

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT

2020

FORDOO

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CHINA FORDOO HOLDINGS LIMITED
中國虎都控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 2399

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ABOUT

FORDOO

Fordoo is one of the leading menswear enterprises in the PRC. We focus on the design, source, manufacture and sales of our own branded menswear products.

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A. ABOUT THE ESG REPORT

The board of Directors (the “**Board**”) of China Fordoo Holdings Limited (the “**Company**” together with its subsidiaries, the “**Group**”) is pleased to present its Environmental, Social and Governance (“**ESG**”) Report (the “**Report**”) which has been prepared in accordance with the ESG Reporting Guide (the “**ESG Guide**”) set out in Appendix 27 to the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The Board has reviewed and approved the report, and is pleased to publish the 2020 ESG policies of the Company and its subsidiaries (collectively referred to as the “**Group**”) and the key performance indicators required to be disclosed.

This Report highlights the Group’s management and strategic approach, priorities and commitment in environmental and social aspects. This Report covers the Group’s menswear business for the period from 1 January 2020 to 31 December 2020.

A1: Principle

Set out below are the ESG issues that are significant to the Group and relevant to the ESG Guide:

ESG Guide

Relevant ESG issues to the Group

A. Environmental

A1 Emissions	Carbon dioxide emission and waste management
A2 Use of resources	Energy and consumption
A3 Environmental and natural resources	Measures in reducing environmental impact

B. Social

B1 Employment	Labour practices
B2 Health and safety	Workplace health and safety
B3 Development and training	Employee development and training
B4 Labour standards	Child labour and forced labor
B5 Supply chain management	Supplier management
B6 Product responsibility	Product safety and quality
B7 Anti-corruption	Anti-corruption and money laundering
B8 Community investment	Community involvement

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A2: Stakeholder Engagement

Stakeholder engagement is the core element of the Group's sustainable development. Focusing on the establishment of a regular communication mechanism for stakeholders, the Group has set up online and offline communication channels to demonstrate to the stakeholders the strategic planning and performance of sustainable development and to consult their opinions and needs in a timely manner, so that the Group's business practices would align with stakeholders' expectations.

The Group's stakeholders include its shareholders, staff, government and regulatory authorities, customers, suppliers, communities, shareholders/institutional and individual investors, etc. The Group will engage in discussions with its stakeholders on relevant issues through various channels. Set out below are the communication channels between its stakeholders and the Group, as well as the expectations and demands of its stakeholders:

Stakeholders	Expectations	Communication and feedback
Shareholders	Financial results Corporate transparency Sound risk control	Growth in profitability Regular disclosure of information Optimisation of risk management and internal control
Staff	Platform for career development Salaries and benefits Safe working environment	Promotion mechanism Competitive salaries and employee benefits Provision of employee training and improvement in safety awareness
Government and regulatory authorities	Compliance with rules and regulations Paying tax according to the law	Operational compliance Full payment of tax when due
Customers	Standards of logistics and delivery services Security of customer information Protection of customers' rights and interests	Monitoring of delivery status with the product tracking system Protection of customer privacy Marketing compliance
Suppliers	Cooperation with integrity Business ethics and creditworthiness	Establishment of a responsible supply chain Performance of contracts according to the law
Communities	Environmental protection Job opportunities	Use of environmentally friendly and energy-saving equipment Provision of job opportunities
Shareholders/institutional and individual investors	Annual general meetings and notices Regular corporate publications Issue of circulars and announcements in due course	Establishment of a platforms for communications with shareholders Results announcements Increase in transparency of corporate development

