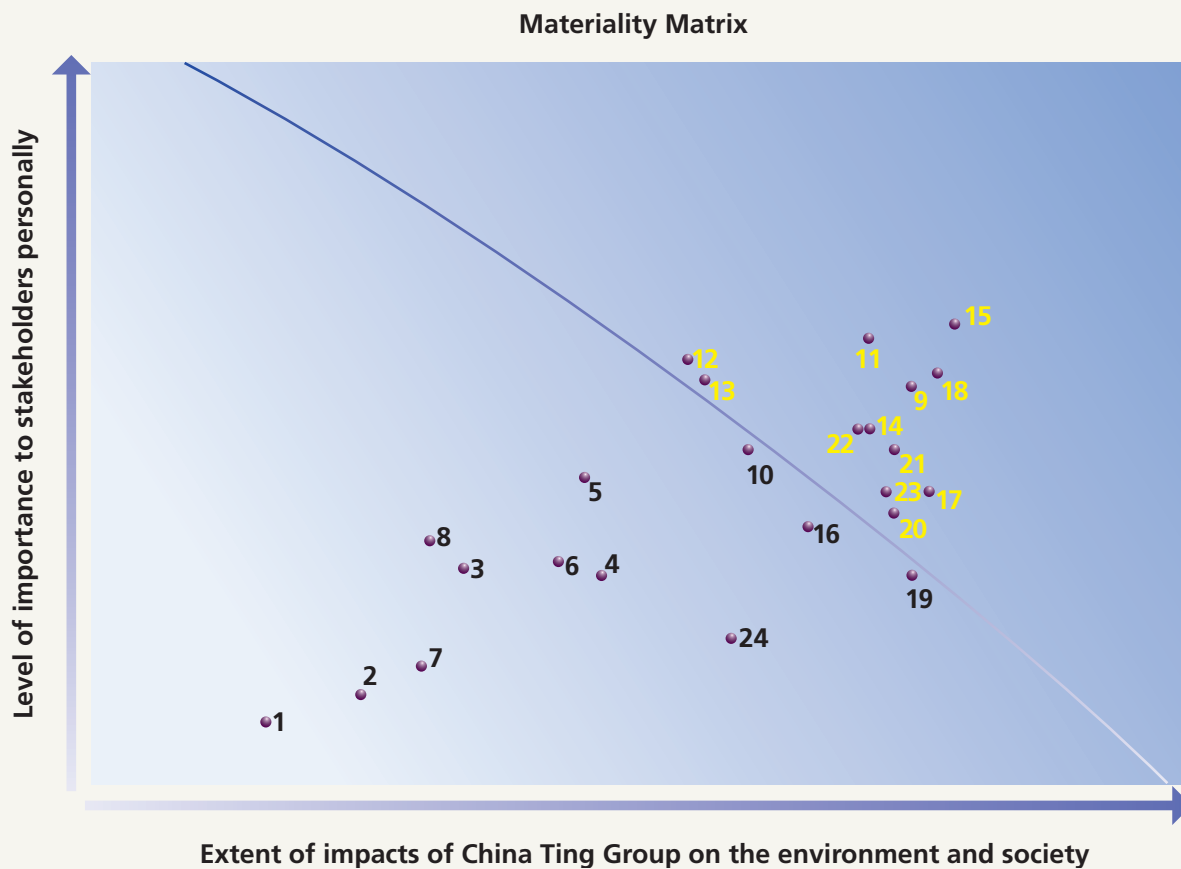
### 4 Verify results

The results of material issues are reviewed and verified by the management of the Group and approved by the board of directors.

The Group has appointed a consultancy to conduct materiality analysis based on the results of the questionnaire survey and identify the material issues which the stakeholders consider personally important and which the Group's operation has a material impact on by consolidating the opinions of all the stakeholders. The materiality matrix in the graph below shows the 12 material issues arising from the survey results.







In order to fully address the needs of both internal and external stakeholders, the Group will also consider the opinions of different groups of stakeholders when determining the material issues of the Year and the areas which they believe China Ting Group can contribute to in terms of sustainability. Therefore, the Group identified the following three material issues other than the 12 issues shown in the above materiality matrix, making up a total of 15 material issues.

- Eliminate discrimination or harassment in the workplace and provide an equal and diverse employment environment (Issue 10)
- Evaluate and manage the environmental and social risks of the supply chain (Issue 16)
- Energy saving or improve energy efficiency (Issue 4)



# COMMUNICATION WITH STAKEHOLDERS

The following table shows the 24 relevant issues identified by the Group for the Year and the 15 material issues are marked in blue.

Scope	Issues in 2019 (by categories and in order of materiality)	
<b>Employment and labor practices</b>	15	Adopt measures to prevent forced labor
	11	Provide a healthy and safe working environment for the employees to prevent occupational diseases and injuries
	9	Establish a comprehensive employment management system
	14	Adopt measures to prevent the employment of child labor
	12	Provide training for employees to enhance their knowledge and skills
	13	Provide personal development opportunities for employees to support their continuous development
	10	Eliminate discrimination or harassment in the workplace to provide an equal and diverse employment environment
<b>Operating practices</b>	18	Improve product quality and service responsibility management in order to protect customers' health and safety
	21	Protect the interests of customers and business partners
	22	Prevent bribery, extortion, fraud and money laundering
	17	Select suppliers to advocate the practices of using more environmental-friendly products and services
	20	Comply with advertisement and sales regulations
	16	Evaluate and manage the environmental and social risks of the supply chain
<b>Community investments</b>	19	Comply with advertisement label specifications
	23	Ensure the business activities take account of the needs and interests of the community
<b>Environment</b>	24	Invest resources such as money, materials or time to promote community development
	4	Energy saving or improve energy efficiency
	1	GHG emissions or other air emissions management
	2	Effluent management
	3	Waste management
	5	Save water or improve water efficiency
	6	Enhance the efficiency of other resources
	7	Manage the impacts on the environment and natural resources from operation
8	Cope with climate change	