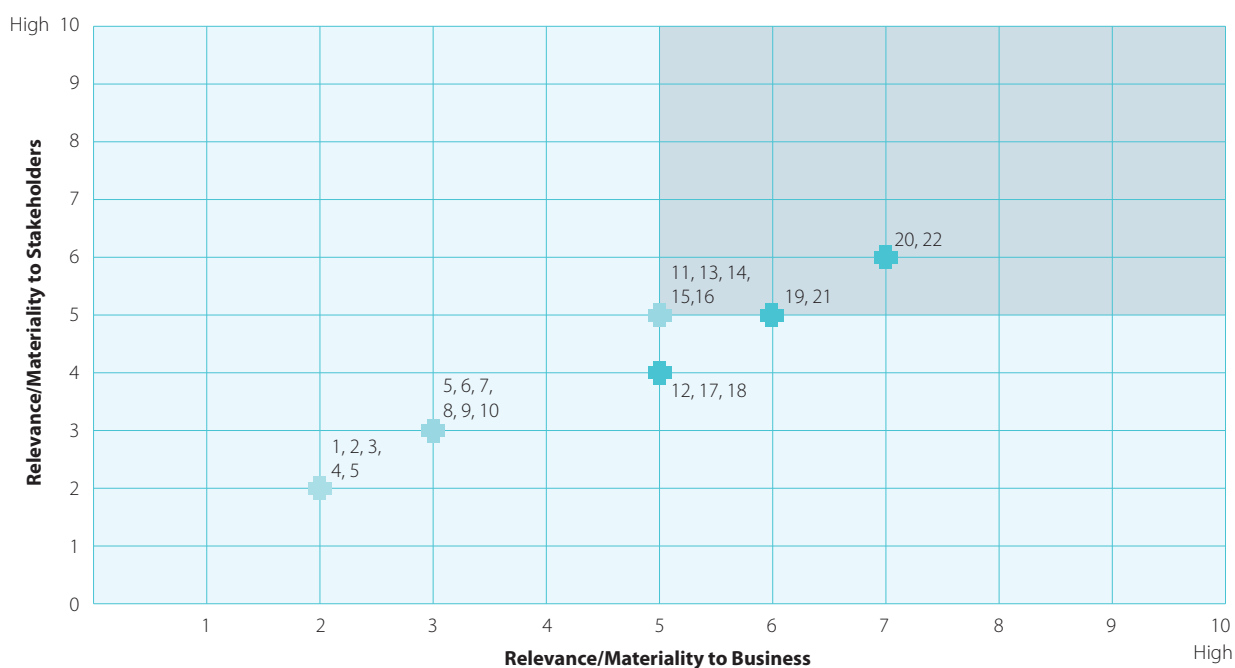
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A3: Materiality Assessment

In 2020, the Group conducted a comprehensive materiality assessment, which involved group discussions, interviews or questionnaire surveys with internal and external stakeholders, to identify the environmental, social and operational issues which have the most significant impacts on the Group’s business and the relevant issues concerned by stakeholders.

With reference to the scope of disclosure as required under the “ESG Guide”, as well as taking into consideration of its business features, the Group had identified and determined 22 issues covering greenhouse gas (GHG) emission, energy consumption, employee welfare, occupational health and safety, training and development, supply chain management, customer privacy, anti-corruption, and community investment and other aspects with respect to business operation.

Materiality of ESG Issues



Environmental Aspect

1. GHG emission
2. Energy consumption
3. Water consumption
4. Waste
5. Environmental impact of business operation
6. Use of natural resources and packaging materials
7. Customer engagement in environmental issues
8. Use of chemicals

Social Aspect

9. Engagement of local community
10. Community investment
11. Occupational health and safety
12. Labour standards in supply chain
13. Training and development
14. Employee welfare
15. Inclusion and equal opportunities
16. Talent attraction and retention

Operational Aspect

17. Economic value generated
18. Corporate governance
19. Anti-corruption
20. Supply chain management
21. Customer satisfaction
22. Customer privacy

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A4: Reporting Access

This Report is prepared in both English and Chinese languages. In case of any inconsistency, the Chinese text of this Report shall prevail over the English text.

The electronic version of this Report is available at the following websites:

- (1) www.hkex.com.hk
- (2) www.fordoo.cn

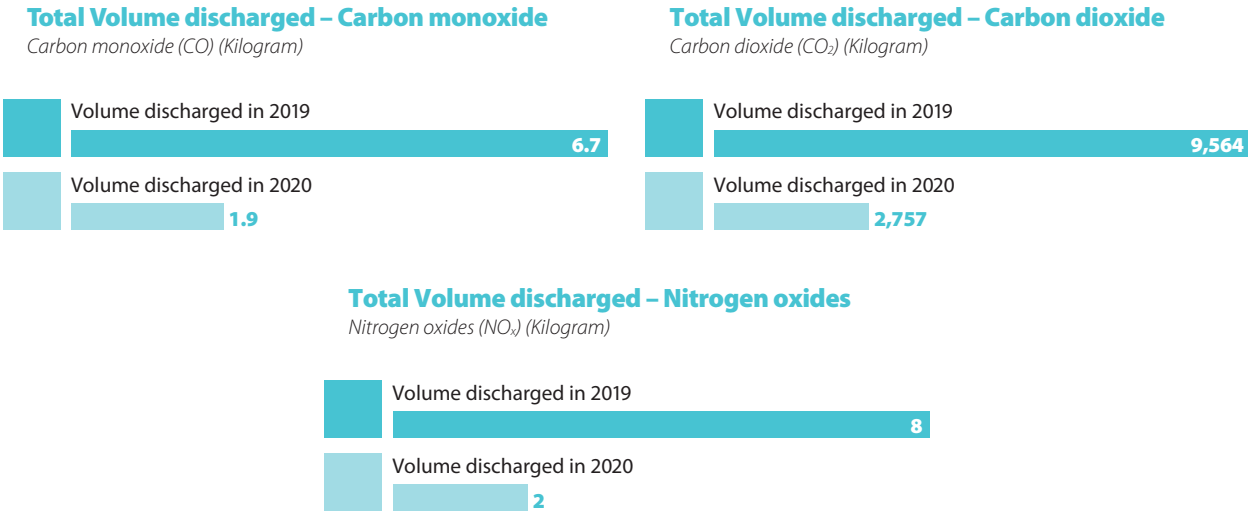
B. ENVIRONMENT AND RESOURCES

The Group recognizes its responsibility to protect the planet and preserve its beauty and resources for the next generation. The Group strives to enhance production efficiency and strengthen environmental protection efforts on conserving resources and managing waste from our business activities.

B1: Emissions Management

The major wastes generated from the Group’s production processes are waste gases and waste fabrics. Waste gases are produced when natural gas burns. The waste gases are mainly carbon monoxide (“CO”), carbon dioxide (“CO₂”) and nitrogen oxides (“NO_x”).

In 2020, the main emissions generated from the consumption of natural gas and fuels were as follows:



Notes: The above waste gases were discharged in the process of boiler heating fired by natural gas. The volume of gas emissions are estimated by the calculators at <http://www.combustionportal.org/bcalc3.cfm>. This website provides federal and state compliance information and sustainability content for various combustion processes that are impacted by federal and state regulations. The site includes calculators to estimate emissions from propane, butane, natural gas and boilers fired by oil

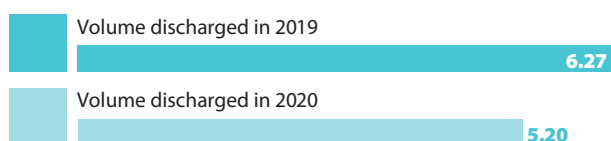
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In 2020, pollution factors such as nitrogen oxides (“NO_x”), sulfur oxides (“SO_x”) and particulate matter (“PM”) mainly generated from the company’s vehicles.

In 2020, the main air emissions generated from the use of vehicles are as follow:

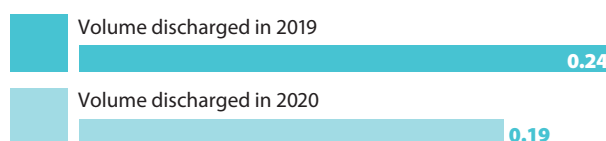
Total Volume discharged – Nitrogen oxides (NO_x)

Nitrogen oxides (No_x) (Kilogram)



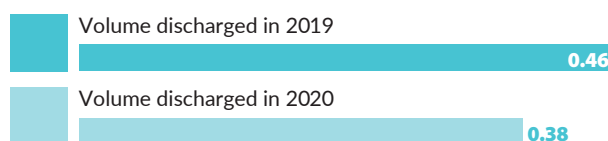
Total Volume discharged – Sulfur oxides (SO_x)

Sulfur oxides (So_x) (Kilogram)



Total Volume discharged – Particulate matter (“PM”)

Particulate matter (“PM”) (Kilogram)



The main sources of the Group’s GHG emissions were direct emissions from the mobile combustion sources (“**Scope 1**”), indirect emissions arising from the emissions related to acquired electricity (“**Scope 2**”) and other indirect emissions (“**Scope 3**”).

The GHG emissions in 2020 were as follows:

GHG emissions	Unit	2020	2019
GHG emissions (Scope 1)	kgCO ₂ e	34,368	43,968
GHG emissions (Scope 2) (Note 1)	kgCO ₂ e	201,040	804,827
GHG emissions (Scope 3)	kgCO ₂ e	2,162	6,576
Total GHG emissions (Note 2)	kgCO ₂ e	237,570	855,371
Total production	piece	246,810	1,128,345
GHG intensity (total emissions/total production)	kgCO ₂ e/piece	1.0	0.8

Notes:

1. Calculated on the basis of the emission coefficients of regional power grids in southern China in 2019. Such figures have been calculated in accordance with the Reporting Guidance on Environmental KPIs. The corresponding figures of 2019 have been re-calculated to improve the comparability.
2. Due to the COVID-19 pandemic, the production quantity of the Group in 2020 had decreased significantly when comparing with 2019. Therefore, the related GHG emissions had decreased significantly.