## COMMUNICATION WITH STAKEHOLDERS

Looking back at past communication with stakeholders, the Group realised that stakeholders are increasingly concerned about issues related to employment and labor standards and responsible operation, with the focus having gradually shifted from environmental issues to those issues related to labor and operating practices. In particular, concerns about issues regarding labor standards and employees' interests have increased significantly during the Year. In addition, China Ting Group values the attention of external stakeholders on the Group's "coping with climate change", an issue that scores higher than the average in the materiality ranking by external stakeholders. The Group will consider including "coping with climate change" as a material issue in the future reports. To allow for the Group's further understanding of stakeholders' opinions, China Ting Group plans to expand the communication channels for stakeholders in the future to collect more opinions from stakeholders in a view of assisting the Group to review and adjust its future approach to sustainability.



# CREATING A HEALTHY AND INCLUSIVE WORKING ENVIRONMENT

China Ting Group regards a good working environment as the basis of business development and is committed to providing employees with a fair, just, healthy and labor compliant working environment. With an emphasis on communication with employees, the Group collects opinions from employees from time to time to improve the employment system.

## HEALTH AND SAFETY

The Group values the health and safety of the working environment of the employees and specifies the management about ensuring employees' work safety in the Rules and Regulations on Employees' Safety and Health. The Group has established an environmental hygiene and health and safe production leading team, in which the Group's Vice CEO leads the safety officers of each Subsidiary to review the Group's health and safety policies in a timely manner. In addition, each Subsidiary also has a safety and health working team, which is responsible for quarterly safety and health general inspections, semi-annual safety and health ranking assessments as well as daily review, prevention and rectification of hidden safety hazards.

China Ting Group has established various safety management systems to manage the production safety of each Subsidiary, including Equipment Safety Management System and Use of Chemicals and Labor Protective Supplies Management System. These management systems standardise the safe work procedures for employees during work and production to ensure the safety of working environment for employees. In addition to affixing safety signs on substations, distribution boards and other facilities, the Group also engages electricians for daily inspection and maintenance of production equipment to promptly rectify potential safety risks. When an employee gets injured, the staff shall deal with the work-related accident in accordance with the Emergency Medical Management System and take corresponding emergency measures with reference to the severity of the injury to prevent further injuries and casualties. Under the guidance of first-aiders, they should also provide first aid and appropriate treatment to the injured.

Based on the nature of the business of the Group, it is a key fire safety unit and therefore has strict requirements for fire safety. China Ting Group has established the Fire Emergency Plan, organised regular fire drills and required all employees to participate in fire evacuation drills twice a year. In addition, each Subsidiary also provides "Three-level Safety Education" for employees and specific safety training for department and team officers as well as new employees.



# CREATING A HEALTHY AND INCLUSIVE WORKING ENVIRONMENT

## Three-level Safety Education

### Scope of Training

Level One	<p><b>Target:</b> New employees and foreign staff</p> <p><b>Content:</b> Introduction of the Group's production, safety precautions such as sources of flammable and explosive hazards. Meanwhile, introducing the Group's safe production rules, regulation, disciplines, etc.</p>
Level Two	<p><b>Target:</b> Department officers and special safety officers</p> <p><b>Training:</b> Introduction of work procedures, working environment and potential risks of the department, correct use of personal protective equipment, sharing of case studies of the peers, etc.</p>
Level Three	<p><b>Target:</b> Team leaders and safety officers of the team</p> <p><b>Training:</b> Introduction of regulations on safe post operation, safety inspection regulations, sharing of historical incidents of the Group, etc.</p>

In order to protect the health of employees, the Group conducts annual occupational health checks for employees engaged in hazardous occupations. During the Year, an employee of the Group suddenly fell to the ground when getting off work and succumbed despite having been sent to the hospital in time. The Group launched an investigation immediately to ensure that the plant equipment posed no risk that threatened the health and safety of employees.



## TALENT MANAGEMENT

China Ting Group is concerned about employee welfare and interests. Adhering to a “people-oriented” development strategy, the Group strives to create a harmonious and inclusive working environment for employees. The Group specifies its rules of recruitment, promotion, dismissal, working hours, compensation and welfare, equal opportunities, diversity and anti-discrimination policies in its policies, such as Employee’s Code of Conduct, Recruitment and Dismissal System, Salary Payment Management System. The following table are the detailed policies of the Group on these issues:

**Recruitment and dismissal** The Group conducts recruitment in accordance with the principles of fairness and openness of the Recruitment and Dismissal System. The recruitment and promotion are based on the employee’s competence and commensurability with the position. The Group enters into the labor contract with the employee within one month after the completion of recruitment procedures so as to protect the interests of employees.

The voluntary resignation of an employee or the dismissal of an employee by the Group shall comply with the procedures stipulated in the labor contract and be it terminated only after the personnel management department and employees have both confirmed the completion of the procedures.

**Compensation and welfare** Salary Payment Management System of the Group specifies that the salaries of employees should be paid in accordance with the basis and calculation stipulated in the labor contract.

In respect of employee welfare, apart from the five types of statutory insurances and the labor protective supplies provided monthly, the Group also provides employees with other benefits such as monthly comprehensive bonuses, rank allowances, food subsidies, employee dormitories, free travel, annual security awards and triple vacation pay. In 2019, the Group provided the female employees with free routine gynaecological examinations by calling out a team from an obstetrics and gynaecology Hospital.

**Promotion** China Ting Group provides promotion opportunities according to the development needs of the Group and the work performance of its employees. In particular, the Employee Promotion System of Hangzhou Fuding Fashion Co., Ltd regulates the promotion criteria and promotion procedures for its employees. It evaluates the employees annually and promotes employees with excellent performance to higher positions.