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Scope 1: represents gasoline consumed by motor vehicles.

Scope 2: represents electricity purchased from electricity suppliers.

Scope 3: represents scrap papers and water consumed.

In 2020, the hazardous and non-hazardous waste produced were as follows:

Hazardous and non-hazardous waste produced	Unit	2020	2019
Total amount of hazardous waste	kilogram	Not available	Not available
Intensity of hazardous waste (total amount of hazardous waste/total production)	kilogram/piece	Not available	Not available
Total amount of non-hazardous waste	kilogram	5,870	8,395
Intensity of non-hazardous waste (total amount of non-hazardous waste/total production)	kilogram/piece	0.024	0.007

Waste Gas Emission Reduction

With respect to emissions control, the Group has been using natural gas to substitute heavy fuel oil in the process of boiler heating since 2011. Natural gas is the clean energy which is better for the environment. Switching to natural gas for heating can drastically reduce emissions including nitrogen oxides and carbon dioxide when burned in a boiler and avoid discharging sulphur dioxide.

Compliance with relevant laws and regulations

In 2020, the Group was not aware of any material violation of relevant laws and regulations that have significant impact relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes. The Group strictly complied with local laws and regulations relating to emissions, such as the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Law on the Prevention and Control of Water Pollution of the People's Republic of China (《中華人民共和國水污染防治法》) and the Law on the Prevention and Control of Solid Waste Pollution of the People's Republic of China (《中華人民共和國固體廢物環境防治法》). Furthermore, no significant fines or non-monetary sanctions were imposed on the Group due to non-compliance with the relevant laws and regulations in 2020.

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B2: Use of Resources

The main resources used in the Group's production processes are electricity, water and natural gas. The Group's energy consumption is mainly for the production of men's trousers, apparel products and fabrics.

Since 2011, the Group has been using environmental friendly natural gas to substitute heavy fuel oil in the process of boiler heating, drastically reducing emissions and effectively reducing adverse impacts on environment.

In 2020, the Group's total energy consumption and consumption intensity per unit production in the last two years were as follows:

Environmental performance	Unit	2020	2019
Total natural gas consumption (Note)	m ³	45,946	159,396
Natural gas consumption intensity (total natural gas consumption/total production)	m ³ /piece	0.19	0.14
Electricity consumption (Note)	kWh	395,087	1,581,659
Electricity consumption intensity (total electricity consumption/total production)	kWh/piece	1.60	1.40
Water consumption (Note)	m ³	4,811	14,630
Water consumption intensity (total water consumption/total production)	m ³ /piece	0.02	0.01
Total packaging material used (Note)	kilogram	124,186	213,860
Intensity of packaging material used (total packaging material used/total production)	kilogram/piece	0.50	0.19

The above data include the Group's total energy consumption in production of men's trousers, apparel products and fabrics.

Note: Due to the COVID-19 pandemic, the production quantity of the Group in 2020 had decreased significantly when comparing with 2019. Therefore, the related energy consumption decreased significantly.

In 2020, the Group adopted a series of energy conservation and emission reduction measures, of which the particulars and relevant effectiveness assessment were as follows:

Electricity management

The Group implements green lighting in the workplace to reduce usage of electricity. This involves installing energy-saving lights and using energy-saving light bulbs in the Group's office and manufacturing facilities. The Group also encourages the employees to switch off the lights in the areas of the workplace that are not being used and to use natural light whenever possible as well as switching off their office equipment such as computers and printers at the end of the workday.

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Solid waste separation and recycling program

The Group aims to conserve and recycle solid waste whenever possible and conduct a separation and treatment process for solid waste. Reusable waste fabrics, waste paper boxes, waste plastics and scrap irons generated during the production processes are sold to third parties for recycling twice a week.



Solid waste recycling station

Recyclable materials are temporarily stored in this recycling station, pending for recycling by authorised recyclers.

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B3: The Environment and Natural Resources

The Group pursues a high degree of automation in our manufacturing processes to enhance production efficiency significantly, which enables us to make better use of natural resources and reduce the pressure to the environment caused by production emissions. Almost all of our production equipment are purchased from highly recognized international equipment providers. For example, our sewing machines used to sew zippers, fly fronts and side seams and attach pockets of trousers are purchased from a leading German brand, our plate cutting machines, which were purchased from a leading U.S. equipment manufacturer, are used to replace manual cutting; and our seaming machines are purchased from a reputable U.S. equipment manufacturer. Purchased from highly recognized international equipment, our optimize production equipment help to avoid wastes due to equipment failure.