# CREATING A HEALTHY AND INCLUSIVE WORKING ENVIRONMENT

Working hours and holidays	The Group stipulates the working hours and holiday arrangements for each position in the Attendance System and Leave System, including contingency work arrangements in case of emergency. In addition, the Leave System of the Group states that employees can enjoy marriage leave, maternity leave, paid annual leave, bereavement leave, etc. other than national holidays.
Equal opportunities and anti-discrimination	The Recruitment and Dismissal System clearly states that the Group will not based the recruitment on the criteria of age, gender, religion, belief, political orientation and other factors. The Group promotes equal opportunities, diversity and anti-discrimination in the daily working environment. To ensure all employees are being treated equally and respected, employees can reflect any discrimination or unequal treatment encountered through the established employee feedback channels.
Diversity	The Group is committed to providing employees with a diverse working environment so that employees with different backgrounds and cultures can develop their strengths. China Ting Group understands that the current employment policy does not include a diversity policy, and will review the existing policy in the future and incorporate the diversity policy as soon as possible.

## DEVELOPMENT AND TRAINING

In order to realise China Ting Group's "people-oriented" development strategy, the Group has formulated the Employee Training System to provide guidelines for the training systems of each Subsidiary. In particular, the Training Management System of Hangzhou China Ting Fashion Co., Ltd details the regulations of the formulation procedures for training plans, the implementation of training activities and activity records. When formulating the annual training plan, Hangzhou China Ting Fashion Co., Ltd has to consider factors such as the training needs of employees, past training conclusions and feedback, opinions of department heads and the management. In addition to internal training activities, the Group also provides employees with subsidies to encourage them to pursue self-education.

In 2019, the Group invited an external training consultancy to train store managers and teach store business management. Employees are required to fill out a questionnaire about training satisfaction upon completion of training activities so that the Group can follow up on the effectiveness of training activities and plan future training courses. During the Year, the average training hours of the Group was 8.8 hours, representing an increase of 24% compared with last year.



## LABOR STANDARDS

With growing expectations of consumers for corporate labor standards, the Group upholds high labor standards as the Group's operation basis. The Group has formulated the Social Responsibilities Management System, which shows the Group is committed to avoiding forced and child labor and ensuring freedom of labor and will not force laborers to work against their will. In addition, the Group also undertakes not to employ child labor under the age of 16, and meanwhile ensuring the physical and mental health of minor employees between the ages of 16 to 18.

The Group has formulated the Child Labor Remediation Management Rules, which require employees to undergo strict verification of their identities in accordance with the Recruitment System when they start employment. In case of any child labor, the Group will immediately stop the child laborer's work after determining his/her identity and quickly work out that child laborer's actual situation, which will then be reported to the management in the form of a written report. The Group will also contact the relatives of the child laborer immediately so that the family members can pick him/her up. The Group will subsidise the child laborer to complete compulsory education based on the actual family situation and help the child laborer to exercise the right to education.





# PROTECTING CUSTOMERS' INTERESTS

China Ting Group strictly manages all production stages, from supplier management to quality control, in which the Group is committed to ensuring that the social responsibility performance of suppliers meets corporate requirements, producing high-quality products, upholding integrity in operation and protecting customer privacy and intellectual property rights to safeguard customers' interests.

## PRODUCT QUALITY

To ensure that the products meet the standards of the Group and customers, the quality inspection department and the production department of China Ting Group are responsible for monitoring the production process and finished product quality and the Production Standard Operating Procedures are established to regulate every production procedure, ranging from fabric and accessory inspection, cutting to needlework. Some subsidiaries also establish Quality Manual and prepare operation instruction manuals for each production workshop so that employees can carry out production with accordance to the operation instruction manuals. Also, Quality Manual specifies the requirements for production equipment and requires regular maintenance to maintain production quality.

In order to ensure that the products of the Group meet the expectations of customers, when non-conforming products are found, the Group will promptly recall the non-conforming products in accordance with the Recall Procedures for Non-Conforming Products and Product Early Warning, Claims, Returns and Complaints Information Procedures to reduce health and safety risks to customers and the public. Factories of some subsidiaries also establish a "non-conforming product recall team" which is led by the general manager for the overall product recall. Upon receipt of customer complaints, the "non-conforming product recall team" reports to the general manager immediately, authorizes the launch of the recall procedures and the record of details of the relevant complaints and verifies the relevant information of the non-conforming products, and if necessary, obtains physical photos from customers to further understand the complaint. When it is confirmed that the product is non-conforming, the team notifies the customer immediately and recalls the product. The "non-conforming product recall team" will conduct a detailed inspection of the "non-conforming product" to identify the cause of the quality problem and propose a corrective plan to avoid similar quality problems in the future.

With regards to the handling of customer complaints, the Group has established the Customer Complaint Handling Procedures and set up a team to handle the problems and conduct a joint investigation with related department officers. The team conducts analysis and reinspection and proposes corrective measures accordingly. Related departments will also record the whole investigation. During the Year, China Ting Group has not received any customer complaints or cases of recall arising from health and safety issues of products.



## PROTECTING CUSTOMERS' INTERESTS

### RESPONSIBLE OPERATION

China Ting Group values customers' interests and protects customer privacy and intellectual property rights with policies such as Customer Privacy and Data Protection Systems and Customer Property and Privacy Protection Procedures. These systems regulate that the employees of the Group shall not disclose the trade secrets of the Group and customers, including proprietary production technology, product design and substance of customer contracts. In addition, the Group has policies on information and technology security that regulate the management of business and customer information. The guidelines for protecting information and the authority of employees to access relevant information are set out in the Information and Technology Security.

Some subsidiaries have also established a Clients' Brands Protection and Control Management System to ensure that the clients' brands will not be infringed. To prevent leak of clients' brands and products, the Group strictly manages the accessories and trademarks of products provided by clients and prohibit visitors from taking photos in the production areas and the sample exhibition halls. The Client-Related Process Control Procedures of the Group stipulate that products must comply with the requirements stated in the contracts with clients and the contracted advertisement through continuous communication.

### SUPPLIER MANAGEMENT

The Supplier Selection and Review Criteria of China Ting Group state the standards and scope of review that should be complied with when selecting suppliers, including product quality, treatment and remedies for non-conforming finished products. Suppliers whose product quality fails to meet the Group's requirements will be disqualified and replaced by other qualified suppliers.

The Group understands the performance of suppliers and other business partners can directly affect the brand reputation of the Group in terms of operational compliance. Therefore, the Group has identified the risks to supplier management in the risk management system and has formulated corresponding measures to reduce the risks. The Procedures for Controlling Suppliers and Subcontractors' Social Responsibility of the Group aims to continuously improve the environmental and social performance of suppliers and to ensure that each Subsidiary meets the requirements of the Business Social Compliance Initiative (BSCI) by conducting site assessment at least once a year, requiring suppliers and subcontractors to sign the social responsibility agreement commitments and managing the List of BSCI Qualified Suppliers and Subcontractors. In case of any suppliers who intentionally employ child and forced labor or violate other labor regulations, China Ting Group will immediately terminate the partnership with a zero-tolerance attitude. In the future, China Ting Group intends to identify the environmental and social risks relating to suppliers in the risk management system and formulate corresponding measures to improve the supplier management system.



### ANTI-CORRUPTION

The Code of Work for Managers of the Group explicitly requires the managers not to accept any form of bribery and engage in improper trading activities. In addition, the Anti-Corruption and Anti-Bribery Control Program regulates procurement, facility construction, business sales, equipment procurement and maintenance and other economic activities of the Group. This program provides guidelines for the Group on anti-corruption, including establishing a leading anti-corruption organization to commence commercial bribery control; establishing a whistle-blowing channel for the prevention of commercial bribery; and conducting investigations to improve existing anti-corruption policies and measures. The Group requires all key personnel to sign the Anti-Bribery/Anti-Corruption Commitment and all business partners to sign the Supplier's Anti-Bribery/Anti-Corruption Commitment to strengthen prevention and control of corruption at source.

During the Year, the Group organized anti-corruption training for employees and the number of employees trained for anti-corruption reached 31.3% of the total number of employees.

In order to effectively monitor the Group's policies and measures related to anti-corruption, the Group has report handling procedures and employees and business partners can report corruption by telephone. China Ting Group will handle cases of report in a confidential manner. If a corruption case is confirmed, it will be subject to criminal liabilities as the Group hands over the case to relevant judicial authorities in accordance with the law.



# CARING FOR COMMUNITY NEEDS

The Group understands that a responsible enterprise must contribute to society with actions. China Ting Group realizes that stakeholders have shifted their focus from operational interests in the past to the impacts of the Group's operation on the community. The Group is committed to ensuring that the interests of the communities where it operates are taken into account when considering business activities and has established a series of environmental and social policies to reduce the impacts of the businesses on the communities. In particular, in each Factory area, China Ting Group strictly manages its environmental management system to prevent the leakage of pollutants which affects the lives of residents in the community.

China Ting Group contributes to society through different community contribution activities, including scholarships, poverty alleviation projects and support for employees to participate in volunteer activities. In 2019, the community investment scope of China Ting Group focused on education and poverty alleviation and organized various activities to give back to society, including:

## SUPPORT EDUCATION DEVELOPMENT

### Zhejiang Sci-Tech University China Ting Teaching Scholarship

The Group supports the development of higher education. In order to encourage higher education workers and thank them for their contributions to education, Zhejiang Sci-Tech University China Ting Teaching Scholarship has been specifically established. The teaching scholarship consists of "China Ting Education Contribution Award" and "China Ting Teacher Moral Award" with a total annual amount of RMB150,000.

### Guizhou Tianzhu Ethnic School Scholarship

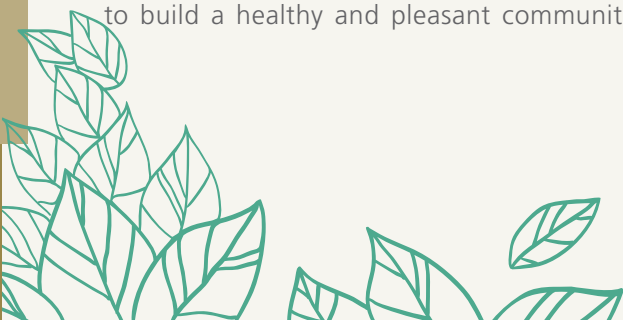
Tianzhu Ethnic School Scholarship is a 10-year scholarship program that promotes the overall development of students in terms of ethics, intellect and physique. The Group provides a total annual amount of RMB60,000 to 30 academic high achievers as scholarship.

## TARGETED POVERTY ALLEVIATION

### Guizhou Tianzhu targeted poverty alleviation project

Since 2018, in line with the strategic goals of the 19th CPC National Congress, the Group has launched a factory for poverty alleviation and creating employment in Tianzhu County, Guizhou, bringing more than a thousand jobs to the area. The Group recruited the local residents in January 2019 and provided training for them. In October of the Year, the factory recruited over a thousand employees in total and was officially put into production. The project has been commended by the Guizhou Poverty Alleviation and Development Leading Group and included in the list of advanced groups for poverty alleviation in Guizhou Province.

China Ting Group intends to actively understand the needs of the communities where it operates in the future and formulate community investment policies to regulate related work and provide specific guidelines for employees on promoting the Group's contribution to the community so as to build a healthy and pleasant community.