The Group highly encourages the use of electronic means to replace paper for communication. The Group has also promoted double-sided printing and the recycling of used toner cartridges by a third party in order to minimize the effects of printing and paper usage on the environment.

The Group emphasizes sustainable development and incorporates the environmental protection concept throughout the daily production and administration activities. The Group believes that our effort on environmental protection will become a part of our competitiveness, leading the Group to greater success in the future.



Greening within the production facility

In order to strictly abide by laws and regulations, including the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) and other related regulations, the Group has established an environmental management system that conforms to the ISO 14001 standard, which effectively reduces pollutant emissions and resource consumption during production and operations.

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The Group has obtained ISO 14001 Environmental Management Systems Certificate, which is valid from 11 February 2019 to 16 February 2022.

C. EMPLOYEES' RIGHTS

The Group believes that a motivated and balanced workforce is crucial for developing a sustainable business model and driving long-term returns.

C1: Employment Policy

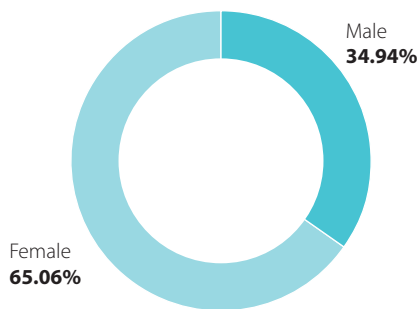
The Group has a diverse workforce in terms of gender and age, providing a variety of ideas and levels of competencies which contribute to the Group's success. The Group employs workers in strict compliance with the Group's human resources policies and the requirements of the Labour Law of the PRC including the following:

1. Working hours, holidays and statutory paid leaves are compliant with the requirements of the PRC;
2. Workers' wages and related benefits are made in accordance with the local minimum wage (or above). Wages are paid in full amount and on time each month;
3. Contributions to social insurance funds are made for regular employees; and
4. The Group has established an anti-discrimination policy and complied with the requirements of relevant laws. There has been no occurrence of discrimination in the Group against race, region, nationality, age, pregnancy or disability in respect to employee recruitment, training, salary and promotion for the financial year ended 31 December 2020.

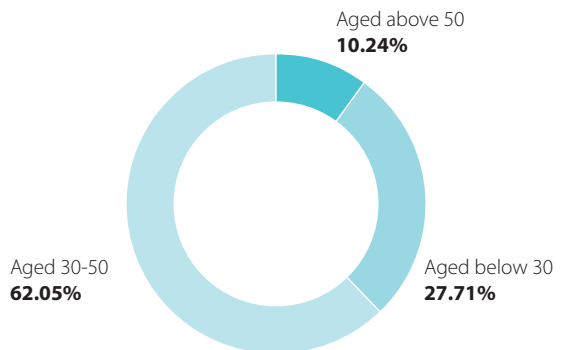
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As at 31 December 2020, the Group had a total of 166 employees (2019: 518), included in the amount were 163 employees worked in the menswear businesses. The charts below show the demographics of the Group's workforce as at 31 December 2020 (counting the menswear business only).

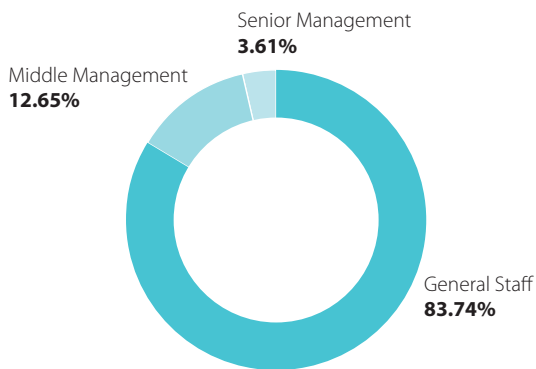
By Gender



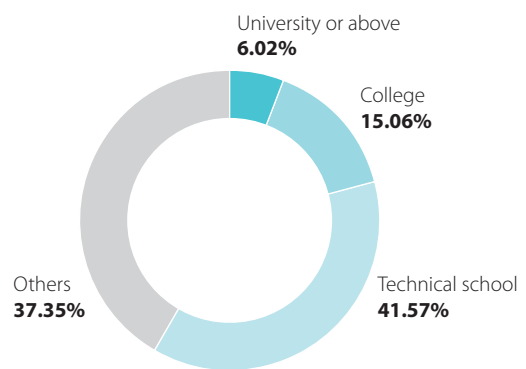
By Age Band



By Rank



By Educational Background



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The Group's monthly average staff turnover rate in 2020 was 5.7% (2019: 6.2%). In order to reduce staff turnover rate and maintain a high level of employee satisfaction and engagement with the Group, the Group has established the following measures and benefits:

1. The Group offers free quality accommodation to 55 employees at our dormitory residence located at Quanzhou, Fujian Province, with a total gross floor area of approximately 27,270 sq.m. Designed with utmost comfort and recreation in mind, the dormitory residence features 34" LCD TVs, WiFi access, centralized air conditioning, separated bathrooms and water heaters, laundry and cooking facilities and extensive recreation facilities including basketball courts, a large ice skating rink, internet cafes, billiards room and gym rooms. The Group also has four restaurants offering a variety of dining options to our employees.
2. Realizing that child care emerged as an important issue for employees, the Group established a child care centre, "Love House" ("愛心屋"), in 2008 to provide support to our employees and their families with caregiving responsibilities. With full time daycare specialists, "Love House" ("愛心屋") provides six-days-a-week intensive care, supervision and a range of learning activities such as singing, dancing lessons to children of our employees aged between two and six. In early 2017, we redecorated the child care centre and renamed as "Fordoo Child's Home" ("虎娃之家"), which contains one bedroom, one playroom, two classrooms, one lobby and two washrooms. Upon the completion of the renovation, the "Fordoo Child's Home" ("虎娃之家") became larger and brighter.
3. In 2020, the Group offered a contribution of approximately RMB150,000 as round-trip travel subsidies for staff to go home and return to work during and after the Chinese New Year holidays.
4. The Group cultivates a harmonious corporate culture which engenders high levels of staff commitment and motivation. In 2020, the Group organized various regular staff development programs and recreational activities to encourage staff integration and boost team spirit.
5. The newly decorated child care centre, "Fordoo Child's Home" ("虎娃之家"), provides support to our employees and their families with caregiving responsibilities.

Compliance with relevant laws and regulations

The Group was not aware of any material violation of the relevant laws and regulations having a significant impact regarding the Group's compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare in 2020. The Group strictly complies with relevant local laws and regulations relating to employment, including the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and the Regulations on Wage Payment of Guangdong Province (《廣東省工資支付條例》). In addition, no significant fines or sanctions were imposed on the Group due to non-compliance with the relevant laws and regulations in 2020.

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C2: Health and Safety

Our employees are provided with occupational safety education and training to enhance their safety awareness. The Group has also employed qualified assessors to carry out equipment maintenance and assess occupational hazards at the workplace on a regular basis.

During May to July 2020, the Group provided employees with fire prevention training and drills, typhoon and flood emergency treatment procedures, and safety production knowledge trainings to improve employees' awareness in these areas.

Heavy emphasis is placed on the safety and well-being of staff. The Group established and strictly implemented internal safety guidelines and operation procedures and achieved the first OHSAS 18001 certification, which is an international standard for occupational health and safety management system and is valid from 11 February 2019 to 16 February 2022.



Smoking is prohibited at the production workshops and office areas of the Group. All production workshops and office areas are equipped with fire extinguishers and fire alarms, and escape routes are available for employees.

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In view of the global spread of the COVID-19 pandemic, the Group has adopted a series of measures to protect the health of employees, including the establishment of Fordoo pandemic prevention and control team (“虎都疫情防控制小組”), and the release of the “Guidelines for Returning to Work Protection after Holidays” (“節後返崗防護指南”) to employees, which requires all employees to pay high attention to personal hygiene, wear masks and conduct temperature checks every day when they go to work, and we clean production workshops and offices every day.



Setting up a temperature detection station in the factory for employees to check body temperature daily



Displaying and promoting pandemic prevention slogans in the factory

Compliance with relevant laws and regulations

In 2020, the Group was not aware of any material violation of relevant laws and regulations having a significant impact regarding the provision of a safe working environment and the protection of employees from the Group’s occupational hazards. The Group strictly complies with relevant local laws and regulations relating to health and safety, including the Production Safety Law of the People’s Republic of China (《中華人民共和國安全生產法》) and Industrial Injury Insurance Regulations of the People’s Republic of China (《中華人民共和國工傷保險條例》). In addition, there were no fatalities or work related injuries in the last five years and no significant fines or sanctions were imposed on the Group due to non-compliance with relevant laws and regulations in 2020.