# REDUCING ENVIRONMENTAL IMPACTS FROM OPERATION

Through the Corporate Social Responsibility Management System, China Ting Group demonstrates its commitment of reducing air emissions, greenhouse gas and waste generated by the Group from operational and domestic consumption, the use of resources as well as the impacts on the environment and natural resources. Based on these commitments, the Group establishes for each Factory an environmental management system specific to its business characteristics for formulating and implementing various measures.

Factories of some subsidiaries have even included environmental management training in their training programs. To raise the environmental awareness of factory workers and to allow employees to understand relevant environmental laws and regulations, they should receive environmental education and training upon joining the Group. In addition, factories of some subsidiaries of the Group have established environmental protection teams, which consist of managers and employees of the related departments to monitor and realize environmental management objectives.

## USE OF RESOURCES

Energy Management System serves as the blueprint for managing the use of resources required by the Group's operation and as the guideline for employees on reducing energy consumption in their daily operation. Some subsidiaries have set up energy management teams to manage the energy use of such subsidiaries, set and review annual energy saving targets and formulate relevant measures to continuously reduce the negative impacts of the group's production on the environment.

The Group's use of resources mainly arises from the energy use in the production process. During the Year, it consumed a total of 12,871 MWh of electricity, 40,776 MWh equivalent of thermal power and 6,011 MWh of renewable energy. During the Year, the printing and dyeing factory of China Ting Woollen Textile Co., Ltd ("Huabeina") increased the use of liquefied natural gas in kitchen equipment, resulting in a change in the consumption of such energy compared with last year. In addition, since the shutdown of boilers of that factory led to no consumption of natural gas, and the Group's continuous promotion of energy conservation in offices and factories, annual energy consumption reduced approximately 34% compared with the previous reporting year.

To effectively manage electricity consumption, the electricity management system of the Group provides guidelines for daily office operation and electricity use in factories. The electricity management measures include inspecting and maintaining facilities regularly to ensure electricity efficiency; maintaining electrical appliances with load rates above 40%; and encouraging employees to develop energy-saving habits.

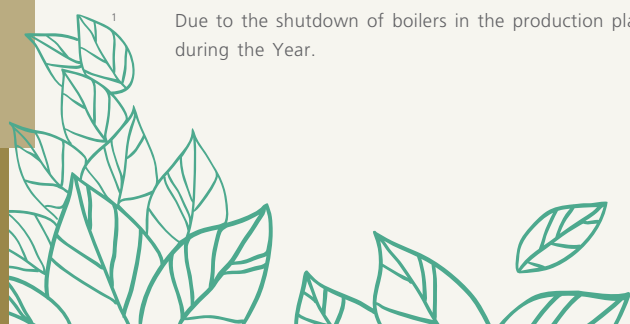


## REDUCING ENVIRONMENTAL IMPACTS FROM OPERATION

SCOPE OF ENERGY	ENERGY TYPE	2019	2018
Direct energy	Gasoline (MWh equivalent)	993	1,226
	Diesel (MWh equivalent)	578	679
	Liquefied natural gas (MWh equivalent)	106	105
	Natural gas <sup>1</sup> (MWh equivalent)	0	15,909
	Liquefied natural gas (MWh equivalent)	126	48
	Biomass fuel (MWh equivalent)	128	179
	Indirect energy	Electricity (MWh)	12,871
Thermal power (MWh equivalent)		40,776	53,210
Renewable energy	Solar photovoltaic power (MWh)	6,011	5,431
	Total energy consumption (MWh equivalent)	61,589	93,018
	Energy intensity (MWh equivalent/HK\$'000 turnover)	0.04	0.05

Apart from the electricity consumption, the operation of the Group's factories also involves the use of water, electricity and steam. The Group's water, electricity and steam management measures require employees to confirm that the use of water, electricity and steam have been shut down when getting off work to reduce unnecessary consumption. In addition, the Group actively promotes water conservation activities, enhances employees' awareness of water conservation and regularly inspects and repairs tap water pipes, faucets and other equipment to prevent water dripping and leakage.

<sup>1</sup> Due to the shutdown of boilers in the production plant of Huabeina during the Year, the Group had no consumption of natural gas during the Year.

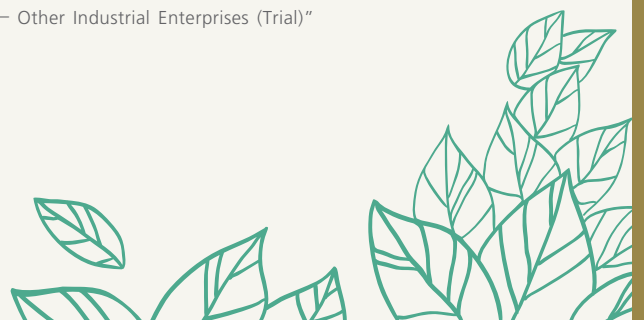


## EMISSIONS

China Ting Group is concerned about its carbon footprint and dedicated to minimizing the environmental impacts resulting from carbon emissions of its businesses. In the Year, the Group engaged a professional consultancy to conduct carbon assessment and quantified the greenhouse gas emissions generated during its operation. The quantification processes were carried out in accordance with the guidelines<sup>2</sup> promulgated by the National Development and Reform Commission of the PRC as well as international standards such as ISO14064-1 and GHG Protocol. The total carbon emissions generated by the Group during the Year was approximately 24,873 tonnes of CO<sub>2</sub> equivalent, of which the use of thermal power and electricity amounted to 65% and 32% respectively. Biochar generated from biomass combustion was 46 tonnes of CO<sub>2</sub> equivalent. During the Year, carbon emissions decreased by approximately 31% compared with the previous year with the most significant reduction in scope 1 carbon emissions, mainly due to the discontinuation of natural gas since the shutdown of boilers in the factory of Huabeina together with the reduction in consumption of gasoline, diesel and biomass fuel following the business adjustment. Under the Group's business adjustment, scope 2 carbon emissions also decreased.

The Group will continue to assess, record and disclose its greenhouse gas emissions and other environmental data annually, review the effectiveness of existing measures and further develop carbon reduction targets and work plans. The Group advocates green travel to reduce unnecessary business trips to lower carbon emissions.

<sup>2</sup> "Guidelines for Accounting and Reporting Greenhouse Gas Emissions — Other Industrial Enterprises (Trial)"



## REDUCING ENVIRONMENTAL IMPACTS FROM OPERATION

Greenhouse gas emissions:

Scope	2019	2018
Scope 1: Direct greenhouse gas emissions (tonnes of CO <sub>2</sub> equivalent)	831	5,097
Scope 2: Indirect greenhouse gas emissions (tonnes of CO <sub>2</sub> equivalent)	23,999	30,974 <sup>3</sup>
Scope 3: Other indirect greenhouse gas emissions (tonnes of CO <sub>2</sub> equivalent)	43	54
Total greenhouse gas emissions (tonnes of CO <sub>2</sub> equivalent)	24,873	36,125
Greenhouse gas emissions intensity (tonnes of CO <sub>2</sub> equivalent/HK\$'000 turnover)	0.017	0.019

Scope 1: Including the emissions generated from fossil fuel and biomass fuel consumption at the stationary and mobile sources of the Group and refrigeration consumption<sup>4</sup>;

Scope 2: Including the emissions from electricity and thermal power consumption of the Group;

Scope 3: Including the emissions due to air travel of the Group's employees for business.

The Group's exhaust gas emissions mainly include nitrogen oxides, sulfur oxides and respirable suspended particles generated from consumption of fossil fuels and biomass fuels in the use of heating equipment such as boilers during the production process of printing and dyeing and textile factories, kitchen equipment and vehicles. Among them, the exhaust gas from consumption of diesel and gasoline of vehicles is the major source of emission, which contributed to 89%, 58% and 92% of the total emissions of nitrogen oxides, sulfur oxides and respirable suspended particles respectively. In 2019, due to the shrinkage of business and headcount and discontinuation of certain production facilities, air emissions decreased compared with the previous reporting year. Emissions of nitrogen oxides, sulfur oxides and respirable suspended particles reduced 69%, 33% and 61% respectively.

<sup>3</sup> Greenhouse gas emissions from purchased electricity are calculated based on the average national factor of greenhouse gas emissions of grid power in the PRC, which is derived from the "Notice Regarding 2019 Carbon Emissions Reporting and Verification and Submission of the List of Key Emission Units in the Power Generation Industry". Since the sources of emission factors have changed compared to 2018, the new emission factors have been used to recalculate the indirect emissions of purchased electricity in 2018 to ensure fair comparison.

<sup>4</sup> Although the refrigerant R-22 used in refrigeration equipment is not included in the six greenhouse gases covered in the "Kyoto Protocol", the emissions resulting from its leakage are also included in the assessment so as to provide true and fair presentation of the information about greenhouse gas.





## REDUCING ENVIRONMENTAL IMPACTS FROM OPERATION

The non-hazardous waste (mainly domestic waste) generated during the operation of the Group will be sorted, stored and handed over to the relevant municipal departments for collection and treatment. In addition, the Group separates recyclable waste (including discarded cartons, waste packaging bags and shredded fabrics) from domestic waste for treatment by qualified recyclers. A total of 213 tonnes of recyclable waste was collected during the Year. Hazardous wastes, such as waste oil, wastewater, sludge and waste coatings, are recorded, sorted and stored. A total of 188 tonnes of hazardous wastes was generated during the Year for recycling by qualified recyclers. In order to reduce the waste generated from the operation of the Group, the Group encourages employees to reduce the use of disposable items such as disposable tableware and bring their own tableware; meanwhile encouraging the recycling of intact packaging boxes and bags. The Group also promotes waste separation and environmental conservation from time to time to raises employees' environmental awareness.

In terms of wastewater treatment, the major source is domestic sewage from various production plants and offices. The Group collects part of the wastewater and reuses it for the production workshop and greening and irrigation in the printing and dyeing plant of China Ting Woollen Textile Co., Ltd ("Huabeina"). A total of 154,581 tonnes of wastewater was reused during the Year. In 2019, Huabeina commenced a sewage treatment system construction project. It is expected that the construction will be completed next year and the amount of recycled water will be greatly increased to more than 60% upon completion, significantly reducing wastewater discharge and water consumption of the Group.

### ENVIRONMENTAL AND NATURAL RESOURCES

China Ting Group always considers the impacts of the Group's operation on the environment and natural resources. The Internal Control Management System states that the Group needs to consider environmental protection and energy conservation in its operation and actively develops and uses energy-saving products to improve resource efficiency. In addition, the Group conducts environmental impact assessment of construction projects before constructing a factory to ensure that China Ting Group has taken responsible mitigation measures for the impacts arising from the construction of the factory.

With emphasis on fulfilling the Group's commitment to environmental protection, the ESG management team of the Group advocates the promotion of environmental awareness among employees, customers and business partners to reduce the carbon footprint of the product life cycle together and ensure that production is environmentally friendly.