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C3: Development and Training

The Group strongly believes that experienced and skilled staff plays an important role to success. The Group supports our employees to develop and enhance their knowledge, skills and work capability. Various training courses are regularly conducted to promote loyalty, occupational safety, sales fairs planning, quality control, customer servicing skills and product knowledge. In 2020, 1,260 hours have been recorded in staff training.

The Group develops training programs for different employees. There are 5 different training programs:

1. Training Program for Directors and Senior Management — Training on corporate governance and updates on the latest development regarding the Listing Rules and other applicable legal and regulatory requirements are provided to directors and senior management personnel.
2. Training Program for New Employees — Training for new employees includes introduction of our corporate culture and policies, workplace safety and security, product knowledge, industry trend and other areas relevant to the industry.
3. Training Program for Middle Level Management — Training for Middle managerial level employees encompasses enhancement of management and leadership skills, emotional intelligence and problem-solving skills.
4. Training Program for Production Workers and Quality Control Employees — Training for production workers includes technical skill and knowledge of the production techniques, safety guidelines and production procedures as well as product quality control assurances.
5. Staff Development Program for All Employees — Staff development programs aim at helping our employees to develop their soft skills such as self-motivation, resilience and interpersonal skills.

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C4: Labour Standards

The Group is committed to support its corporate value by complying with laws and regulations. The Group adopts a series of comprehensive policies and procedures regarding recruitment and labour use. We strictly prohibit child labour and forced labour from our employment. Since 2011, The Group has actively interacted with Quanzhou Public Security Bureau (泉州市公安局) and installed an identity cards identification system in our Human Resources department. During the recruitment process, the applicant must provide his/her identity card for interviewers' inspection and the identity card will be scanned to the identity cards identification system for verification of its authenticity.

Compliance with relevant laws and regulations

In 2020, the Group was not aware of any material violation of the relevant laws and regulations prohibiting the employment of child labour or forced labour in the Group. The Group strictly complies with the relevant local laws and regulations relating to labour standards, including the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Law on Protection of Minors of the People's Republic of China (《中華人民共和國未成年人保護法》) and the Provisions of Prohibition of Child Labour (《禁止使用童工規定》). In addition, there was no material penalty or sanction due to non-compliance with the relevant laws and regulations in 2020.

D. PRODUCT LIABILITY

The Group believes that a good reputation and sound operation management are the integral parts for the long-term sustainable development of a company. The Group has always been committed to serving the industry in a responsible manner and contributing to the customers and society.

D1: Supply Chain Management

The Group has established a set of stringent criteria to ensure that our purchased materials are up to the Group's standards and adhered to certain certifications so as to ensure a smooth production process and to minimize the environmental and social risks of the Group's supply chain. The following criteria are considered in the selection of suppliers:

- Raw materials quality — The quality of raw materials is in compliance with GB18401, a national standard for all textile products, as well as other industry standards.
- On-time delivery and transportation — The products we ordered are delivered to our warehouses or our designated places on time.
- Others — Other considerations include qualifications, business scale, production capacity, product quality, environmental measures, ethical standards and industry reputation of the suppliers.

In addition, the Group evaluates its suppliers' performance annually, which includes an assessment of product quality, production costs and product delivery time. The regular evaluation of their performance helps to maximize the value-for-money of our products. In turn it enables the competitiveness of its products and improves the brand image.

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D2: Product Responsibility

The Group actively fulfills its responsibilities to the public over through its products. The Group has adopted the ISO 9001 management systems to strengthen the product quality management.