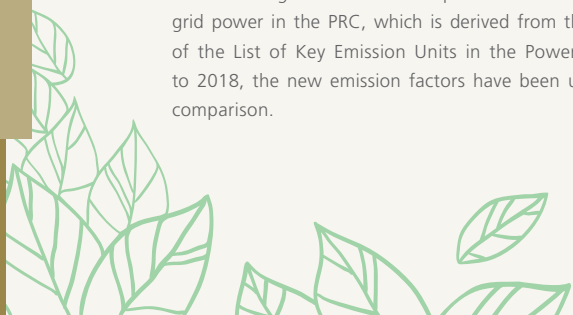


# OVERVIEW OF KEY PERFORMANCE INDICATORS

## ENVIRONMENTAL PERFORMANCE

	Emission type	2019	2018
<b>Exhaust gas and greenhouse gas emissions</b>	Nitrogen oxides (kg)	1,424	4,602
	Sulfur oxides (kg)	72	107
	Respirable suspended particles (kg)	52	135
	Scope 1: Direct greenhouse gas emissions (tonnes of CO <sub>2</sub> equivalent)	831	5,097
	Scope 2: Indirect greenhouse gas emissions <sup>5</sup> (tonnes of CO <sub>2</sub> equivalent)	23,999	30,974
	Scope 3: Other indirect greenhouse gas emissions (tonnes of CO <sub>2</sub> equivalent)	43	54
	Total greenhouse gas emissions (tonnes of CO <sub>2</sub> equivalent)	24,873	36,125
	GHG intensity (tonnes of CO <sub>2</sub> equivalent/turnover in HK\$'000)	0.017	0.019
	Waste type	2019	2018
<b>Waste</b>	Total hazardous waste generated (tonnes)	188	225
	Hazardous waste intensity (tonnes/turnover in HK\$'000)	0.0001	0.0001
	Total non-hazardous waste generated (tonnes)	877	48,538
	Non-hazardous waste intensity (tonnes/turnover in HK\$'000)	0.0006	0.024

<sup>5</sup> Greenhouse gas emissions from purchased electricity are calculated based on the average national factor of greenhouse gas emissions of grid power in the PRC, which is derived from the "Notice Regarding 2019 Carbon Emissions Reporting and Verification and Submission of the List of Key Emission Units in the Power Generation Industry". Since the sources of emission factors have changed compared to 2018, the new emission factors have been used to recalculate the indirect emissions of purchased electricity in 2018 to ensure fair comparison.



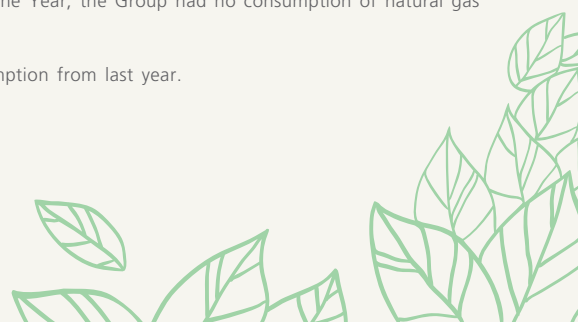
## OVERVIEW OF KEY PERFORMANCE INDICATORS

<b>Use type</b>		<b>2019</b>	<b>2018</b>
<b>Energy used</b>	Direct energy		
	Gasoline (MWh)	993	1,226
	Diesel (MWh)	578	679
	Liquefied petroleum gas (MWh)	106	105
	Natural gas <sup>6</sup> (MWh)	0	15,909
	Liquefied natural gas (MWh)	126	48
	Biomass fuel (MWh)	128	179
	Indirect energy		
	Electricity (MWh)	12,871	16,231
	Heat (MWh)	40,776	53,210
Renewable energy	Solar power generation (MWh)	6,011	5,431
Total energy consumption (MWh)		61,589	93,018
Energy intensity (MWh/turnover in HK\$'000)		0.042	0.046
<b>Use type</b>		<b>2019<sup>7</sup></b>	<b>2018<sup>8</sup></b>
<b>Water used</b>	Total water consumption (cubic meters)	467,430	611,194
	Water consumption intensity (cubic meters/turnover in HK\$'000)	0.320	0.305
<b>Use type</b>		<b>2019</b>	<b>2018</b>
<b>Packaging materials</b>	Total packaging materials (tonnes)	1,825	1,235
	Intensity of packaging materials (tonnes/turnover in HK\$'000)	0.001	0.001

<sup>6</sup> Due to the shutdown of boilers in the production plant of Huabeina during the Year, the Group had no consumption of natural gas during the year.

<sup>7</sup> The burst water pipes of certain factories led to an increase in water consumption from last year.

<sup>8</sup> The data do not include usages from China Ting Fashion and Bolinding.



# OVERVIEW OF KEY PERFORMANCE INDICATORS

## SOCIAL PERFORMANCE

### Number of employees by business, age and gender

Business	Gender	20-40 years old	40+	Total (by gender)	Total	Ratio of male to female employees
Textile	Male	29	84	113	389	0.41:1
	Female	96	180	276		
Printing and dyeing	Male	37	69	106	187	1.31:1
	Female	43	38	81		
Clothing	Male	404	645	1,049	3,013	0.53:1
	Female	1,023	941	1,964		

### Number of employees by business, rank and gender

Business	Gender	Senior management	Medium management	Frontline employees	Total	Ratio of male to female employees
Textile	Male	5	8	100	389	0.41:1
	Female	3	10	263		
Printing and dyeing	Male	4	11	91	187	1.31:1
	Female	0	2	79		
Clothing	Male	16	38	995	3,013	0.53:1
	Female	12	76	1,876		

### Number of employees by business, gender and employment type<sup>9</sup>

Business	Gender	Full time	Temporary/Fixed-term	Total
Textile	Male	110	3	389
	Female	266	10	
Printing and dyeing	Male	106	0	187
	Female	81	0	
Clothing	Male	552	497	3,013
	Female	926	1,038	

<sup>9</sup> All employees in 2019 are full-time employees.



## OVERVIEW OF KEY PERFORMANCE INDICATORS

### Number of new employees by business, age and gender

Business	Gender	20-40		Total (by gender)	Total	Proportion of new employees
		years old	40+			
Textile	Male	8	7	15	59	15.2%
	Female	24	20	44		
Printing and dyeing	Male	6	7	13	23	12.3%
	Female	7	3	10		
Clothing	Male	168	139	307	737	24.5%
	Female	226	204	430		

### Number of employees departed by business, age and gender

Business	Gender	20-40		Total (by gender)	Total	Turnover rate of employees
		years old	40+			
Textile	Male	7	11	18	74	19.0%
	Female	26	30	56		
Printing and dyeing	Male	42	40	82	152	81.3%
	Female	40	30	70		
Clothing	Male	247	183	430	1,284	42.6%
	Female	480	374	854		

### Number of workers died or injured in course of duty

Gender	Number of work-related		Total	Injury rate (per thousand employees)
	fatality	Number of employees injured at work		
Male	0	0	1	0.28
Female	1	1		

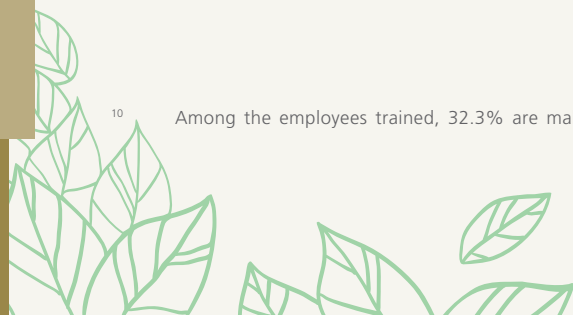


## OVERVIEW OF KEY PERFORMANCE INDICATORS

### Proportion of employees trained and average training hours by gender and rank

Gender/rank		Senior management	Medium management	Frontline employees	Total
<b>Proportion of employees trained<sup>10</sup></b>	Male	68.0%	73.7%	65.9%	Percentage of employees trained 70.7%
	Female	80.0%	70.5%	73.2%	
<b>Average training hours (hours)</b>	Male	17.8	7.4	7.7	Average training hours for all employees 8.8 hours
	Female	28.8	3.9	9.4	
<b>Proportion of employees trained for anti-corruption</b>	Male	48.0%	38.6%	27.0%	Percentage of employees trained for anti-corruption 31.3%
	Female	66.7%	53.4%	32.1%	
<b>Average anti-corruption training hours (hours)</b>	Male	1.2	0.7	1.0	Average anti-corruption training hours for all employees 1.1 hours
	Female	2.3	1.6	1.1	

<sup>10</sup> Among the employees trained, 32.3% are male employees and 67.7% are female employees.



## OVERVIEW OF KEY PERFORMANCE INDICATORS

### Number of suppliers by geographical region

Business	Products or services provided	Supplier location	Number of suppliers
Textile	Manufactured silk	Zhejiang, Guangxi, Anhui	4
	Paper box	Haining	1
	Yarn	Shaoxing, Jiangsu	2
	Cotton	Jiaying	5
	PU Leather	Jiaying	1
	Spun silk	Jiaying	2
	Greige fabric	Zhejiang	9
	Silk	Zhejiang	6
Clothing	Fabrics and accessories	Overseas, Tongxiang, Shaoxing, Ningbo, Haining, Hangzhou, Huzhou, Guangdong, Jiangsu, Zhejiang, Guangzhou, Shanghai	160
	Hangers	Zhejiang	2
	Packaging materials	Hangzhou, Haining, Zhejiang	11
	Sewing threads	Zhejiang	2
	Others	Hanzhou, Linping	6



# REPORT CONTENT INDEX

Main categories	Content	Page index
<b>A1 Emissions</b>		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	14, 29
A1.1	The types of emissions and respective emissions data.	34
A1.2	Greenhouse gas emissions in total and intensity.	32, 34
A1.3	Total hazardous waste produced and intensity.	34
A1.4	Total non-hazardous waste produced and intensity.	33-34
A1.5	Description of measures to mitigate emissions and results achieved.	31-32
A1.6	Description of how hazardous and non-hazardous waste are handled, reduction initiatives and results achieved.	33
<b>A2 Use of Resources</b>		
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	29
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	30, 35
A2.2	Water consumption in total and intensity.	35
A2.3	Description of energy use efficiency initiatives and results achieved.	29-30
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency enhancement initiatives and results achieved.	30 No issue in water sourcing fit for purpose of the Group
A2.5	Total packaging materials used for finished products in total and with reference to per unit produced.	35





Main categories	Content	Page index
<b>A3 Environment and Natural Resources</b>		
General disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	33
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	33
<b>B1 Employment</b>		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	14, 22-23
B1.1	Total workforce by gender, employment type, age group and geographical region.	36
B1.2	Employee turnover rate by gender, age group and geographical region.	37
<b>B2 Health and Safety</b>		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	14, 20-21
B2.1	Number and rate of work-related fatalities.	37
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	20-21
<b>B3 Development and Training</b>		
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	23
B3.1	The percentage of employees trained by gender and employee category.	38
B3.2	The average training hours completed per employee by gender and employee category.	38



# REPORT CONTENT INDEX

Main categories	Content	Page index
<b>B4 Labor Standards</b>		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	14-15, 24
B4.1	Description of measures to review employment practices to avoid child and forced labor.	24
B4.2	Description of steps taken to eliminate such practices when discovered.	24
<b>B5 Supply Chain Management</b>		
General disclosure	Policies on managing environmental and social risks of the supply chain.	26
B5.1	Number of suppliers by geographical region.	39
<b>B6 Product Responsibility</b>		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	15, 25
B6.2	Number of products and services related complaints received and how they are dealt with.	25
B6.3	Description of practices relating to observing and protecting intellectual property rights.	26
B6.4	Description of quality assurance process and recall procedures.	25
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	26



Main categories	Content	Page index
<b>B7 Anti-corruption</b>		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	15, 27
B7.1	Number of concluded legal cases regarding corruption brought against the issuer or its employees during the reporting period and the outcomes of the cases.	15
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	27
<b>B8 Community Investment</b>		
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	28
B8.1	Focus areas of contribution.	28
B8.2	Resources contributed to the focus area.	28