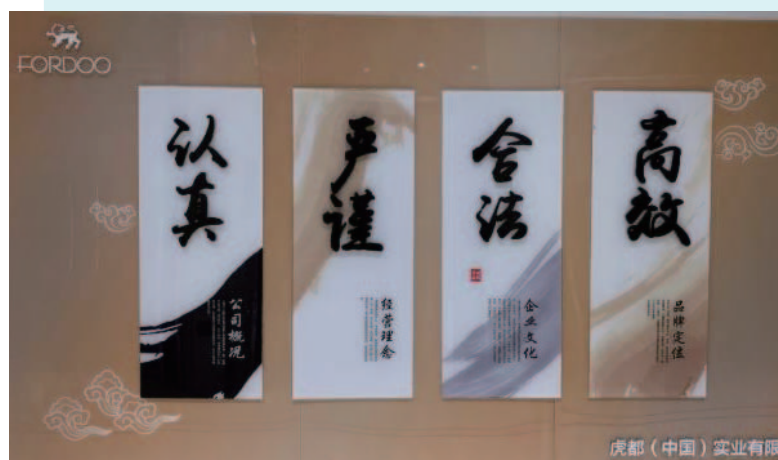
The Group is strongly committed to product quality and has established a quality control system, which is one of the principal factors contributing to our success. The Group adopts internal product quality control procedures to ensure that the products meet national, industry and our internal standards. The Group's quality control measures cover various stages of our operations, including raw materials procurement, sample creation and self-production and outsourced production. The Group has applied and maintained the GB/T 19001-2008/ISO 9001:2008, GB/T 28001-2011/OHSAS 18001:2007, GB/T 24001-2004/ISO 14001:2004 certifications for our design and production of men's suits, trousers, slacks, jackets and T-shirts since 2004.

Achieving international standard certifications proves our competency in our quality control system, and at the same time, demonstrates our commitment to consumer safety and stakeholder relations. The Group has also set up a laboratory under our quality control department to conduct internal quality inspection in accordance with ISO/IEC17025 standard. We consider that our internal quality standards are more stringent than the national standards and all of our products are required to pass the relevant national and internal quality tests before reaching our customers.

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As of 31 December 2020, The Group had a team of 12 staff members in our quality control department. The Group's quality control system includes the following processes:

- Raw materials — Raw materials suppliers must pass our internal quality checks, external third party quality inspections, as well as certain national health, safety and environmental standards. Raw materials that fail to meet these standards may be returned to the suppliers for rectifications or replacement.
- Sample products — The Group's quality control team carries out tests on all sample products for design defects and suitability of materials before we show them at our sales fair.
- Production — The Group carries out inspections at all important stages of our production process to ensure that our standards are met, including spot checks of semi-finished products and final inspections on finished products to ensure that the products comply with our specifications and are free of major defects.



The Group's production overview, business philosophy, corporate culture and brand positioning

In addition, the Group is devoted to product development in order to address our end customers' evolving needs and preferences. The Group's strong innovation track record is evidenced by our patented products, such as trousers with anti-theft pockets (防盜褲), wellness trousers (健康型西褲), trousers using new zipper sewing technology (一種新型拉鍊縫紉技術的褲子), tops using new chest liners sewing technology (一種新型胸襯縫紉技術的上衣), comfort and fit trousers (舒便型西褲), comfort and fit blazers (舒挺型上衣) and trousers with buttons concealed (具有隱形鈕扣褲子). In 2014, the Group was awarded "Quality Award" by the China National Garment Association, which is a testament to our commitment to quality.

Compliance with relevant laws and regulations

The Directors believed that the Group has complied with the relevant laws and regulations related to the products of the Group, including the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》). In 2020, the Group did not have any products returned due to safety or health problems or any complaint received from customers. No significant fines were imposed on the Group due to non-compliance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

D3: Anti-Corruption

The Group has established its “Self-Discipline Regulations” to combat corruption and provided clear guidelines for our employees to prevent corruption. The Group also communicated with our employees and ensure that they are aware of our strong stance against corruption.

To demonstrate our commitment to the highest standards of openness, accountability and probity, the Group has established a written whistle-blowing policy and reporting procedures under which any suspected misconduct or malpractice can be directly reported to our independent directors. These reporting procedures are designed to ensure a fair and independent investigation for each case.

Compliance with relevant laws and regulations

In 2020, none of the Group or its employees was involved in any legal proceedings relating to bribery, extortion, fraud or money laundering, and the Group recorded no bribery nor corruption charges. The Group has strictly complied with the Prevention of Bribery Ordinance of Hong Kong (《防止賄賂條例》) and the Anti-Unfair Competition Law of the People’s Republic of China (《中華人民共和國反不正當競爭法》) and other local laws and regulations relating to anti-corruption.

E. COMMUNITY INVESTMENT

The Group regards urban greenery as one of our core community concern initiatives. In the past few years, the Group had strived to greening and beautifying the urban living environment through various urban greenery activities. These included planting street trees around the community we located, enhancing existing greened areas, fertilization, soil remediation and regular maintenance and preservation of trees and shrubs.

It is crucial that we continue to contribute to the sustainability and livability of our city. The Group are dedicated to nurture and protect the “green space” in the city by enhancing sense of place and urban ecosystems.

Hong Kong, 30 April 2021